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The Effect of Performance Appraisal on Employees Morale and Satisfaction: The Case of Jinka Town Civil Service Office

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Abstract

This study attempted to examine the effects of performance appraisal on employees moral and satisfaction in Jinka town civil service office. The specific objectives of the study were to point out the current performance of employees, performance appraisal problems and to examine the effects of performance standards contribute to shape employees moral and satisfaction. Data for this study were collected from sample employees. So, from the total of 76 employees the researcher was used 39 (56%) through simple random sampling techniques. The study employed quantitative data like questionnaire as it is the major source of information even through there were some qualitative data obtained from sample employees. The result of the study revealed that evaluating employee's by their past contribution affects employees moral and satisfaction negatively and also pay cut is not the measure to improve performance since it demoralize employees moral and satisfaction. The study also indicated that team appraisal system affect employee's moral and satisfaction negatively. Generally, the research recommended that, employees must be evaluated by current performance and pay cut is not advisable for this organization since the majority of respondents were strongly disagree.

Keywords: Performance appraisal, Moral & satisfaction, Jinka town.

Introduction

The origin of rating work performance can be traced back to the 3rd century china and the wei dynasty; it was the work of Wlater D. Scott in the early part of the 20th century

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which can be credited with the first formal performance appraisal system (Farr &Levy, 2007; Paterson, 1992). With the advent of world War one, Scott and many industrial psychologists of that time provided their service to the United States Army. Using the knowledge he had obtain through his work at Carnegie Tech (pittsburgn) in assessing performance, Scott and his team helped develop a rating system which would allow the army to assess and monitor the performance of army officials. With Scotts determination and pass in "man to man" (sic) rating system soon become accepted as the tool of choice, not only by the united states army but also private industry.

Although Scotts rating system has been shown to have flows which would have jeopardized its quality as a tool to measure employee performance (Paterson, 1922), it did provide the basis from which other performance appraisal systems were developed.

Although the original reason for using performance appraisal was to increased (Fars and Levy, 2007). There are two key factors which played a major role in increasing the number of purposes for which these systems are used for.

Firstly, change in management theoretical from works and practices which stated in the 1950s emphasized that in order for organizations together most out of their employees the needed to work a long side their employees (katzell and Austin 1992).

The second key factor which increased the purpose for which organizations use performance appraisal was the development of management (Farry & Levy, 2007). The 1980s saw sharp increase in the use of technology and globalization resulted in organizations working in highly competitive global markets (Fletcher, 1997; Williams, 2001). Organizations under look various business to help ensure their survival. Performance management was introduced in to many companies to help increase employee performance.

Mat his and Jackson (1997) defined performance appraisal as the process of evaluating how well employees do their job compared with asset standards and communicating that information to those employees. It also has been employee rating, employee evaluation, performance review, performance evaluation and results appraisal. Realistic, measurable, clearly understand of performance standards benefits both the organization and employees.

Organizations now use performance appraisal as a tool to provide both the employees and the organizations with the information needed to make decision related to each area in the performance management frame work (Williams, 2001).

Statement of Problem

Performance appraisal has an influence on employee work moral and satisfaction either positively or negatively. Improving organizational performance has become one of the overriding goals of human resource management. Organizational performance is the synergistic sum total of the performance of all employee's in the organization. Having this fact, employee's performance has to be closely placed, coached and appraised to ensure that is in line with the interest of the organizations.

However, it seems that performance appraisal is not given the proper attention by the organization and is exercised periodically more as usual practice. The organization face other problems related to performance appraisal which is varying standards, strictness, rater bias, contrast, sampling, poor performance criteria are some of the problems related to performance appraisal. This situation bring dissatisfaction among employees and affects the employees moral and satisfaction in working environment, low commitment and productivity which in turn leads to unsustainable organizational development and increase employees turn over.

This study therefore, tried to fill this knowledge gap by investigating all these problems related to performance appraisal on employees moral and satisfaction the case of Jinka town civil service office.

Basic Research Questions

On the bases of the above points, the study tried to address the following basic questions.

- What seems like the current performance appraisal system of the organization?

- What are the basic factors related to performance appraisal that affect employee's moral and satisfaction?

- What are the potential problems related to performance appraisal?

- How performance standards contribute to shape employees moral and satisfaction?

Objective of the Study

General Objective

The general objective of the study is to investigate the effect of performance appraisal on employee's moral and satisfaction the case of Jinka town civil service office.

