

## **An assessment of Performance Appraisal Practices and Motivation of Employees- (A Case Study of BGI Plant, Hawassa Branch).**

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**Abstract;** *Appraisal is very significant tool inside the man supremacy management, stipulation it is conduct properly along with reasonably, it can carry out the organization to their ambition and the employee's determinations accomplish their wellbeing. Within this manuscript I study the sound possessions of concert assessment consequences taking place the staff enthusiasm. "The aptitude to craft superior verdict Vis-à-vis populace corresponds to solitary of the preceding steadfast foundation of workforce assessment, while exceptionally hardly any association is good by the side of it." Peter Drucker. Though, Performance appraisal is an important tool for effective management, but little has been explored to see its effect on attitudinal outcomes and employee's development in BGI Ethiopia, Hawassa plant. This investigation is an attempt to fill this gap. In developing countries like Ethiopia technology intensive organizations are focusing on human resource management and Alcoholic drink production sector is one of these sectors. This empirical study explored the connection between what employees perceive about performance appraisal and what impact this perception has on their work motivation in Alcoholic drink production in BGI Ethiopia Hawassa plant. Using responses collected from 121 respondents, data is analyzed by applying regression and ANOVA. We found significant relationships between variables. Perceive fairness is found as critically important dimension of performance appraisal for employee motivation in Alcoholic drink production in BGI Ethiopia, Hawassa plant. The results can be a source of creating strong work culture and its implications for improving the process of performance appraisal in this company as well as in other organization within the countries level.*

**Key words:** *Performance Appraisal; Employee Perceptions; Perceived Fairness; Employee Motivation; BGI Ethiopia, Hawassa plant.*

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### **I. Introduction**

Hawassa BGI Ethiopia Alc. drink plant has been implementing supervisory (managerial ) and non-supervisory staff performance appraisal system designed to endow with documented, constructive feedback regarding performance prospect, promote growth and development as well as provide a fair and unbiased means to determine rewards for contributions to the plant .The supervisory (managerial) staffs are considered by their breadth of knowledge , understanding of roles and contributions to the plant strategic plan. The non-supervisory staff performance are measured based on the job associated skills mastery .The appraisal systems aiming at contribution precious opportunities to focus on work activities and goals as well as to identify and correct existing problems and encourage better prospect performances . This study is developed to assess the effective performance appraisal system and its impact of motivation of employees in the conducted research. Consequently, it could help the organization to better understanding of the relationship between effective performance appraisal system and motivation of employees.

### **1.2 STATEMENT OF THE PROBLEM**

The BGI brewery company faces competition from Meta beer, Dashne beer and currently Walia Beer Companies in the Alc. drinks market and higher distribution capacity of other alc. Drinks company made available them to products to customers at their convenience. In terms of cost it is equal with other alc. drink products in a country level but the company needs to increase the production and distribution capacity by adding the quality. Moreover, there is intense competition among those the above mentioned alc. drink production companies.

To ensure further competitiveness, the company needs to retain qualified staff both in supervisory (managerial) and non-managerial positions through effective appraisal system. This also helps to satisfy the employees' complaints about the performance appraisal evaluation system fairness and their benefit within the impact of motivation.

Hence, the study was focused on the effectiveness of performance appraisal system and its impact on motivation of employees.

## **II. Literature Review**

### **2.1 DEFINITION OF PERFORMANCE APPRASILE SYSTEM AND RELATED CONCEPTS**

A formal definition of performance appraisal is given by (Aswathappa, K. 2002) on the job and his or her potential for development. More comprehensively, it is a formal, structured system of measuring and evaluating an employee's job related behaviors and outcomes to discover how and why the employee is presently performing on the job and how the employee can perform more effectively in the future so that the employee, organizations and society all benefit.

