

# **APPRAISAL SYSTEM AND INSTITUTIONAL PRODUCTIVITY**

**A CASE STUDY STANBIC BANK UGANDA  
(WANDEGEYA BRANCH)**

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL  
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UNIVERSITY**

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## DECLARATION

I **EKWEE STEPHEN**, hereby declare that this is my original work for the award of a Bachelor Degree in Human Resource Management of Kampala International University and has never been submitted to any other institution of higher learning for an award.

Signed:

Ekwere Stephen

Date:

15/10/08

Student

## APPROVAL

This Research Report has been done under my supervision and is now ready for submission for the award of a Bachelor's Degree in Human Resource Management of Kampala International University.

Signature: .....



Date: .....



**Mr. Chris Muganga**

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Special thanks go to my Supervisor Mr. Chris Muganga, who even in his busy schedule availed time to provide guidance through this research report.

I wish to also express my sincere gratitude to my Discussion group, that proved me with positive advice during the research.

## **ABSTRACT**

The research was mainly to examine appraisal system and institutional productivity in Stanbic Bank Limited (Wandegeya Branch)

The objectives were to identify the methods of Appraisal, Hurdles in the appraisal system and appraisal factors in the Stanbic Bank (Wandegeya Branch.)

From the study findings it was revealed that call satisfaction survey, multi-rater method are appraisal methods in Stanbic Bank.

It was also revealed from the findings that inappropriate final judgment, delay in feed back, leakage of information were some of the hurdles in the appraisal system.

Response to the appraisal development plan (PDP), ability to deliver bad news criticizing weak performance were appraisal factors considered during the appraisal system.

Recommendations were made which included:

- The encouragement of 360 evaluation/appraisal system which involved the views of stake holders outside the bank for instance customers.
- Another recommendation was to award appraisal duties to appraisers who have enough job knowledge on the job being evaluated.
- Final internal evaluation was recommended instead of sending appraisal reports to the Head Office at Crested Towers or the Mother Bank Standard Bank in Johannesburg for final judgment.



# INTRODUCTION

## 1.0 INTRODUCTION

With the increasing demand for financial services in Uganda, many banks have developed strategies to meet this increasing demand; for instance, appraisal systems which have an impact on the institution productivity have been developed.

**An appraisal system** is an objective way of judging the relative worth or ability of an employee in performing his or her task. (Manopa, 1996)

**Institutional Productivity** refers to the process by which resources (material, time) are transformed into a different and more useful commodity or service. (D. N. Dwivedi, 2003)

The research was carried out to find out how an appraisal system impacts institutional productivity in Stanbic bank. An example is that an appraisal system helps employees detect their potential and weakness which they develop in the future making them more competent and high performers which results into high levels of productivity.

## 1.1 BACK GROUND OF THE STUDY.

Stanbic began its operations in Uganda as the national bank of India limited, which was registered as a foreign company on 12<sup>th</sup> July 1923.

At the end of December 1957, the National Bank of India Limited amalgamated with Grindlays' Band Limited and the company name changed to National Overseas and Grindlay's Bank Limited.

A number of changes relating to the entity occurred, then on 30<sup>th</sup> October 1969, Grindlays Bank (Uganda) Limited was incorporated in Uganda.

In 1992 Standard Bank Group through its investment arm, Stanbic Africa Holdings Limited acquired the ANZ Grindlay Africa Network including the company. The company adopted the current name (Stanbic) in October 1993 with a share holding of 51% being held by Stanbic Africa Holdings Limited and 49% by the government of Uganda.

In 1996, the government sold its 49% share holdings to SAHL making SAHL the sole share holder of the company.

IN 2002, Stanbic acquired 80% share holding in UCBL and then the two banks were merged by way of a share swap. This resulted in the government acquiring 10% of Stanbic Bank.

Currently Stanbic Uganda conducts business at 71 points of representation all over Uganda and a head office in Kampala from where its business and support functions operate.

## **1.2 STATEMENT OF THE PROBLEM**

An appraisal system in Stanbic is an important system that helps management identify the strengths of employees that will have an impact on the productivity of Stanbic. It was noticed that an appraisal system had not been given attention in Stanbic bank, which resulted into a negative impact on productivity.

