The Practices and Problems of Employee Appraisal Systems: A Psychological Perspectives

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Abstract
The objective of the study was to assess the practices and problems of employee performance appraisal system in Ethiopian Telecommunication Agency. The intention of the study was that majority of the employees are de motivated in their work, do not satisfied regarding their performance evaluation, complaining heard among departments for rewards and frequent turnover of employees. The study employed descriptive research methodology. The researcher used stratified random sampling technique in selecting respondents, while interview informants selected purposively. In addition, data collected through questionnaires, interview and documents analysis. The collected data analyzed through quantitatively and qualitatively. Quantitative data described by using frequency, percentages and mean scores. The findings revealed that purpose of appraisal is not connected with varieties of its function, which is facilitating both developmental and administrative issues of employees. In the study, both evaluator and evaluates lack awareness of evaluation method (BSC), evaluation is not undertaken in a planned time schedule, bias (subjectivity of evaluator), difficulty of customizing evaluation criteria, and defining activities and targets, misunderstanding of the evaluation system (BSC), misperception and attitude of employees are identified as a major problems faced in the employee performance evaluation. To overcome the challenges and bottle necks of employees performance appraisal system; the importance of improving evaluation system, continuous training for awareness creation concerning method of evaluation (BSC), commitment of both evaluator and evaluates, being trustworthy and loyalty through the process of evaluation were recommended.
Keywords: Employees, Performance, Appraisal System, Practices and Problems

1. Introduction

Employees are perceived as valuable asset or resources to an organization and play a vital role in determining its survival by achieving its mission, vision and objectives (Rusli, 2007). In relation with that, a performance appraisal is the most important activities in the human resource management practices and can be aligned with the aims of an organization, motivating employees and managing their performances (Cook and Crossman, 2004). Performance appraisal has increasingly become part of a strategic approach which integrates human resource activities, organizations policies, goals, missions and vision. It also governs a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher, 2001).

Performance appraisal has been defined as the process of identifying, evaluating and developing the work performance of employees by achieving organizational goals and objectives more effectively, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work needs and offering career guidance (Lansbury, 1988). According to Angelo S. Denis and Robert D. Pritchard (2006) "Performance appraisal" is a discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and criteria that are used in the evaluation process. Furthermore, performance appraisal is the formal process of observing and evaluating an employee's performance (Erdogan, 2002).

In contemporary approach, the purpose of employee appraisal is to determine human resources planning, employee compensation, employee motivation, carrier development, promotion and training needs (Kirkpatrick, 2006). From the beginning of the implementation of civil service reform program in Ethiopia, as it was declared in the Proclamation No.377/96 the employees performance assessment reform objectives wanted to enable civil servants to effectively discharge their duties in accordance with the expected level, quality standards and time and expense; to evaluate civil servants on continuous basis and identify their strengths and weaknesses with a view to improve their future performance; to identify training needs of employees; to give reward based on result; to enable management to make its administrative decisions based on concrete evidence. Further, the civil service reform was also out lined that Performance evaluation should be carried out in a transparent manner and the

Agency shall issue directives on performance evaluation. The implementation of the civil service reform program regarding performance evaluation of employees brought tremendous changes in public organization, especially by adapting and practicing measurement tools like BPR and BSC. However, it is not sustainable and more effective at the expected level. Therefore, assessing the practice and problems helps to identify potential factors that distort "Employees Performance Appraisal System".

Employee appraisal system is a crucial and back bone of organizations, which facilitates to communicate strategies, goals, mission and vision of organization. It also serves for various managerial functions and developmental purposes of both employees and organization, if it is properly appraised (Levy and Williams, 2004). Consequently, the existence of effective employee performance appraisal policy can have positive influence on the individual's sense of worth, commitment, belonging and development of the organization. It gives ways to innovative thinking and a determined action to eliminate underperformance, unmotivated and poorly managed and trained employees (Rudman, 2003).

In addition, if performance appraisal satisfaction reflects perceived investment in employee development, employees will probably give in return by way of higher affective commitment to the organization (Lee and Bruvold, 2003). However, if the evaluation system is poor, it will not give adequate effect (Perez and Falcon, 2004). Since, inappropriate employee appraisal system is obstacles for the development of employees as well as the organization (Cardy and Dobbins, 1994; Murphy and Cleveland, 1995).