Specific Objectives

Based on the general objectives, the study had the following specific objectives. Specific objectives of the study were:

1) To understand the current performance appraisal system of the organization.

2) To identify the basic factors related to performance appraisal that affect employee's moral and satisfaction.

3) To identify the potential problems related to performance appraisal.

4) To identify the contribution of performance standards in shaping employees moral and satisfaction.

Methods

Research Design

The research design of the study was descriptive survey method because it was supposed to reveal the major factors affecting employee morale and satisfaction the case of Jinka town civil service office. In this study, both quantitative and qualitative approaches were used to obtain the required information.

Sampling Techniques

To conduct this study, simple random sampling technique was used in order to select representative from the total population. The researcher preferred this technique than others because of:

- ✓ It avoids personal bias

- ✓ Since employees were well educated the information provided by an employee represents the total population.

- ✓ Employees have equal and non-zero probability being selected.

Sampling Size

The population size of the organization was 76. In order to come across manageable size of the population, the researcher selected by random sampling technique. Items of the sample size the researcher would take (select) according to Yamane provide a simplified formula to calculate sample size.

n = where n = sample size   N = Number of population

E = level precision N = 76 = 10% (judgmentally)

Confidence = 90%   n = = n = = 42

Therefore, the sample size was about 42 of the total population

Methods of Data Collection

To find out the effects of performance appraisal and its impact on employees moral and satisfaction, questionnaire were used. Both closed and open ended questionnaire were used prepared and distributed to 42 employees to get reliable information about performance appraisal and its effect on employees moral and satisfaction. The closed questionnaires had rater scale choices which restricted the respondents to opened on them

and the open ended questionnaire gave opportunities to the respondents to express their feeling.

Methods of Data Analysis

After the necessary data has been collected through questionnaire from employees, the researcher used descriptive analysis of data in both quantitative and qualitative method. To analysis quantitative data the researcher used table and percentage; whereas qualitative data would analysis through statement form.

Analysis

Table 1. Effects of self-appraisal

Self-appraisal have a positive effect on employees moral and satisfaction	No. of respondents	Age (%)
Strongly agree	10	26
Agree	19	49
Neutral	3	7
Disagree	4	11
Strongly disagree	3	7
Total	42	100

As it is clarity illustrated on Table 1. 10 (26%) of respondents replicated that self-appraisal have strong, appositive impact on employees moral and satisfaction. Whereas 19(49%) of respondents replied that self-performance appraisal have average impact on employees moral and satisfaction. About 3(7%) were neutral, 4(11%) disagree and 3(7%) were strongly disagree. This implies that self-appraisal have a positive impact on employees moral and satisfaction.

Table 2. Results of high performance

The organizational manager give high performance results for those employees having done local compared to the actual standards and it affects employees moral and satisfaction positively	No. of respondents	Age (%)
Strongly agree	-	-
Agree	3	8
Neutral	10	26
Dis agree	12	30
Strongly disagree	14	36
Total	42	100

According to the information provided by employees of the organization in Table 2., none of them were strongly agree by the performance results given to employees having done love compared to the actual results, 3(8%) of employees responded agree, 10(26%) of employees were disagree and 14(36%) of employees replied strongly disagree. Therefore, giving high results for those employees having done low compared to the actual out puts have a strong negative impact for the employees 14(36%) of respondents.

Table 3. Better performance standards

Having a better performance standards can contribute to shape employees moral and satisfaction positively	No. of respondents	Age (%)
Strongly agree	20	51
Agree	10	26
Neutral	1	2
Dis agree	5	13
Strongly disagree	3	8
Total	42	100

The Table 3. shows that, 20(51%) of respondents were strongly agree, 10(26%) of employees were agree, 1(2%) of employees replied that neither nor 5(13%) of respondents were dis agree and 3(8%) were strongly disagree. Therefore, the majority of respondents 20(51%) were strongly agree which means a better performance standards have a great positive effect for employees moral and satisfaction.

Table 4. Performance activity of organization

The organizations performance activity can evaluate the workers in a better way	No. of respondents	Age (%)
Strongly agree	5	13
Agree	7	18
Neutral	3	8
Dis agree	10	25
Strongly disagree	14	36
Total	59	100

With regard to performance evaluation system in Table 4., 5(13%) of respondents are strongly agree, 7(18%) of respondents are disagree, 3(8%) of respondents replied neither agree nor disagree, 10(25%) of respondents are disagree and 14(36%) of them are strongly disagree. Generally, the organization performance activity can't evaluate employees in a better way since majority of respondents 14(36%) replied strongly disagree.