## **1.3 OBJECTIVES OF THE STUDY**

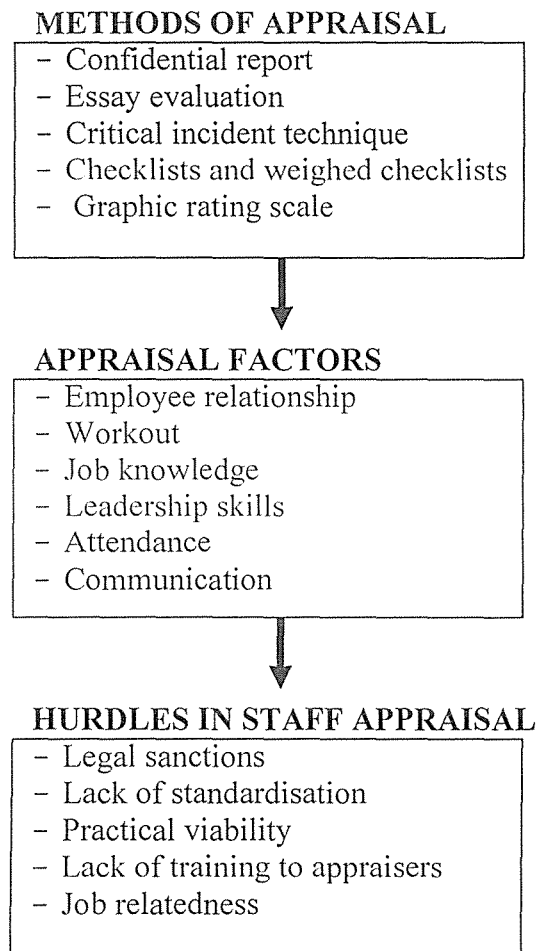
### **GENERAL OBJECTIVE**

The general objective of the study was to examine the impact of the appraisal system on institutional productivity.

### **SPECIFIC OBJECTIVES**

- To establish the methods used to appraise staff in Stanbic bank.
- To examine the appraisal factors used during staff appraisal in Stanbic bank.
- To establish the hurdles involved in appraising staff in Stanbic bank

## 1.6 CONCEPTUAL FRAMEWORK



## 1.7 SCOPE OF THE STUDY

The study was conducted at Stanbic bank Wandegya Branch because it's easily accessible for me at a less cost.

The content of the scope were Stanbic staff at all levels. The study was intended to cover the period between 2003 and 2006

## **THE LITERATURE REVIEW**

### **2.0 INTRODUCTION**

This gave relevant literature that was related to the study objectives from the perspective of different authors, magazines and journals.

### **2.1 METHODS OF EVALUATION**

According to VSP RAO he classified methods of evaluation into three categories. They included individual evaluation methods. Multiple person evaluation method and other methods.

A. Under the individual evaluation methods, employees are evaluated on at a time without comparing them with other employees in the organization. The methods include:

#### **Confidential Report**

This is a descriptive report prepared at the end of every year, by the immediate superior. The report highlights the strengths and weaknesses of the subordinate. The report records the impressions of the supervisor about the subordinate. This method does not give feedback to the employees and it leaves them unaware of their ratings.

#### **Essay Evaluation**

This method requires evaluation on an employee's performance in written form. Instructions are provided as the topic to be covered and then the rater is required to prepare a written statement describing the individual strengths weakness and past performance. While preparing the essay on employee, the rater considers the following factors.

- i) Job knowledge and potential of the employees
- ii) Employees understanding of the company's programmes, policies and objectives
- iii) The employee's relations with co-workers and superiors

- iv) The employees general planning, organizing and controlling ability
- v) The attitudes and the perceptions of the employees.

The essay method is advantageous because it provides a good deal of information about the employee and also move about the evaluator.

The essay method also suffers some limitations which include:

- ◆ Its highly subjective, the superior may write a biased essay
- ◆ Some evaluators may be poor at writing essays on employee performance
- ◆ The appraiser is required to find time to prepare the essay. A busy appraiser may write the essay hurriedly without properly assessing the actual performance of the worker. The appraiser takes a long time, this becomes uneconomical from the view point of the firm because the time of the evaluation is costly.

### **Critical incident technique**

This method requires the rater to keep a written record of incidences as they occur in the organization. These incidences recorded should involve Job behaviors that illustrate satisfactory and unsatisfactory behavior of the employee being rated. For instance July 20<sup>th</sup>. The sales clerk patiently attended to the customer's complaint. He is polite, prompt, and enthusiastic in solving the customer's problem.

On the other hand, the bad critical incident may appear under.

July 20<sup>th</sup>. The sales assistant stayed 45 minutes over his break during the busiest part of the day. He failed to answer the store manager's call thrice. He is lazy, negligent, stubborn and uninterested in work.