Even though the problem of employee appraisal will occur in every organization, but the researcher has given attention to conduct the study on this organization. Because of being the member of the agency over five years the researcher observed problems such as: frequent turnover of permanent employees, majority of employees are dissatisfied on the performance evaluation, lack of motivation, job dissatisfaction, lack of commitment, grievances of employees on carrier development and reward system of the organization.

Thus, the main objectives of this research was to assess, identify and analyze the practices and problems of employee appraisal system and to give alternative solutions based on the principles, concepts in the literature review and the empirical findings of the study.

2. Methods

To conduct this research, descriptive research method was used. Because this method was convenient to describe and explain phenomena, explore real situation, organize and validate findings (Brewer, 2000). This method is also useful where one needs to understand, examine and describe the current status of particular information (Koul, 1996:405). Thus, the researcher employed the descriptive method in order to assess the opinions of employees to describe the problems and practices of employee appraisal system. Besides, the study employed both primary and secondary sources. Primary sources were used to get first-hand information about the practices and problems, and their implication for further improvement of the appraisal system. The primary sources were permanent employees of the organization (managers and non-managers). In other words, contract workers and temporary employees do not included as the subject of the study. Because of they have no more exposure of appraisal practices. The secondary sources were used to strengthen the primary sources. It includes manuals, journal and articles.

The total population of the organization is 606 from which the sample selected. Out of this population, totally 190 respondents are selected as participants of the study. In this regard, the researcher used both stratified random sampling and purposive sampling. According to Max-well et al, (1997: pp. 87) purposive sampling is used in which, ''particular settings, persons, or events are deliberately selected for the important information they can provide that cannot be gotten as well from other choices'' and involve selecting certain units or cases ''based on a specific purpose rather than randomly''. Whereas, stratified random sampling employed when it is necessary to divide the population in to sub groups or strata. Consequently, by using purposive sampling technique four sector managers were selected to gather data through interview. In this case, they are adjusted to collect information based on their voluntariness, seniority and size of employees' under their sector.

On the other hand, 186 respondents were selected by using stratified random sampling. That means 30 % of the total populations.

Since, as it was stated by Guy, (1981) the appropriate number of subjects to be creditable for a study depends upon the type of the research work involved. Hence, for descriptive survey research method, for a larger population at least 10 % of a sample should be considered and for a smaller population at least a sample of 20 % and above required. Moreover, this technique is convenient to randomly select and categorize respondents proportionally from each department. Therefore, the researcher was received list of the respondents from human resource department and selected respondents randomly by listing odd and even numbers from each department based on the size of employees. For instance, if proportionally selected sample size is 30 respondents out of 100 employees, the researcher might be selected systematically by picking only odd numbers until equalizing to 30 respondents. Depending on this view, the following respondents were selected from each department as follows:

Table 1: *Proportional selection of respondents (N=606: male=408, female=198; n=186)*

No.	Department	Population Size	Sample size (30 %)	%
1.	Information Assurance	185	56	9
2.	Geo Spatial	114	34	5
3.	Technical information system	98	32	5
4.	Secure Information System	59	19	3.06
5.	Finance and purchasing	32	9	2.02
6.	Public relations	27	8	1.29
7.	Supply section	22	7	1.12
8.	Human resource management	21	5	0.80
9.	Organizational security	19	5	0.80
10	Strategic and policy	17	6	0.93
11.	Transport and logistics	12	5	0.80
	Total	606	186	30

Firstly, the researchers was contacted the authorized person to get permission and the necessary cooperation to conduct study under the administrative support. Secondly, the organization has been communicated on the objectives of the study and its significance. Thirdly, in collaboration with the departments sample was selected. Fourthly, questionnaires and interviews were developed by discussing with advisor. Fifthly, pilot test was prepared to check reliability of the test and validity of the responses. Sixthly, data was collected by the researcher ethically. Finally, the collected data through questionnaires and interview was coded, tallied, tabulated, and prepared for the analysis purpose.

In the process of data collection three basic instruments used were, questionnaire, interview, and document analysis. This was because of the need to collect adequate data and for triangulation purpose. Therefore, employing multiple data collection instruments helps the researcher to combine, strengthen and amend some of the inadequacies of the data and for triangulating it (Cress well, 2003:62).

The questionnaires with close ended items to be filled by 186 respondents were prepared in Amharic, with the aim of avoiding ambiguousness of items among the respondents. The questionnaire contains two parts. Part one includes objectives of the questionnaire and personal information of respondents. Part two comprises 39 items under eight contents; such as purpose of appraisal, uses of appraisal, process of appraisal, methods of appraisal, timing of appraisal, authorized personnel to evaluate, performance appraisal criteria, and factors affecting employee appraisal system.