Moreover definition of performance appraisal according to Heydel," it is the process of evaluating the performance and qualification of the employees interns of the requirements of job for which he is employed for purpose of administration including placement, selection for promotions, providing financial rewards and other actions which require deferential retirement among the members of a group as distinguished from actions affecting all members equally". (Geol., 2009) performance appraisal is the evolution of individuals work performance in order to arrive at objective personnel decisions. (Robbins, 2002) .It is also the process of attending and recording information the relative worth of an employee (Dowling, Welch and Schuler, 1999; Moorhead and griffin, 1992 ).Thus, performance appraisal is a planned interaction between employees and their supervision during which the former examine the performance of the latter to identify strength and weakness with the view to improving future. Therefore in this study performance evolution is a system designed to periodically and regularly measure the performance of employees against pre-set standards and it involves providing feedback to the employees in which case the result of the appraisal will be used as a base for administrative and developmental process . In the citation of litterateur, such terms as appraisal, assessment, personnel rating, merit rating and review are used interchangeably with evolutions (Ivancevich, 2004).

### **2.2 PERFORMANCE APPRASIAL SYSTEM**

According to (Danielle's, 1998) indicated that performance appraisal system usually included measures results and behaviors. In order to realize purpose of performance appraisal, organization should carefully design appraisal system and implement accordingly. According to (Gomez Mejia 2011), the first step in the performance appraisal process is identifying what is to be measured .This process seems fairly simple at first glance. In practice, however, it can be quite complicated .Identification of performance dimensions is the important first step in the appraisal process. If a significant dimension is missed, employee morale is likely to suffer because employee who does well on that dimension is missed, employee will not be recognized or rewarded .If an irrelevant or triennial dimension is included, employees may perceive the whole appraisal process as meaningless. The second step in performance appraisal process is measuring employees performance .Measuring employee performance involves a number to reflections an employee's performance on the identified characteristics or dimensions .Technically numbers are not mandatory .label such as " excellent ", "Good", "average ", and " poor" might be used instead .

The third step in performance appraisal is managing performance. The effective management of human performance in organization requires more than formal reporting and annual rating. A complete appraisal process includes informal day to day interaction between mangers and works as well as formal fact interviews. Although the ratings themselves are important, even more critical is what managers do with them.

### **2.3 CHALLENGS OF PERFORMANCE APPRASIAL PROCESS**

(Walters, 1995) outline the main performance appraisal challenges in the performance appraisal process; deterring the evaluation criteria. Identification of the appraisal criteria is one of the biggest problem should be in quantifiable on measurable terms.

-Lack of competence. Evaluators should have the experience and training Nasser to carry out the appraisal process objectively. -Errors in rating and evolution. Many errors based on the personal bias like stereotyping halo effect (i.e. on trait influencing the evaluators rating for all other traits) etc. may creep in the appraisal process. Therefore the rater should exercise objectivity and fairness in evaluating and rating the performance of the employees.

-Resistance .The appraisal process may face resistance from the employees because of the fear of negative ratings .Therefore; the employees should be communicating and clearly explained the purpose as well as the process of appraisal. The standards should be clearly communicated and every employee should be made aware of what exactly is expected from them.

## 2.4 DEFINITIONS AND RELATED CONCEPT OF EMPLOYEES MOTIVATION

The word “ motivation “ is derived from the word “ motive “ which means to arose to action , spur, urge within the personnel; which leads him to action, any idea ,need, emotion that prompt s to an action . Motivation of personnel is the desire to secure and man ten optimum performances from employers regardless of where they are pleased in the managerial hierarchy (Dewakar. G, 2009). Motivation in its original sprit can be defend as a mental process that gives purposeful behavior and direction (Krietner, 1995). Motivation as an internal force helps to fulfill an unsatisfied need by generating will and power to achieve. It is extensively regarded as a root to internal satisfaction and key to success (Higgins, 1994).Motivation is a ten dense to behave in methodical way to achieve the desired objective. It is a force which is always moving to do something for the accomplishment of your targets (Buford, 1995). Sometimes people get confused while equating the mange of motivation with satisfaction and contentment. Basically, when a particular dissert is fulfilled, a person feels satisfied and he may also have the tendency to experience a feeling of contentment. But in the case of motivation it is a stage where a motive is provided to impel or incite the person for achieving a particular reseal. In other word we can say that a motivated person after achieving the outcome of a particular task, Feels satisfied .There for, these two words should not be mixed up. One can have job satisfaction but one may still not feel motivated. On the other hand inspire of having the required motivation, one may not feel satisfied with the job (Dewakar, G, G., 2009). Two main types of motivation have been noted, namely intrinsic and extrinsic. An intrinsic motivation can from the inner self while extrinsic motivation arises when external factors require one to perform something.