Example from (VSP RAO, 2005. Pg. 343)

The method is advantageous because it avoids bias. It also suffers some limitations which include:

- ◆ Negative incidents may be more noticeable than positive incidents.

- ◆ The supervisors have a tendency to unload a service of complaints about incidents during an annual performance review session.
- ◆ It results to very close supervision which may not be liked by the employee.

### **Checklists and weighed checklists**

A checklist represents a set of objectives or descriptive statements about the employee and his behavior. If the rater believes strongly that the employee possess a particular listed trait, he checks the item; otherwise he leaves the item blank. A more recent variation of the checklist method is the weighed list. Under this method, the value of each question may be weighed equally or certain questions may be weighed more heavily than others.

Examples of checklist questions.

- ◆ Is he represented by his colleagues? YES/NO
- ◆ Does he follow instructions properly? YES/NO
- ◆ Does he make mistakes frequently? YES/NO

A Rating score from the checklist helps the manager in evaluation of the performance of the employee. A limitation to the method is that its expensive and time consuming. Its also difficult for the manager to assemble, analyze and weigh a number of statements about the employee's characteristics, contribution and behavior.

### **Graphic rating scale**

Under this method a printed form used to evaluate the performance of an employee. A variety of traits are used in these types of rating devices, for instance the quantity and quality of work.

The advantage with these is that it is easy to understand easy to use and it permits a statistical tabulation of scores of employees.

The graphic rating scale suffers the following disadvantages. It may be subjective; also each characteristic is equally important in evaluation of the employees' performance.

### **Forced choice**

The method makes use of several sets of pair phrases, two of which may be positive and two negative and the rater is asked to indicate which of the four phrases is the most and least, descriptive of a particular worker. The statement items are grounded in such a way that the rater cannot easily judge which statement applies to the most effective employee.

The primary purpose of this method is to correct the tendency of a rater to give consistently high and low ratings to all the employees.

The method has a strong limitation in the preparation of sets of phrases needs trained technicians and this becomes expensive. Raters also feel frustrated rating the employees in the “Dark”.

Finally, the results of the forced choice methods may not be useful for training employees because the rater himself does not know he is evaluating the worker.

### **Management by objects (MBO)**

MBO requires the management to set specific measurable goals with each employment and then periodically discuss the latter's progress towards these goals.

This method involves six steps. They include:

- ◆ Set the organization goals
- ◆ Develop an action plan indicating how the objectives are to be achieved.
- ◆ Allow the employees to implement the action plan.
- ◆ Measuring objectives achievement with employee performance.
- ◆ Take corrective action when necessary
- ◆ Then establish new objectives for the future.

The MBO method faces a limitation for the demand of a great deal of time to set verification goals at all levels of an organization.

The rater may set goals at frustrating high levels and yet the subordinate may wish to have it at a comfortable level.

## **B. MULTIPLE PERSON EVALUATION TECHNIQUES**

Under this technique of performance appraisal employees are evaluated in comparison to another. They include the following methods.

### **Ranking methods**

This method places employees in ranks according to the job performance. Management normally selects some acceptable denominations on the basis of which it ranks, the poorest employee being ranked last.

The long-lasting limitations of this method are:

- ◆ The “whole man” is compared to another whole man in the method. In practice, its very difficult to compare individuals possessing varied behavioral traits.
- ◆ This method speaks only of the position where an employee stands in his group it does not tell anything about how much better or how much worse an employee is when compared to another employee.
- ◆ When a large number of employees are working, ranking of individuals becomes a vexing issue.
- ◆ There is no systematic procedure ranking individuals in the organization. The ranking system does not eliminate the possibility of snap judgments.

### **Paired comparison method**

Under this method, each worker is compared with other employees. For several individual traits paired comparisons are made tabulated and then rank is assigned to each worker.

The limitation with this method is that it is not applicable when a group is large.



**Forced distribution method**

Under this system, the rater is asked to appraise the employee according to a predetermined distribution scale. This method that's job performance and promotion.

The advantage of this method is that by forcing the distribution according to predetermined percentages, the problem of making use of different raters with different scales is avoided. It also eliminates rater bias.

The method has a limitation in being used in salary administration; it may result into low moral, low productivity and high observation.

Employees who feel that they are productive but find themselves placed in a grade lower than expected feel frustrated and reluctant to work.

Other methods of performance appraisal include group appraisal, assessment centers and field review.