Accordingly, the questionnaires were structured with five point likert scales, in which participants were asked to indicate the extent of their agreement. The scale was interpreted as 5= Strongly Agree, 4= Agree, 3= Neutral/Undecided, 2= Disagree, and 1=Strongly Disagree. For the purpose of easy analysis and interpretation, the mean values of each item and dimension were interpreted. The mean values from 1.00-2.49 were represented as low, from 2.50-3.49 as moderate, from 3.50-4.49 as high, and from 4.50-5.00 as very high implementations of the items.

The interview questions were also prepared in Amharic and the contents included are: objectives of appraisal and its short coming; process of appraisal and constraints happening; method of evaluation (BSC); timing and schedule of appraisal; problems concerning evaluators; criteria of evaluation and its draw backs; major factors affecting employee appraisal; potential sources of employees dissatisfaction regarding employee appraisal system (EAS); and alternative solutions regarding problems of EAS. At the end, almost one hour and a half was used to discuss with each informant on issues described on the content part. The interview discussions held with informants were written in the form of notes and the content of the responses were analyzed.

3. Results and Discussion

The objective of the study was to assess the practices and problems of employee performance appraisal system and to recommend alternative solutions. A total of 186 respondents were selected from 11 departments of the organization to fill the questionnaires. All questionnaires distributed to the respondents were returned. However, eight questionnaires from respondents of three departments were discarded because they were not properly completed and returned unfilled. Thus, the analysis was made on the basis of information obtained from the properly completed 178 questionnaires and interviews conducted from four sector managers including human resource sector manager.

Based on their responses, the personal characteristics of respondents were examined in terms of sex, marital status, age, qualification and work experience.

Table 2: Characteristics of Respondents

No.	Variables	Category	No.	%
1.	Sex	Male	137	77
		Female	41	23
		Total	178	100
2.	Marital status	Unmarried	126	71
		Married	50	28
		Divorced	2	1
		Total	178	100
3.	Age	20-25	134	75
		26-30	20	11
		31-35	10	6
		36 and above	14	8
		Total	178	100
4.	Qualification	Secondary educ.	-	-
		TEVT	36	20
		Diploma	53	30
		BA/BSC	80	45
		M A/MSC	9	5
		PHD	-	-
		Total	178	100
5.	Work experience	2-4 year	130	73
		4-6 year	32	18
		6-8 year	16	9
		>8 year	-	-
		Total	178	100

As shown in the table 3 above, (137) 77% and (41) 23% of the respondents are males and females respectively. Thus, three fourth of the respondents are males. This low participation of females might be the results of unequal opportunities of employment. Or they may not be encouraged to be employed. Concerning the marital status, (50) 28 % of the respondents were married, while (126) 71 % of the respondents are unmarried, and the remaining (2) 1% were divorced.

With regards to age category, (134) 75% of respondents lie in between 20-25 years, (20) 11% were in between 26-30 years, (10) 6% were lie in between 31-35 years, and the rest (14) 8% respondents are aged 36 years and above. This data reveals that most of the respondents (164) 92% lie in between 20-35 years. Only (14) 8% of the respondents were 36 years old and above. Thus, we can say the organization endowed with productive labor force, if the working environment conducive for employees. As to the level of education, (36) 20% of the respondents were technical and vocational, (53) 30 % were diploma holders, (80) 45 % were degree holder and the rest (9) 5% were MA degree holders. This implies that, the respondents were professionals and they have adequate level of education to read and understand the questionnaires. The information in the table also reveals work experience, (130) 73 % of respondents served for 2-4 years, (32) 18 % served for 4-6 years and (16) 9% served for 6-8 years. This implies that 91 percent of respondents have served between 2-6 years.

With regard to interviewees, three of them had more than five years of experience in their present position and one of them had four years of experience. All of them were above 30 years old and male. Three of them had masters' degree and one of them bachelor degrees. In general, it would be, therefore, possible to generalize from the data that respondents and interviewees possess relatively adequate qualification, ages and experiences to understand the questions and give appropriate information for the study.

3.1 Purpose of Employee Appraisal

Performance evaluation would be more valuable when the purpose of appraisal is properly implemented. Since, evaluating employees enhances organizations to achieve administrative issues as well as developmental goals. In contrast, evaluating employees without clear purpose will resulted in misperception of appraisal purpose, de motivation of employees and prevents learning and development of both employees and organizations. The following table shows response on purpose of appraisal.