## 2.5 THEORITICAL BASE OF EFFECTIVE PERFORMANCE APPRASIAL AND EMPLOYEES

The theoretical Bases of PAS are equity and expect any theories (Kellogg and Negros, 2002; Perry, 2003; richer, 2002; vroom, 1964) and path- goal theory (Armstrong, 2006). (Adams 1965) formulated the equity approach as an appropriate way to effective supervision. Equity simply means fairness. Workers are motivated when they discover that they are treated fairly in compensation, promotion and that there is transparency in their evolutions .Workers reduce their effort if they feel that they are treated equitable (Folk, Brief and Barr, 1985, Hyde, 2005). Expectancy theory (vroom, 1964) indicates that employees will be motivated to exert high level of effort when they believe that their efforts will lead to higher performance (Expectancy), higher performance will lead to rewards (instrumentality) and rewards are valuable to them (valence). This effort will lead to good performance appraisal and followed by organization rewards such bones, salary increment on promotion which later satisfies personal goals (vroom 1964). Goal-sating theory (Lock and Latham, 1979) states that motivation and performance are higher when individuals are giving specific goals, when goals are difficult but accepted and when there is feedback on performance. Motivation and performance will improve if people have challenging but agreed goals and received feedback (Armstrong, 2006). Today, the performance appraisal is known as strategic approach for integration of human resources activates together with polices of business and organizations use advanced and complex methods for assessing the performance of their employees (Behr and patron, 2008).

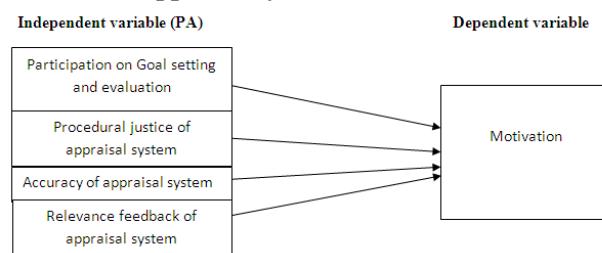
rewarded. It is therefore these rewards that motivate the employees. If the rewards are positive and welcoming, then the employees will obviously be motivated, or else if they turn out to be negative or not attractive, then the chances of employees be de-motivated are high.

## 2.6 MOTIVATION AND PERFORMANCE APPRASIAL SYSTEMS AND TODAYS ORGANISATION

Motivation can be the key to a successful organization. It is often claimed that the best business have the best motivated workers. Well motivated employees are said to be more productive and perform quality work. It rumens however one of the most challenged tasks for mangers to motivate their staffs as everyone is unique. A Supervisor should strive tie in the company’s goals together with the employees individual goals through performance management ( [http:// www.ukessarys.com-essays /business /literature – review –of – performance –appraisals-and –motivation theories – business –essay](http://www.ukessarys.com-essays/business/literature-review-of-performance-appraisals-and-motivation-theories-business-essay) ,retrieved on April 15, 2019).

## 2.7 Conceptual Frame Work of the study

### ➤ Components of performance appraisal system



### III. Objective Of The Study

#### 3.1 GENERAL OBJECTIVE

The study is design to assess the effect of performance appraisal and its impact on the motivation of employees in Hawassa BGI Alc. Drink plant.