**Group appraisal**

In this method, an employee is appraised by group of appraisers. This group consists of the immediate supervisor of the employee, other supervisors who have close contact with the employee's work, head of department and consultants. The group appraises the employees performance, then compares the actual performance with standards, finds out the deviations, discusses the reasons therefore, suggests ways for improvement of performance prepares an action plan, studies the need for change and lately recommends change if necessary.

The advantage of this method, it eliminates personal bias because evaluation is done by multiple raters. It is however a time consuming process.

### **Field review method**

In this method, a trained, skilled representative of the human resource department goes into the “field” and assists line supervisors with their ratings of their respective subordinates. The Human Resource specialist requests from the immediate supervision specific information about the employees performance. Based on this information, the expert and the supervisor can come up with a ranking of the employees’ performance.

### **Assessment centre**

In this approach, individuals from various departments are brought together to spend two or three days working on individual or group assignments similar to the ones they would be handling when promoted. Observers rank the performance of each and every participant in order of merit.

The centre enables individuals working in low status departments to compete with people from well known departments and enlarge their promotion chances. Such opportunities, when created on a regular basis, will go along way in improving the moral of promising candidates working in less important positions.

## **1.2 APPRAISAL FACTORS**

According to VSP RAO 2005, the following are some of the appraisal factors used during the appraisal of employees.

### **Power of expression, Written and Verbal**

This looks at an employee’s ability to communicate verbally or in written form. Employees with good communication and expression skills will carry out their roles and responsibilities effectively because there is exchange of views and ideas between the employees which help improve their performance and lead to a positive impact on productivity.

For employees with poor communication and expression skills, their performance will be low and this impacts institutional productivity negatively because of lack of teamwork.

**Initiative and original thinking**

This involves being innovative in nature or creative. Employees must be “self starters” that’s being able to do something without being told to do so. This quickens their work flow thus improving their performance and increasing institutional productivity.

Employees who lack an initiative and original thinking nature tend to be slow performers and never hit deadlines. As a result, their performance is low which leads to a decline in institutional productivity

**Respect for ethics and integrity of their professions**

It involves employees conducting themselves in a manner desirable by the profession. Once employees have respect for ethics and integrity, they will conduct themselves in a desirable manner which will favour cooperation among employees which leads to high performances and a positive impact on institutional productivity.

In case there is lack of ethics and integrity in the organization, tendencies like absenteeism, corruption, and drunkenness exist in an organization which lowers employees’ performance and leads to a decline in institutional productivity.

**Employee relationship**

This appraisal factor looks at an employee’s ability to tolerate and respect others in the organization and outside. Once employees respect themselves, this results to teamwork which increases performance and results into high institutional productivity.

**Work Output**

It refers to the units of work produced. Employees with high outputs tend to be high performers and these results to high institutional productivity.

Lower performers tend to produce low work output and this leads to a decline in institutional productivity.

### **Leadership skills**

Appraisals are done to identify the leadership ability with employees thus the ability of an individual to guide fellow workers to a desired direction willingly. Employees with good leadership skills will implement leadership styles that encourages exchange of views and suggestions between the leader and employees which leads to high performance and institutional productivity.

Employees with poor leadership skills will implement a leadership style that does not favour exchange of ideas between leaders and employees, this impacts performance and institutional productivity negatively.

### **Attendance**

Is an employee being present at work and performing his/her tasks. Employees who are always present at work performing tasks tend to improve their performance and increase institutional productivity. Unlike employees who are absent have a negative impact on institutional productivity

**Job knowledge.** Appraisal of employees can be intended to identify whether an employee has knowledge of the job or not. Employees who have job knowledge of the job they are doing, have job satisfaction which increases their performance. As a result, there is increased institutional productivity unlike organizations were employees lack job knowledge of their jobs, they will have low performance which results into low institutional productivity.

**Ability to plan, delegate and coordinate.** These are factors usually identified in employees at the managerial levels. Delegation looks at an employee's willingness to pass authority and responsibility to someone else especially a subordinate.

Planning involves identifying an employee's ability to develop objectives and procedures or strategies that will help achieve the objectives. Employees with good planning, delegation and coordination skills earn an organization high productivity.

Organizations whose employees lack planning, delegation and coordination will have poor performance which results into low institutional productivity.

**Tidiness.** This appraisal factor looks at how employees organise themselves at work plus the way they present themselves at the work place.