Table 3: Purpose of Employee Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	
1.	I know the purpose of my performance appraisal.	16	9	20	11	18	10	89	50	35	20	4.02
2.	The administrative issues like the problem of salary solved due to performance appraisal.	73	41	36	20	36	20	21	12	12	7	2.13
3.	I feel that the purpose of appraisal is practical to my carrier development.	43	24	18	10	68	39	31	17	18	10	2.41

As described in the table 4, reaction of respondents with regard to knowing the purpose of appraisal (124) 70% replied as agreed, while (36) 20% were disagreed, and (18) 10% were neutral. This shows majority of the respondents expressed their agreement that they have know-how about their performance evaluation for what purpose it is conducted (mean =4.02). This implies there is already created awareness and common understanding regarding the intention of evaluating employees' performance achievement. It may also reduce illusion and inconsistent perception of employees about the appraisal. For instance, feelings of employees like "I have the highest score, so I should be promoted" and "I have the lowest score, so I will be demoted".

Concerning administrative issues, (109) 61% of respondents were disagreed that employee appraisal solved administrative issues like the problem of salary, while (33) 19% were agreed, and (36)20% were neutral. This finding indicates that informants do not argue that employee appraisal solves the administrative issues (mean=2.13). This result shows even if facilitating administrative or evaluative issues are parts of appraisal purpose, but they may not be attained accordingly. In item 3 of the table (61) 34% of respondents were not agreed that employee appraisal is implemented to their carrier development, while (49) 27% were agreed, and (68) 39% were neutrally responded. This implies that even though most of informants replied neutrally, performance appraisal is not significantly practiced to the carrier development of employees (mean=2.41).

In the same way, the interviewed sector managers of the organization also mentioned that the reason of evaluating employees is mostly to check performance progress or achievement of employees. Despite the fact that, the organization have reasonable purpose of appraisal in assessing employees' continuously, but the achievement results of employees cannot be used for its purposes at the expected level. Thus, interviews underlined that evaluation is practical usually for rewarding employees, whereas the issue of salary increment, carrier development, provisions of training and etc. are not considered frequently. Due to this, employees also considered the purpose of appraisal as useless. However, previous finding discussed that in its administrative and developmental purposes; employee appraisal facilitates training needs, salary administration, promotion decisions, carrier development, recognition of individual performance, layoffs and etc. (Teeley et al., 2008).

On contrary to this, as cited on the agency performance management manual, the objective of employee appraisal is to reward and motivate highly scored employees, while assist and train low performers. This finding indicates there is implementation gap that is employee appraisal is not in line with most of its purposes. Therefore, this might be one of the potential sources of employees' dissatisfaction regarding the appraisal system.

3.2 Uses of Employee Appraisal

Employee appraisal has various benefits that, it is not restricted only to give feedbacks to employees, facilitate training needs, encourage growth and development, promote and reward employees, improve skills and knowledge, but also it helps managers and employees, as well as the organization to identify their level of achievement. Thus, it is used as a tool to indicate the performance progress; initiative of future performance planning and trends of performance achievement. Table following table shows the responses on appraisal uses.

Table 3: Appraisal Uses

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	
1.	Appraisal helps me to receive performance feedback, weaknesses and strength's on job.	79	44	37	21	28	16	18	10	16	9	2.04
2.	Training is given for the further improvement of my performance.	71	40	41	23	30	17	27	15	9	5	2.13
3.	I received rewards and recognized for best of my performance.	61	35	27	15	36	20	27	15	27	15	2.35
4.	I realized that appraisal used me to improve my skills.	36	20	67	38	36	20	21	12	18	10	2.24

As depicted in table 3 of item1, concerning use of performance appraisal to give feedback on weaknesses and strengths' of employees, (116) 65% informants do not agreed, while (34) 19% expressed as agreed, and (28) 16% were neutral. This shows most of the respondents replied that performance evaluation do not used to identify their achievement strengths and weaknesses (mean=2.04). In item 2 of the table, (112) 63% of respondents do not agreed that training is given for further improvement of their performance, (36) 20% expressed as agree, and (30) 17% responded neutrally. This indicates majority of the respondents reflected that training is not provided for further improvement of their performance (mean=2.13). The result shows that the organization does not take care of capacity building or human resource development practices.