#### 3.1.1 SPECIFIC OBJECTIVES

- To identify the perception of employees about the effect of existing performance appraisal.
- To identify the impact of existing performance appraisal.
- To view the relationship between the performance appraisal and employee motivation.
- To identify the gaps in the existing performance appraisal.
- To recommend areas of improvement on performance appraisal system and its impact on motivation.

#### 3.2 RESEARCH METHODOLOGY

The data to be used in this study were collected from both primary and secondary sources .The primary data were collected through questionnaires to be filled by employees of the organization. The secondary data were collected from manuals, internal magazine (publications), and journals for assessing existing findings .whenever, necessary materials is down loaded from most referred web sites.

The target population of the study was the permanent employees of BGI Ethiopia alcoholic drinking Share Company. There are eight departments and 229 permanent employees. From those employees the respondents was selected by using simple random sampling technique to fill out questionnaires from all departments. The reason for preferred to random sampling techniques, the sample element are easily accessible and the population is close to homogeneity ,the population unit has been numbered or can be numbered at a low cost and sample chosen is guarantees of the representative of the population. The total permanent employees with the department and sample population are here under.

Table 1

No	Departments	The No of employees In each department	Sample from department	Percentage
1	Administrative	70	10	29%
2	Fabrication/ production	23	6	17%
3	Quality control	12	4	11%
4	Bottling and cage	124	15	43%
	<b>Total</b>	<b>229</b>	<b>35</b>	<b>100 %</b>

Source, survey, 2019

Table 2

Population size	Sample		
	Small	Medium	Large
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-32200	50	125	200
3021-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source: (Ahmed, 2010: *Employees perception towards compensation and Benefit policy*) the case of some selected government higher education institutions in Addis Ababa

#### 3.3 DATA COLLECTION INSTRUMENT

In this study both primary and secondary sources of data are used primary data collection instrument was questionnaire .In addition to questionnaire in this study secondary data sources and literature are also used. The questioner was self-made .The first part of the questioner consist of Likert –scale questions .These questions help as to find how strongly the respondents agree with a particular statement . The answers of the questions are based on five level scales and the options are based on five –level scale and the options are: strongly agree =5, agree=4, neither agree nor disagree =3, disagree= 2, strongly disagree=1. There are also the questions which are unstructured questions (open ended) which allow the respondents replay in their own words and give freedom of opinions. The questionnaires were distributed in person to respective employees in the organization after clear orientation how to manage the questions. The respondents was given considerable time

to fill the questionnaire and to return. Finally, out of 38 respondents 35 of them returned, that implies 92 %. So, the researcher decided to analyses those 35 respondents questioner appropriately.

**IV. Data Processing And Analysis**

All the collected data are edited and analyzed to identify in consistence and establish uniformity. Through editing of the raw data, errors and omissions are detected and corrected. The data presented in simple and easy to understand way. This was do through use graphs, tables, percentage, descriptive statics (frequency, mean and standard deviation) and Pearson correlation between variables, regression analysis and reliability test using Cranbach's alpha and contextual form of explanation. Data from the open-ended questions were analyzed qualitatively. The data were prearranged into persistent area of study based on the research questions.

**4.1 Reliability Test of the Measurement Instrument**

**Table 3**

**Reliability Statistics**

Cranach's Alpha	N of Items
.789	27

As shown in the above table 3.3 the reliability test Cranbach's alpha is =.789. The reliability measure of more than 0.7 is acceptable level.

**4.2 Demographic Information of the Respondents**

The initial part of the questionnaire consists of the demographic information of the respondents. This part of the questionnaire required information related to individual and proficiency demographic characteristics of respondents. Accordingly, the following variable about the respondents were summarized and described in the successive table and diagram. These variables include, age, sex, and the highest educational level attainment.