**Open communication.** Some appraisal systems lack open communication in the form of feedback on a continuing basis, which enables employees to know their productivity. Open communication helps both parties that are the rater and employee to know their gaps and then prepare themselves for the future.

**Due process.** Appraisal systems lack formal procedures that should be followed by employees who disagree with appraisal results (which are considered to be inaccurate or unfair). Employees must have a means of having their grievances addressed.

**Employee access to results.** Employees should have access to the appraisal results because it allows them detect any errors in their performance which can be improved in future. Once employees are denied access to their appraisal results, this will be a hurdle in the appraisal system because employees will not be able to identify their potential and defects that will be improved in order to increase productivity.

**Execution of responsibilities.** This refers to the degree of accomplishing tasks and responsibilities awarded to an employee by his/her supervisor. Employees who quickly execute their responsibilities will have a large workload which results

into increased institutional productivity. Employees who lack this factor produce less thus resulting into low institutional productivity.

### 2.3 HURDLES IN STAFF APPRAISAL

An appraisal system involves the following hurdles according to VSP RAO, 2005:

**Lack of reliability and validity.** An appraisal system should provide consistent reliable and valid information and data, which can be used to defend the organization even in a legal challenge. If two appraisers who are equally qualified and competent to appraise an employee with the help of the same appraisal technique, their ratings should agree with each other. This satisfies the conditions of inter-rater reliability. Appraisal must also satisfy the condition of validity by measuring what they are supposed to measure. For instance if appraisal is made for potential of an employee for promotion, it should supply the information and data relating to potentialities of the employee to take up higher responsibilities and carry on activities at a higher level.

**Job relatedness.** Some systems do not measure the performance and provide information that is related to the job activities. This makes it difficult to measure the productivity of an employee because the information obtained from the appraisal system will not be related to the job.

**Lack of standardisation.** Appraisal systems at times lack standardization in the appraisal forms, procedures, administration of techniques, ratings. This has affected the employee's productivity because appraisal decisions are made basing on the information obtained from the appraisal system.

**Practical viability.** An appraisal system may not be practically viable in its administration, it may not be possible to implement and economical to undertake. This will affect the productivity of an organization because there is no appraisal system implementation to assess productivity.

**Legal sanctions.** Appraisal systems must meet the laws of the land. They must comply with provisions of various statutes relating to labour. An appraisal system that does not comply with labour laws faces a hurdle.

**Lack of training to appraisers.** Some appraisers lack training on issues relating to appraisal of employees for instance documenting appraisal and conducting appraisal interviews. This has led to poor assessment of organization productivity process.

## **METHODOLOGY**

### **3.0 INTRODUCTION**

This chapter spells out how the study was conducted.

### **3.1 RESEARCH DESIGN**

The researcher used a case study; this is because there are many commercial banks with branches through out Uganda and the research could not look at all of them due to resource constraints

### **3.2 STUDY AREA**

The study was carried out in the banking industry as pointed out earlier, focus was on Stanbic Bank Uganda Limited because I knew employees in influential positions, and were willing to help in my research

### **3.3 STUDY POPULATION**

The study covered employees of Stanbic bank and it included heads of departments, supervisors and lower level staff. This was done in order to obtain a cross sectional representation of all staff in the organization.

### **3.4 SAMPLE SIZE**

The sample comprised of 30 respondents of which 15 were low level employees for instance inquiry officers, tellers, cleaners. 10 were supervisors then the 5 were heads of departments for instance Head of Customer Care, Head of Accounts and the Head of Loans. This enabled the researcher gather enough information that was representatives of all the bank staff.

### **3.5 SAMPLE SELECTION**

The researcher used stratified sampling to select data among the low level staff. This was because they were easily assessable by the researcher. In the case of Head of Department, purposive sampling technique was used because they had the information the researcher needed.



### **3.6 RESEARCH TOOLS/INSTRUMENTS**

The researcher used guided interviews with top management staff, which enabled face – face interaction between the researcher and Managers. Interview also enabled the researcher to study the respondent's body language and face expression which helped obtain information that the respondents did not intend to give out.

Questionnaires were given to low level staff because are easily approachable and have time to complete a questionnaire compared to the Top Managers.