Even though, training is considered as a tool to develop potentials of employees, but not given frequently to improve performance of employees. As shown in item 3 of the table, regarding rewards and performance recognition, (88) 50% of responded as disagreed, while (54) 30% expressed as agree, and (54) 30% were neutral. This confirms that half of the respondents are not received rewards and recognized for best of their performance achievement (mean=2.35). Item 4 of the table, concerning use of appraisal to improve skills, (103) 58% replied as disagree, while (39) 22 % expressed as agreed, and (36) 20% responded neutrally. This indicates most of the respondents do not realized that performance appraisal used to improve their skills (mean=2.24).

Similarly, the interviews discussed that evaluating employees has vital uses when managed and executed properly. However, sector managers of three departments underlined that usually there is no formal feedback mechanism during or after evaluation. As they explained the absence of feedback mechanisms has been confronting employees not to identify their weaknesses and strengths (either to maintain their strengths or improve weaknesses). For that reason, employees are unable to develop their potentials (skill, knowledge and personality) consistently. Inconsistent to this finding, however, as Taylor & Pierce, (1999) discussed that feedback after evaluating employee's serves to motivate and inform employees; improves evaluates and evaluator communications; and provides opportunities to organizational change efforts.

In sum, this implies that some of the core significances of the employee appraisal are not utilized. Furthermore, both employees and the organization are not taking advantageous of evaluating employees. As result, employees have not given attention and perceive evaluation as a valuable. The respondents (interviews) recommended that the possible solution to prevail over the problems: developing effective appraisal system is crucial and building strongly bonded culture among managers and employees regarding PMS and its use.

3.3 Process of Employee Appraisal

The appraisal process is one of the components of employee appraisal system. It involves participation of appraisal members (evaluator and evaluates). Appraisal process requires attention and focus on the whole appraisal session from beginning to end. Because if activities are not organized and coordinated, it might consume excess time and stacking the whole process. Moreover, the appraisal process offers a valuable opportunity to focus on work activities and goals (Roger, 1995). The following table shows the responses of appraisal process.

Table 4: Process of Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	
1.	I participate in the appraisal process as the member of the parties.	21	12	18	10	32	18	36	20	71	40	3.97
2.	I feel that my supervisor is responsible and trustworthy for the appraisal process.	36	20	61	35	27	15	18	10	36	20	2.41
3.	The activities undertaken in the appraisal process are clearly identified.	27	15	36	20	44	25	53	30	18	10	3.86

In item 1 of the table 4, (107) 60% agreed that appraisal process is participative, while (39) 22% disagreed, and (32) 18% were neutral. This shows majority of respondents expressed their agreement that they participate in the appraisal process as a member of parties (mean=3.97). The result indicates that the organization has a good practice of participating employees in the process. As a result, employees may increase responsibility and feeling of autonomy in the evaluation process. Regarding responsibility and trustworthiness of supervisors in the evaluation process, (97) 55% of informants do not agreed, (54) 30% replied as agree, and (27) 15% were neutral. The finding shows most of the respondents do not argued that their supervisors are trustworthy and responsible about the appraisal process (mean=2.41). In contrast to this result, as cited on the performance management manual of the organization, the supervisor is responsible to undertake modification or improvement of performance plan, assist and recommend, and expected to give feedback based on performance achievement of employees. This implies supervisors are not achieving their responsibility at the expected level.

In item 3 of the table above, concerning clarity of activities undertaken in the appraisal process, (71) 40% of respondents expressed as agreed, while (63) 35% replied as disagree, and (44) 25% were neutral. The result shows that respondents argued that activities undertaken in the appraisal process are somewhat identified clearly (mean=3.86). On the other hand, the findings from the interviews revealed that there are two phases of evaluation process: firstly, both immediate supervisor and evaluates are participated in the appraisal process (planning and scoring activities). In this regard, they signed agreement after discussing about objectives, specific activities, timing, measurement, and targets. In the second phase of the process, employees' performance plan and achievement results reported to the top officials (sector manager). In sum, the analysis indicates that the organization is practicing participatory appraisal process.

This finding is in line with previous studies of Levinson, (2002) which stated that the results of performance management to be maximized, it is necessary to set up a fair and accurate performance evaluation process, which decreases the discomfort and dissatisfaction that evaluate and evaluator have with the evaluation process. Thus, it is possible to say, that involvement of employees in the appraisal process might be advantageous for the organization to maintain fairness and accuracy of appraisal process.