**Table 4  
Sex of respondents**

	Frequency	Percent
Valid male	19	54.3
Valid female	16	45.7
Total	35	100.0

**Marital status of the Respondents**

**Table 5**

	Frequency	Percent
Valid married	14	40
Valid single	18	51.4
Valid divorced	3	8.5
Total	35	100.0

Source survey, 2019

As shown in the above table 5 about 54.3 % of the respondents were male and the remaining 45.7% of the respondents are female. Regarding the marital states majority of the respondents (40 %) are married, 51.4 % are unmarried and the remaining 8.5% are divorced.

**Age of the Respondents**

**Table 6**

	Frequency	Percent
Valid <25	12	34.2
Valid 25-34	13	37.2
Valid 35-44	7	20.1
Valid 45-55	3	8.5
Total	35	100.0

Source survey, 2019

Regarding the age of the respondent as shown in Table 6 the largest groups (34.2%) are in the 25-34 years age group. The second largest group (37.2%) indicated their age as less than 35-44 years and (20.1 %) indicated that they are in the < 25 years age groups and, 8.5 % respondent in the 45-55 years age group category.

**Educational background of Employees**

**Table 7**

	Frequency	Percent
Valid below diploma	9	25.7
diploma	21	60
First degree	5	14.3
Total	35	100.0

Researcher’s survey, 2019

As we can observe from the above table 7 about the academic qualification, the majority of the respondents (25.7 %) are below diploma, (60%) of the respondents are diploma holders and (14.3%) of the respondent has first degree. So, that no one can have it the degree of postgraduate.

**Importance of Performance Appraisal System**

**Table 8**

Importance	Frequency	Percent	Rank
Evaluate staff performance for promotion, bonus	12	40.1	1 <sup>st</sup>
improve staff performance	6	22.8	4 <sup>th</sup>
develop skill and knowledge	8	25.7	3 <sup>rd</sup>
achieve team goal	9	11.4	2 <sup>nd</sup>
Total	35	100.0	

Researcher’s survey, 2019

Regarding the information from the above table 4.2 based on the respondents preference about the importance of performance appraisal system and its usefulness for staff salary increment, bonus or promotion preferred as first in the rank order and followed by achieve team goal. This means that evaluating the staff performance is seeking to promotion, salary increment or bones for the employee by followed with achieving team goal highly valuable for performance appraisal.

On the 3<sup>rd</sup> rank order the respondents give emphases for developing skill and knowledge process performance appraisal is valuable for every employees. Finally, on the forth rank order the employees replied that the performance appraisal system is important for improve e staff performance. Eventually, the highest rank order as shown as the majority of the employees decide on that their performance appraisal system should be used to evaluate the employee’s performance for promotion, salary increment or bones. Even though, the lowest rank given to improving the staff performance and no idea why appraisal conducted on the company.

**Purposes of the organization using the performance Appraisal**

**Table 9**

Indicators	Rank	percentage
earned bonus	1 <sup>st</sup>	56.2
Promotion	2 <sup>nd</sup>	19.0
recognition, presents and gifts	4 <sup>th</sup>	7.4
Annual salary increase	3 <sup>rd</sup>	13.2
opportunity for training and development	5 <sup>th</sup>	4.1

Researcher survey, 2019

According to table 4.3 as we can observed majority of the respondents (56.2%) of them replied that their organization has been using the performance appraisal system for the yearend bonus and ( 19%) of them replied that the organization has been using as tool for promotion. In addition (13.2%) of them replied that their performance appraisal system has been used as a tool for annual salary increase. However, (7.4%) and (4.1%) of them respectively replied that their performance appraisal system has been used as a means of recognition to give presents and as bases to provide opportunity for training and development. This indicates that the organization mainly uses the performance appraisal system for short term objectives such as for year - end bonus, as tool for promotion, and annual salary increases. From the analysis the organization should use the performance appraisal system other than short term objectives like as bases for training and development.