### **3.7 DATA ANALYSIS**

The researchers used excel to analyse the enlisted data. Data was first organized according to the study objectives and then it was then sorted to remove unnecessary information and entered into an excel sheet for analysis

## PRESENTATION AND DATA ANALYSIS

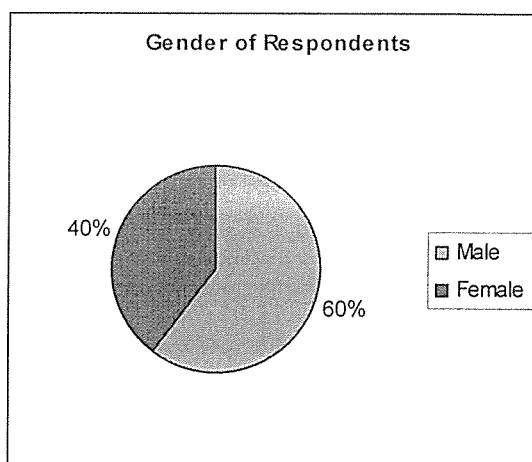
### 4.0 INTRODUCTION

This chapter covers the presentation and analysis of the data, collected from Stanbic bank. The study sought to address the following objectives.

### 4.1 GENDER AND RESPONDENTS

Gender	Number of Respondents	Percentage
Male	18	60%
Female	12	40%
<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Primary

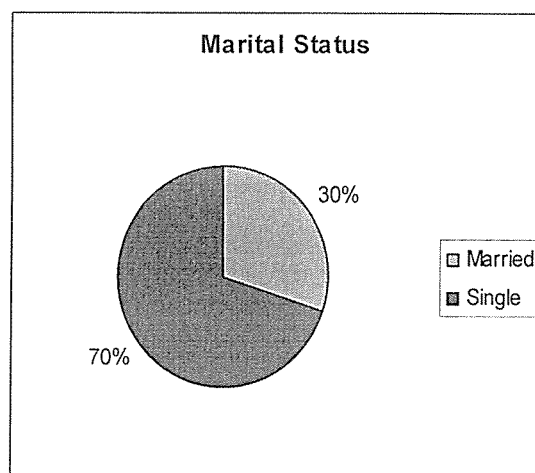


The findings from the table show that 60%(18) of the respondents were male, 40%(12) were female. This shows gender imbalance among the Stanbic Bank employees of Wandegeya branch

### 4.2 MARITAL STATUS

Marital status	Number of Respondents	Percentage
Married	9	30%
Single	21	70%
<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Primary



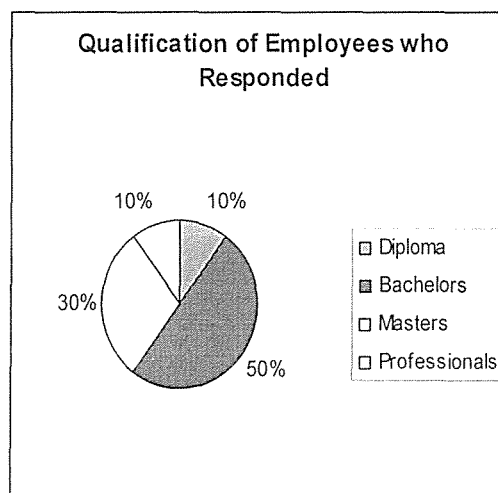
The Pie Chart indicates 70%(21) of the respondents are single, compared to 30%(9) who are married. This comes as a result of Stanbic recruitment policy whereby emphasis is

put on the recruitment of qualified fresh graduates with the potential to develop the abilities and skills.

#### 4.3 QUALIFICATION OF EMPLOYEES WHO RESPONDED

Qualifications	Number of Respondents	Percentage
Diploma	3	10%
Bachelors	15	50%
Masters	9	30%
Professionals	3	10%
<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Primary



50% (15) of the respondents qualified with Bachelor Degrees, 30% (9) had Master Degree, both Diplomas and Professional qualifications like ACCA, CIB (Chartered Institute of Bankers) were represented by 10% (3).

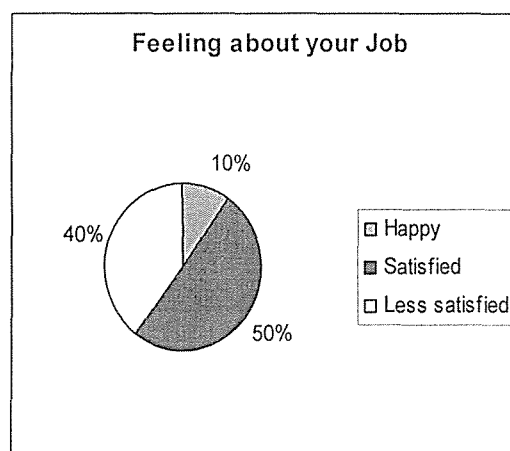
This shows that the minimum required qualification is a Bachelors' Degree for Stanbic employees.