Table 5. Employees past contribution

Evaluating employees by their past contribution experience have a positive impact on employees moral and satisfaction	No. of respondents	Age (%)
Strongly agree	-	-
Agree	3	8
Neutral	1	3
Dis agree	14	36
Strongly disagree	21	53
Total	42	100

As it is clearly pointed in the Table 5. 3(8%) of respondents replied that evaluating employees by their past experience have positive impact on their moral and satisfaction, 1(3%) of them are neither nor means they are not affected positively or negatively, about 14(36%) of respondents replied that disagree and 21 (36%) of them are strongly disagree. Generally, evaluating employees by their past contribution have strong negative impact on employees moral and satisfaction.

Table 6. Employee's closeness to the boss

Giving high results for those employees having closeness to the boss affects employees moral and satisfaction positively	No. of respondents	Age (%)
Strongly agree	2	5
Agree	4	10
Neutral	1	3
Dis agree	13	33
Strongly disagree	19	49
Total	42	100

Table 6. shows that, 2(5%) of respondents are strongly agree, 4(10%) of them are agree, 1(3%) of them are neither agree nor disagree, 13(33%) of respondents are disagree and 19(49%) of respondents are strongly disagree. Therefore, as the majority 19(49%) of them are strongly disagree, giving high results for those employees having closeness to the boss strongly affects employees moral and satisfaction negatively.

Table 7. Peer performance appraisal system

Team (peer) performance appraisal employees system as a negative impact on employees moral and satisfaction	No. of respondents	Age (%)
Strongly agree	17	44
Agree	13	33
Neutral	-	-
Dis agree	4	10
Strongly disagree	5	13
Total	42	100

With regard to team (pear) performance appraisal system in Table 7., 17(44%) of respondents replied strongly agree, means team (pear) appraisal have a strong negative effect on employees moral and satisfaction, 13(33%) of them replied agree, 4(10%) of employees were disagree and 5(13%) of team are strongly disagree. Form the above table it can be deduced that, team (pear) performance appraisal system have a strong negative effect for employees moral and satisfaction since it accounts for 17(44%) of team replied that team (pear) appraisal have a negative effect on employees moral and satisfaction.

Table 8. Financial and non-financial incentives

Rewarding financial and non-financial incentives (benefits) for those employees who meet the performance standards can energize and influence their moral and satisfaction	No. of respondents	Age (%)
Strongly agree	26	67
Agree	8	20
Neutral	-	-
Disagree	3	8
Strongly disagree	2	5
Total	42	100

As the information avoided by employees based on financial and non-financial rewards in Table 8., 26(67%) of them were strongly agree, about 8(20%) of them were agree, 3(8%) of them replied disagree and 2(5%) of them were strongly disagree. This implies that financial and non-financial benefits (incentive) influence and energize employees moral and satisfaction positively since the majority of respondents 26(67%) of them were strongly.

Table 9. Importance of performance appraisal

Performance appraisal is important for providing position such as promotion and demotion in such a way that employees are influenced by performance appraisal positively	No. of respondents	Age (%)
Strongly agree	7	18
Agree	18	46
Neutral	-	-
Disagree	8	21
Strongly disagree	6	15
Total	42	100

According to the information provided by the organizational employees in Table 9., 7(18%) of the respondents were strongly agree, means highly influenced positively, 18(46%) of the total respondents agree, 8(21%) of them were dis agree and 6(15%) of the employees were highly dis agree or strongly dis agree. So, according to the data obtained by the employees, 18(46%) of the respondents were agree this implied that performance appraisal is important for providing position and employees are affected positively by this activity.

Table 10. Organizational performance standards

The organizational performance standards to evaluate employees have achieved its intended purpose.	No. of respondents	Age (%)
Strongly agree	1	2
Agree	2	5
Neutral	-	-
Disagree	9	23
Strongly disagree	27	70
Total	42	100

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With regard to performance appraisal and its achievement 1(2%) of the respondents were strongly agree, 2(5%) of them were agree, 9(23%) of them were dis agree and 27(70%) of them were strongly. Therefore, according to the information provided by the employees majority of 27(70%) of them were strongly dis agree, this implies that the organization haven't achieved its intended objectives.