However, the interviewed sector managers have cited the main problems occurred during the appraisal process is that: there is no defined standard of rating; performance targets are not described in detail and usually not attainable; and lack of commitment and awareness to facilitate the appraisal process. Moreover, the interviews underlined that some of the evaluators compares employee with one another rather than job description. To this end, opinions put forwarded by the interviews for the improvement of the appraisal process: participants should be given training and supervised on the continuous basis.

3.4   Timing of Appraisal

Timing is vital element in developing the ideal performance appraisal system. In fact, appraisal is time consuming process, the more frequent appraisals may be appropriate in general. Never the less, it is not usually conducted in most organizations informally and on the daily basis. Thus, organizations schedule to review employee performance after three, six, nine months or at the end of the year (Grote, 2002). The following table shows responses of appraisal timing.

Table 5: Timing of Appraisal

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	
1.	My performance evaluation undertaken through planned time schedule.	43	24	71	40	36	20	18	10	10	6	2.19
2.	Informal evaluation is conducted regularly by my immediate boss.	71	40	43	24	39	22	18	10	7	4	2.18
3.	My performance evaluation is undertaken on monthly and quarterly basis.	14	8	18	10	36	20	39	22	71	40	4.19
4.	The time to facilitate my performance evaluation is enough.	25	14	36	20	53	30	28	16	36	20	3.46
5.	I and my immediate boss discuss and intended to solve the problem of appraisal timing.	34	19	71	40	34	19	36	20	3	2	2.14

As shown in item 1 of the table 5, (114) 64% of respondents do not agreed that their performance evaluation undertaken through planned time schedule, while (28) 16% agreed, and (36) 20% were neutral. This shows most of the informants expressed that performance evaluation is not facilitated under planned time schedule (mean=2.19). This indicates that there is no fixed timing of performance appraisal either monthly or quarterly. In item 2 of the table above, concerning informal evaluation which is conducted regularly, (114) 64% responded as disagreed, while (25) 14% responded as agreed and (39) 22% neutral/uncertainly responded. The result indicates that majority of the respondents informed that their achievement evaluation is not conducted regularly (mean=2.18). This implies informal evaluation is not practiced in the organization regularly.

Contrary to this finding, conducting employees appraisal on regular basis will balance the employees work overload or under load, thus ensuring appropriate employment placement (Grote, 2002), and informal appraisal is especially appropriate when time is an issue (Mathis & Jackson 1997 pp 345-346). Actually, if the informal evaluation practiced, it may help to reduce work overloads and facilitate progress report.

As depicted on table of item 3, regarding employee evaluation on monthly and quarterly basis, (110) 62% expressed as agree, whereas (32) 18% replied as disagree, and (36) 20% were neutral. The result shows that majority of the informants argued that their performance evaluation is undertaken on monthly and quarterly basis (mean=4.19). This finding is in line with citation of the organization's performance management manual, which describes employee evaluation should be conducted on monthly and quarterly basis (September, December, March and June). This implies organization's has been implementing properly on the basis of the manual with regards to monthly and quarterly evaluation of employees.

In item 4 of the table above, (64) 34% of the respondents agreed that the timing to facilitate their performance evaluation is enough, whereas (61) 34% informed as disagree, and (53) 30% were neutral/uncertainly responded. This indicates that informants slightly argued that timing is enough to facilitate their performance evaluation (mean= 3.46). In item 5 of the table, concerning discussion and intention of solving the problem of appraisal timing, (105) 59% responded as disagree, while (39) 22 % responded as agreed, and (34) 19% were neutral. The result shows that majority of respondents informed that they and their immediate bosses do not intended and discussed to solve problem of appraisal timing (mean=2.14). This implies even though there is challenges with regards to appraisal timing, attention is not given from the concerned body in order to control problems.

On the other hand, about timing of appraisal the interviewed sector managers revealed that: the evaluation conducted on monthly and quarterly basis at individual and project levels, while the performance achievement assessed within 6 months at organization level. Thus, the data analysis from different sources implies that the organization practiced conducting appraisal on the monthly and quarterly basis. This might help the organization to develop culture of appraisal timing.

Moreover, the interviewed managers cited the problems of appraisal timing: such as employee evaluation conducted on monthly and quarterly basis, but not facilitated through planned time schedule (the most common problem in all departments); both evaluate and supervisor does not feel sense of accountability; and being careless in order to solve problems of appraisal timing through discussion. To this end, forwarded opinions by the interviews to alleviate the constraints of appraisal timing: the organization has to practice regular or informal evaluation of employees, which helps to reduces loads or burdens of work for both evaluates and evaluator, and solves problems easily by communicating each other.