The bank also values its employees and aims at building their careers by offering them study loans.

#### 4.4 FEELING ABOUT YOUR JOB

Attitude	Number of Respondents	Percentage
Happy	3	10%
Satisfied	15	50%
Less satisfied	12	40%
<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Primary and Secondary Data



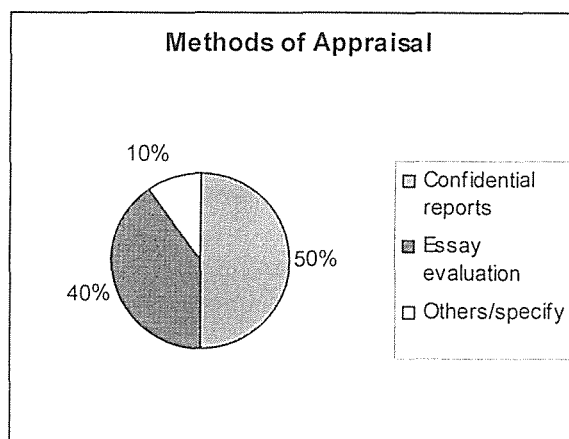
50% (15) of the respondents acknowledged that they were satisfied with their jobs, 40% (12) are less satisfied. The happy employees represented 10% (3).

The findings indicate that apart from monetary remuneration, stanbic also offers a variety of non-monetary benefits like funeral expense assistance, club membership, entertainment policy where the bank entertains its employee at all costs.

This also shows that the bank expects their employees to live above a certain standard of living.

#### 4.5 METHODS OF APPRAISAL

Methods	Number of Respondents	Percentage
Confidential reports	15	50%
Essay evaluation	12	40%
Others/specify	3	10%
<b>Total</b>	<b>30</b>	<b>100%</b>



Source: Primary

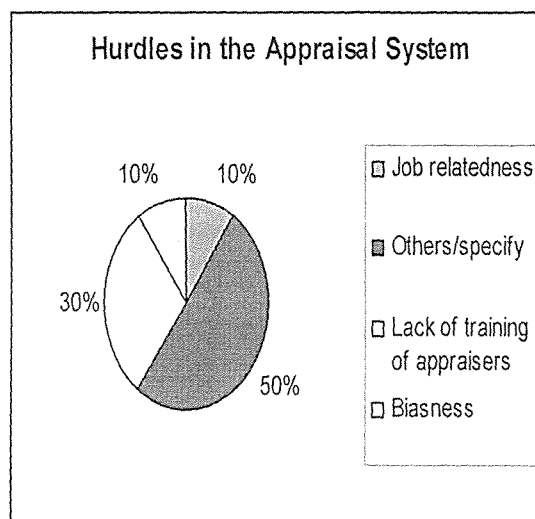
The table above shows that 50% (15) of the respondents acknowledged confidential reports compared to 40% (12) respondents who acknowledged essay evaluation. 10% (3) of the respondents acknowledged other methods of appraisal like; call satisfaction survey and multi-rater method.

These findings indicate that confidentiality is key during the appraisal process so that good employee relations are maintained between the line manager and the employees.

#### 4.6 HURDLES IN THE APPRAISAL SYSTEM

Hurdles	Number of Respondents	Percentage
Job relatedness	3	10%
Others/specify	15	50%
Lack of training of appraisers	9	30%
Biasness	3	10%
<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Primary



50% (15) of the respondents identified hurdles in the appraisal system like;

- ♦ Leakage of information from the appraiser office to the employees being evaluated.
- ♦ Delay in feedback for final judgment. At times feedback may delay in Johannesburg so that by the time results return the appraisees performance might change to positive or negative.

30% (9) of the respondents acknowledged lack of training among the appraisers to carryout evaluation of employees' performance.

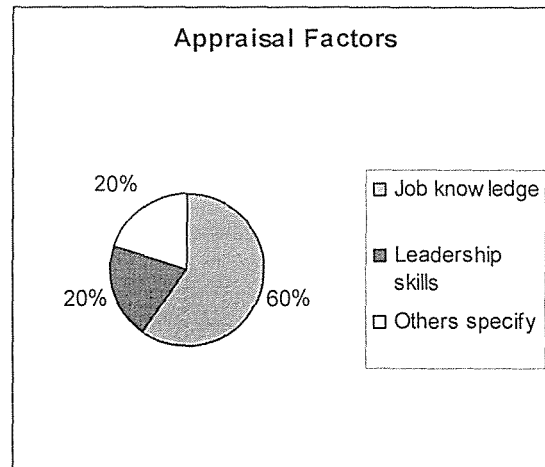
10% (3) of the respondents identified biasness against the employee by the appraiser as a hurdle in the appraisal, as well as job relatedness, this was because some employees lacked job knowledge.