**Who is responsible to Evaluate Employees Performance?**

**Table 10**

	Frequency	Percent
strongly agree	20	57.1
agree	9	25.7
Valid disagree	4	11.4
strongly disagree	2	5.7
Total	35	100.0

Researcher survey, 2019

Table 4.4 depicted as employees desired to be appraised by immediate supervisor has got highest priority among the given alternatives. In this regard, (57.1%) of the respondents replied as strongly agree. In the second category the above table also indicated that (25.7%) respondents, though was in support of the first responses by saying agree. Finally, the remains (11.4%) and (5.7%) respectively responded as not sure and disagree but, no one is responded as strongly disagree. So that, the immediate supervisors conducted performance appraisal evaluation process accounted the highest share by the percent of both strongly agree and agree reaching (82.8%). The analysis indicates that respondents desired to be appraised by immediate supervisor.

**Participation on performance Appraisal process in the organization**

**Table 11**

No	Items of variables	responses	No. Respondents	%
1	In your opinion organization are you participating in the formation of performance appraisal system?	1	7	20
		2	4	11.4
		3	2	5.7
		4	10	28.5
		5	12	34.2
		T	35	100.0
2	Do you think that direct supervisor evaluating subordinate is enough and effective.	1	5	14.2
		2	6	17.1
		3	2	5.7
		4	14	40
		5	8	22.8
		T	35	100.0
3	Management creates awareness regarding the appraisal system in the organization	1	4	11.4
		2	7	20
		3	4	11.4
		4	12	34.2
		5	8	22.8
		T	35	100.0
5	In your opinion 360 degree appraisal is effective while rating your performance	1	15	42.8
		2	10	28.5
		3	5	14.2
		4	4	11.4
		5	1	.2.8
		T	35	100

Researcher survey, 2019

According to the table we want to know as given information (1=strongly agree, 2=Agree, 3=Not sure, 4=Disagree, 5=strongly disagree and T= total).

As the above information in the table shown as majority of the respondents (34.2%) of them are strongly disagree, and (20%) of employees are highly satisfied by the parts taken on the formation of appraisal system. As the information of the above table 4.5 the second issues the respondent's perception on item deal with the supervisor evaluation effectiveness of appraisal system conducted by one person

Majority of the respondents (40%) disagree, and both strongly agree and agree response accounts as (31.3%). In the third part of the information given in the table 4.5 the management creates awareness on performance appraisal system majority of the respondents (34.2%) are responded as disagree (20%) of the respondents responded as agree. The computed mean value of the respondents (Mean= 3.29) So that, the

information as showed as the employee not sure the awareness created by the management on the performance appraisal system.

According to the above table 4.5 the issue of the effectiveness of 360 degree feedback the majority of the respondents (42.8%) Strongly agree and (28.5%) agree.

So, that the result as shown as the employees are not sure about their participation on the appraisal system, and the awareness creation situation whereas, importance of 360 degree feedback performance. This all are indicated as the company should pay attention to ensure the participation of the employee on the appraisal system by considering the input of the employee taken as a vital element for the effective performance appraisal system. However, the final result of the application and the introduction of 360 degree appraisal System Company should take as the valuable element for the effective performance appraisal system.

**Procedural Justices in the Performance Appraisal**

**Table 12**

No	Items	Response	Freq.	%
1	Objective of the performance appraisal are appropriate to the need of your department	1	15	42.8
		2	9	25.7
		3	2	5.7
		4	6	17.1
		5	3	8.5
		T	35	100.0
2	Your Grievance examined fairly	1	2	5.7
		2	8	22.8
		3	1	2.8
		4	16	45.7
		5	8	22.8
		T	35	100.0
3	In your opinion when performance appraisal conducted evaluation are honestly and fairly?	1	3	8.5
		2	8	22.8
		3	2	5.7
		4	12	34.2
		5	10	28.5
		T	35	100.0
4	In your opinion performance rating systems is according to the nature of your job and responsibilities.	1	6	17.1
		2	11	31.4
		3	3	8.5
		4	8	22.8
		5	7	20
		T	121	100.0
5	The criteria used to evaluate Your performance appraisal are easy to understand.	1	7	20
		2	8	22.8
		3	2	5.7
		4	13	37.1
		5	5	14.2
		T	35	100.0

Source survey, 2019

According to the table 12 we want to know as given information (1=strongly agree, 2=Agree, 3=Not sure, 4=Disagree, 5=strongly disagree and T= total).