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3.5 Factors Affecting Evaluation System

The appraisal system most probably affected when the elements in the system implemented in effectively. In sum, employee appraisal distorted by three major factors: such as in appropriate appraisal system, evaluator subjectivity (bias) and attitude (perception) of evaluates towards appraisal (Robert et al., 1998). The following table shows responses on the affecting factors.

Table 6: Factors Affecting Employee Appraisal System

No.	Item	Strongly Disagree (1)		Disagree (2)		Neutral (3)		Agree (4)		Strongly agree (5)		Mean
		No.	%	No.	%	No.	%	No.	%	No.	%	
1.	Supervisor bias (error) is affecting my performance evaluation.	9	5	27	15	30	17	71	40	41	23	4.27
2.	I feel that appraisal system affects my performance evaluation.	9	5	43	24	14	8	71	40	41	23	4.26
3.	I am not expecting negative feedback from my immediate boss after evaluation.	27	15	36	20	36	20	61	35	18	10	3.49
4.	Personality or trait of my immediate boss affects performance evaluation.	5	3	18	10	27	15	89	50	39	22	4.49
5.	I have negative attitude towards my performance evaluation.	21	12	18	1	46	26	57	32	36	20	3.033

As shown in item 1 of the table 6, regarding bias or error of supervisor affecting employee performance evaluation, (112) 63% of responded as agree, while (36) 20% responded as disagreed, and (30) 17% neutrally responded. This shows most of the respondents expressed their argument that supervisor bias or error affecting their performance evaluation (mean=4.27). Thus, even if both supervisor and evaluate has been authorized in appraising employee performance as cited on the organization manual, but supervisor bias or errors affecting the employee evaluation dominantly.

In item 2 of the table, responses on the system of appraisal as affecting factor, (112) 63% expressed as agree, while (52) 29% expressed as disagree, and (14) 8% responded neutrally. This justifies that majority of the informants argued that the system of evaluation affecting their performance evaluation (mean=4.26). This may indicates that the organization has not been implementing frame work of evaluation system (BSC) properly.

In item 3 of the table, responses on expecting negative feedback from immediate boss, (79) 45% replied as agree, whereas (63) 35% replied as disagree, and (36) 20 % were replied neutrally. This show evaluates slightly don't expecting negative feedback from their immediate bosses (mean=3.49). However, as dictated on the performance management manual of the organization, evaluates or performers are also responsible to deal on performance result and take possible action after receiving feed backs based on performance result. Therefore, the analysis may indicate that evaluates not being ready for whatever feedback of performance results in comparison to descriptions of the manual.

In item 4 of the table, responses on personality or trait of immediate bosses affecting employee evaluation, (128) 72% replied as agree, whereas (23) 13% replied as disagree, and the remaining (27) 15% were neutrally replied. Thus, most of the informants argued that personality or trait of evaluators affecting their evaluation (mean=4.49). In the last item of the table 11, concerning negative attitude of evaluates towards appraisal, (93) 52% responded as agree, while (39) 22% responded as disagree, and the remaining (46) 26% were neutrally responded. This show more than half of the respondents argued that they have negative attitude towards their performance evaluation (mean=3.76). Based on this results, the negative attitude of evaluates may arise from the dissatisfaction of the system of appraisal.

Similarly, the interviewed sector managers also briefly discussed the major factors that are currently affecting employee appraisal system from three angles: such as supervisor bias or error, misunderstanding of the evaluation system, and misperception and attitude of employees towards. In this regard, as they cited evaluator bias or error occurring due to personality characteristic of supervisors; some of evaluators do not have sufficient competencies and skills of measurement system (BSC); and usually supervisors do not observe the situational problems of appraisal and unable to take possible action. This finding is consistent with Bernardin et al., (1996) studies which discussed that usually supervisors do not observe constraints on evaluation process as very serious problems hindering the attainment of desired performance, whereas those performing the work believe constraints are a serious problem; evaluators also do not have sufficient skills and not given the necessary training to conduct PA effectively and consistently, the results will be less than ideal (Fletcher, 2001).