Table 11. Problems in performance appraisal

The major problem in performance appraisal system (activity) is, the skill required to evaluate employees are low	No. of respondents	Age (%)
Strongly agree	4	10
Agree	3	8
Neutral	-	-
Disagree	11	28
Strongly disagree	21	54
Total	42	100

According to the information obtained by employees in Table 11., related to problems in performance appraisal activity, 4(10%) of the respondents responded that strongly agree, about 3(8%) of them replied agree 11(28%) of the respondents were dis agree and 21(54%) of the respondents were strongly dis agree. Since, the major problem in performance appraisal activity is not skill because majority of the employees 21(54%) of them were strongly dis agree.

Table 12. Rater's error in performance appraisal

In your organization raters may make result errors when they are little or complete unknown about performance standards, this demoralize employees performance	No. of respondents	Age (%)
Strongly agree	20	51
Agree	15	38
Neutral	2	5
Disagree	1	3
Strongly disagree	1	3
Total	42	100

According to the information shown in the Table 12., related to performance appraisal errors, 20(51%) of the respondents were strongly agree, 15(38%) of employees were replied agree, 2(5%) of the respondents were neither agree nor dis agree, 1(3%) of the employees replied dis agree and 1(3%) of the respondents were strongly disagree. Generally, in the organization raters make result errors when they are little or complete unknown about performance standards this demoralize employees moral and satisfaction since the majority of 20(51%) of the respondents were strongly agree.

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Table 13. Employee's moral and satisfaction

Performance appraisal is used to determine financial payment an employee actual out put greater than or equal to the predetermined pay increase in order. Hence this motivate employees moral and satisfaction positively	No. of respondents	Age (%)
Strongly agree	19	49
Agree	12	31
Neutral	1	2
Disagree	4	10
Strongly disagree	3	8
Total	42	100

According to the Table 13., related to financial payments on employees moral and satisfaction, 19(49%) of the respondents replied strongly agree, 12(31%) of them were agree, 1(2%) of the respondents were neither agree nor dis agree, 4(10%) of the respondents were dis agree and 3(8%) of them replied strongly dis agree. Therefore, the organizational employees were affected positively when their actual output $\geq$ the predetermined & pay increase may in order 19 (49%) of respondents.

Table 14. Pay cut and output

Pay cut may in order when your actual output is less than the predetermined output, how do you feel about the situation	No of respondents	Age (%)
Strongly agree	-	-
Agree	8	21
Neutral	-	-
Disagree	9	23
Strongly disagree	22	56
Total	42	100

According to the Table 14. related to pay cut, none of them were strongly agree (delighted) 8(21%) of them were agree (satisfied), 9(23%) of the respondents were dis agree (dis satisfied) and 22(56%) often were strongly dis agree (strongly dis satisfied). Therefore, pay cut pushed employees dis satisfied since the majority of 22(56%) of the respondents replied strongly dis agree (dis satisfied).

Conclusion

Based on the data analysis and presentation, the following conclusions are drawn. The organization employees are highly demoralized and affected negatively when their supervisor gave for those employees who are not able to meet the performance standards. According to the information provided by the analysis part, having a better performance appraisal have a great benefit for the organization in general and employees in particular. Besides to that giving high results for those employees who have a great tie to the boss have considerable negative effect for employees performance.

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According to the researcher's self administrated questionnaire, employees are dissatisfied when they are evaluated by pear or team. In contrast to the above, performance appraisal have important for the organization and the employees since the organization achieved its intended purpose when they are appraised and also employees are benefited from performance results because it is important provide financial and none financial benefits.

Generally, performance appraisal also important to provide payments and employees are interested when payments are determined accordingly

Recommendation

Based on the research findings and conclusion, the following recommendations are made.

❖ Organizational success is the sum total of employees performance, having this fact in consideration, the organizational supervisor should evaluate employees in accordance with the performance standards.

❖ According to the researcher finding, employees are strongly dis satisfied by team (peer) appraisal system. Therefore, the organizational managers and the concerned bodies should revise it and this resulted organizational goal achievement.

❖ Based on the finding of the study evaluating employees by their past achievement have strong negative effect on their moral and satisfaction. So, the researcher recommended that the evaluation should be by their current contribution and merit of employees.

❖ According to the information provided by the majority of respondents, pay cut maker them unproductive, carelessness and unethical. Hence pay cut may not be appropriate measure to increase performance rather employees could be reshape by creating awareness and commitment.

❖ Generally, the researcher would like to recommend that, strategic goals and objectives achieved when every employees contribute and participate actively in every aspect of performance issues and they are satisfied when they are evaluated with the organizational standards.

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