In the above Table 4.5 the respondents responses as shown as the need of department performance appraisal system the majority of the employees (42.8%) give strongly agree (25.74%) responded agree. According to the grievance handling mechanism the majority of respondents (45.7%) give disagree) and (22.8%) responded agree and the percent respondents forward strongly disagree. On the issue the employee perception about conducting on performance appraisal system fairness in organization the majority responded (34.2%) disagree and (28.5%) responded as strongly disagree. Interims of performance rating system matching with the employees job Majority of the respondents forwarded (31.4%) agree and (20%) responded as strongly disagree. Regarding the criteria used to evaluate performance appraisal easiness for understanding the majority of respondents (37.1%) disagree, (22.8%) are responded as agree and (21.5%) respondents give ranks as strongly disagree. According to the above data the respondents responses we assured that they are not agree the procedural justice as existed in the company. Therefore, the organization should design and implement the appraisal system with clear procedural justice to make the employees satisfy and conducive with fair treatment.



**The Accuracy of the Performance Appraisal**

**Table 13**

No	Item	Response	Freq.	%
1	Rater evaluates you performance based on accomplishment and achievement.	1	4	11.4
		2	11	31.4
		3	7	20
		4	6	17.1
		5	7	20
		<b>Total</b>	<b>35</b>	<b>100.0</b>
2	The rating instrument /tool used by yours organization really Measure your Performance.	1	9	25.7
		2	5	14.2
		3	3	8.5
		4	12	34.2
		5	6	17.1
		<b>Total</b>	<b>35</b>	<b>100.0</b>
3	Appraisal system is aligned with the vision and mission of the organization.	1	7	20
		2	8	22.8
		3	4	11.4
		4	11	31.4
		5	5	14.2
		<b>Total</b>	<b>35</b>	<b>100.0</b>
4	Individuals who conduct performance appraisal possess the necessary competency (knowledge, skills and expertise).	1	13	37.1
		2	6	17.1
		3	3	8.5
		4	8	22.8
		5	5	14.2
		<b>total</b>	<b>35</b>	<b>100.0</b>
5	In your opinion the criteria of performance appraisal are correct.	1	5	14.2
		2	5	14.2
		3	4	11.4
		4	17	48.5
		5	4	11.4
		<b>Total</b>	<b>35</b>	<b>100.0</b>

Source survey, 2019

The information that found in the above table 4.7 the response rate codified as (1=strongly agree, 2=agree, 3= not sure, 4=disagree and 5= strongly disagree).

The above table 4.6 information analyses putting the supervisor evaluation of employees based on the achievement and performance the respondent give the response as the following majority of the respondents (31.4%) agree and (20%) strongly disagree. According to the instrument used to measure the performance of the employee the respondents response given as the majority (34.2) disagree and (25.7%) strongly disagree. The respondent indicated that not sure.

On the area of the appraisal system alignment with the company mission and vision the majority of them responds (31.4) disagree and (22.8%) agree. According to the competency level of evaluator the majority respondents (37.1%) strongly agree and (22.8%) disagree. In the table the final questioner respondent’s response as shown from the respondent the appropriateness of the criteria of appraisal system the majority responded as (48.5%) disagree and (14.2%) agree. The above data indicated that the respondents not sure about the appropriateness of the criteria.

Finally, the result depicts us the employee of the company did not know the rater instrument /tools / correct and valuable, the appraisal system alignment with the company mission and vision, and knowing the criteria of the performance appraisal system not satisfy or not clearly known by the employees and also the criteria of the performance appraisal not aligned with the mission and vision of the company. From the analysis part the employees are not convinced with the accuracy of the performance appraisal system. So the

organization to make the appraisal system effective and to improve employee should work to improve the accuracy of the performance appraisal system.