Regarding appraisal system, the interviews mentioned that: even though it is participative, the evaluation process

is not constructive and cooperative at the required level; except few individuals the system of evaluation lacks awareness among members; lack of trust between supervisor and evaluates; subjectivity of evaluation criteria (especially measurements); poor evaluation criteria; and inappropriately measures some routine activity.

Hence, as discussed previously, challenges of the appraisal system might be happen due to implementing inappropriate assessment because they do not use the correct tools for designing the system, this also leads to failure of the system (Roberts et al., 1998). Finally, the interviews don't hesitating to mention problems' emanating from evaluates: as they cited, some evaluates are expects the highest score without hard working; comparing achievement results with their colleagues in other department; refusing negative feedback; misperception and attitudes towards evaluation; and resisting changes like measurement tools. This findings is related with previous studies that stated evaluates generally have ambivalent attitudes, at best, toward performance appraisal process (Blau, 1999); & evaluates often refuse to agree to performance appraisal approaches and conclusions because they do not meet their expectations of the process (Roberts, 1998; Fletcher, 2001).

4. Conclusion

The main purpose of this study was to assess the practices and problems of employee appraisal system of Ethiopian Telecommunication Agency and to forward some possible solutions for problems identified. In this regard, basic questions were raised which addressed areas such as objectives of employee appraisal, key elements required for an effective appraisal system, major factors that affect employee appraisal system, potential sources of employees dissatisfaction and alternative solutions for the problems regarding the appraisal system. Permanent employees of the organization (managers and non managers) were the target population of the study.

As result, 186 employees and four sector managers were selected from the total populations of 606, by using stratified random sampling and purposive sampling techniques. Descriptive survey design was employed as a design of the study. Questionnaires and interview were employed to collect the data from the sample. Before conducting the actual study, the questionnaires were piloted to check the reliability of the items. Interview was employed mainly to explore important information on the study from the participants to strengthen the data. Document analysis was conducted to supplement the data obtained through questionnaires and the interview.

Both quantitative and qualitative methods were used in analyzing the data obtained through the instruments. In the analyses of the quantitative data, frequencies, percentages and mean scores were used. The average mean scores ranging from 1.00-2.49 represent low, 2.50-3.49, 3.50-4.49 and 4.50-5.00 represent moderate, high and very high respectively. In the analyses of the qualitative data, descriptive statements were used. According to the result of data analysis, the following major findings were identified.

As indicated in the findings, employee evaluation done only for the purpose of rewarding and checking progress performance of employees. Therefore, employee appraisal is not implemented for varieties of administrative and developmental purposes. So, this may hinder development of the organization and resulted in poor performance management of employees. The core uses of evaluating employees are to provide feedback for evaluates based on their weakness and strengths. But, this study showed frequent feedback is not given for evaluates. Thus, it is a challenging factor for employees not to identify their performance achievement gaps. As indicated in the findings, the involvement of both evaluator and evaluates perceived as an advantageous for the organization to maintain fairness and accuracy of appraisal process. Never the less, the evaluation process lacks responsibility, cooperation and commitment among parties.

Therefore, this might be a means for unfair and ineffective performance evaluation of employees. The study found out that BSC is convenient approach to evaluate employee work achievement when implemented properly. However, the main short coming of this method is measuring only single dimensions of employees' performance achievement (results) and don't consider personality aspect of employees. As result, if the method of employee evaluation don't considered personality (behavior) aspect of employees, performance achievement result will not be effective. Further, employees cannot improve performing ability on consistent basis. As indicated in the findings, the employee performance evaluation is conducted on periodic basis. However, appraisal schedule is not adjusted and attention is not given for challenges of appraisal timing. Due to this, appraisal timing cannot be organized and coordinated, and resulted in occurrences of evaluation errors.

In appraising the performance of employees, both evaluate and supervisor has the authority to assess performance achievements. But, as indicated in the findings, supervisor is final decision taker of employee performance evaluation. In this regard, lack of multisource feedback system, evaluation has been exposed to subjectivity at large. This might be resulted inaccuracy and error of employee performance evaluation. As showed in the study, criteria of evaluation are not fair and reliable in measuring employees' performance. Therefore, evaluation criteria are not flexible and compatible with that of activities or jobs performed by employees. In this case, evaluation criteria are not measuring employee performance efficiently and effectively.

The improper implementation of evaluation system is identified as an affecting factor of performance

evaluation of employees. Accordingly, there is no more awareness of evaluation system and lack of initiatives to motivate employees concerning performance appraisal. As result, evaluation system tends to be ineffective in evaluating employee's performance.

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