**Problems in the Performance appraisal.**

**Table 14**

<b>Indicators</b>	<b>Ranke</b>	<b>Percentage</b>
lack of ability from the immediate t supervisor	3 <sup>rd</sup>	19.0
absence of employee participation	1 <sup>st</sup>	45.5
rater biasness in the evaluation of the performance of employee	2 <sup>nd</sup>	24.0
no link between the nature of job and the criteria	4 <sup>th</sup>	11.6

**Source survey, 2019**

According to the above ranking, the majority of respondents the reduction level of the employees on the performance appraisal participation mean that through the whole process of the evaluation. Within this the second problem is the rater biasness on the process of evaluation is the biggest problem of the company.

**V. Findings, Conclusion, And Recommendation**

**5.1 Summary of findings**

The study conducted on the assessment of the performance appraisal and its impact of motivation of the employees in BGI Ethiopia, Hawassa division S.C. The target population of the study was the permanent employees of (229) in numbers out of these as a sample using 35 employees by the random sampling method from each of the departments. The selection method with the random selection form have given the opportunity equal chance means that from each of the department using 30% of population from them. The result of survey analysis made in the preceding chapter, show the following summary of findings here under:

According to the employee perception about the importance of performance appraisal system as bas for promotion, Recognition, annual salary increment or bones prioritize and followed by improving employees performance but, majority of the employees ( 56.2 %) of the respondents replied as their company has been using the performance appraisal system as a base of year end bones.

Evaluation by immediate supervisor has got higher priority among the stakeholders and majority (51.1%) replied as strongly agree, the appraisal system of 360 degree the majority and also on this point the majority of (25.7%) replied as agree. Rather than those two points the remaining points are; employees take part in the formation of performance appraisal, management role on creation of awareness’ on the rating system there is a gape on the performance appraisal system. Generally, when we see about the procedural justice the need of PA for every departments, correctness and the performance rating system relation with the nature of job responded as highly acceptable but, the grievance treatment, fairness of the evaluation system and the clarity of evaluation criteria are forwarded as they have negative or not appropriately applied in the company. Because of this, there is the problem on procedural justice according to the need of the employee, the system not appropriately functioning. Also, on the accuracy of PA the bases of the rater to evaluate the performance and individual’s competency those conducted PA are forwarded as positively performing in the company. But, the majority of the issues not responded as positively. However, on the relevance of feedback of the appraisal and the level of motivation from the performance appraisal system found at a negative level.

Low level of employee participation and procedural justice mentioned as the main factor contributing for weakness of the performance appraisal system.

**5.2 Conclusions**

Based on the result the following conclusions can be haggard:

The organization mainly using performance appraisal for undersized term objectives such as the year end bones, as tool for promotion, and annual salary increases. The performance appraisal system needs the employee’s participation during the appraisal process but the company denied the taking part of the employee should be giving due consideration for the benefit of the organization. Every person needs belongings on their occupational area but, according to the response that given by the respondents during the appraisal period the managements not creating awareness according to the appraisal period.

Above all, the importance of performance appraisal system base for promotion, achieving team goal, develops skill and knowledge putting as prioritized respectively. Similarly, the appraisal system lack the quality of content on the procedural justice and fairness so, the employee are not happy by accuracy and the state of affairs. In addition to these performance appraisals feedback system has not yet practical in the company.

### 5.3 Recommendations

The performance appraisal result should be used to different performance related activities to motive employees such as, for year-end bonus, for promotion, annual salary increase, for recognition, and as bases of opportunity for training and development.

The organization should consider an appraisal system whereby different combination of raters may be involved in so far as the cost of introducing such a system does not exceed the expected benefit.

The organization should facilitate the mechanisms for participation of employees and communicate about the appraisal system.

The organization should consider the importance of feedback (both positive and negative) on improving future performance of the employees.

The organization should strengthen the link between the appraisal system with the reward and compensation policy of the organization.

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