These findings indicate that the "Mother Bank" Standard Bank based in South Africa Johannesburg prefers to carry evaluation of some employees especially those in senior managerial positions. These at times can undermine the evaluation skills and potential of employees in Stanbic Uganda Limited.

#### 4.7 APPRAISAL FACTORS

Factors	Number of Respondents	Percentage
Job knowledge	18	60%
Leadership skills	6	20%
Others specify	6	20%
<b>Total</b>	<b>30</b>	<b>100%</b>

Source: Primary



The findings in the table show that 60% (18) of the respondents acknowledged that job knowledge was an appraisal factor compared to a minimum of 20% (6) that acknowledged leadership skills and other factors like response to the personal development plan (PDP).

Another factor is the ability to bad news critiquing weak performance. This is an appraisal factor looked among employees to fill up managerial positions.

From the findings, it shows that during the appraisal system, stanbic bank employees' knowledge on job as compared to other factors.

## DISCUSSIONS, CONCLUSION AND RECOMMENDATION

### 5.0 DISCUSSION OF FINDINGS

5.0.1 In response to the gender of the respondents, majorities were male 60% (18) and female, were 12 (40%). This indicated gender imbalance during the recruitment.

5.0.2 According to the respondents' marital status, 21 (70%) were single and 9 (30%) were married.

Thus from the above statistics, it was discovered that Stanbic bank recruitment policy emphasizes recruitment of qualified fresh graduates who have the potential to develop their abilities and skill. Most of these recruits are single.

5.0.3 In relation to the academic qualification of the respondents, 50% (15) of the respondents had Bachelor's Degrees. These were as a result of Stanbic Bank policy of Bachelor Degree being the minimum academic qualification for employees who carried duties that related to banking.

30% (9) of the respondents were qualified with Master Degrees and 10% (3) of the respondents had professional qualifications like Chartered Institute of Bankers (CIB), ACCA, CPA. These qualifications were obtained by the study loan policy. There is a policy that enables employees attain further education at the bank's cost. This answers the bank's objective adding value to their employees.

Another 10% (3) of the respondents were qualified with Diplomas. They were clerical staff who performed duties that were not related to banking.

5.0.4 50% (15) of the respondents say they were satisfied with their jobs. This is as a result of additional monetary and non-monetary benefits the bank offers to its employees for instance;

- ♦ Club membership policy which is intended to help bank employees keep fit and healthy through participation in various physical and mental activities.
- ♦ Funeral expense assistance policy. For all employees' death, the bank will pay a lump sum of funeral benefits amounting to Uganda shillings 1,100,000. a reduced funeral benefit of Uganda shillings 340,000 is available to the employees' registered spouse, biological parents and children.
- ♦ Electronic communication (internet, email) access to facilitate the bank business. These are intended for employees to use as part of their work and this makes them feel at ease hence satisfied.
- ♦ Leave policy which applies to all employees and is in different categories like;
  - Annual leave, where employees are entitled to 28 days leave per annum.
  - Compassionate leave; all employees are entitled to 3 days per event to the death of immediate family members i.e. spouse, biological parents, biological siblings, adopted and biological children.
  - Maternity leave. An expectant female member of staff will be entitled to eight consecutive weeks of full pay and four weeks following delivery.
  - Paternity leave. Male employees are entitled to 3 days per event.

The leave policy also includes sick, study and unpaid leave.

40% (12) of the respondents were less satisfied with their jobs. Their reasons were long working hours especially during balancing accounts that takes at the end of the official banking hours ( 8 hours).

They also complained about different salary scales for employees at the same rank. This results from the different salary scales set by Uganda Commercial Bank Limited whose employees were retained by Stanbic Bank during the merger and the one introduced by Stanbic bank for the employees it recruited.



10% (3) of the respondents are happy these are mainly the UCB original staff who at the time bank policies favored employees.

5.0.5 In response to the methods of appraisal, 50% (15) of the respondents acknowledge confidential reports as a method of appraisal. This is important because it maintains a good working relation between the line manager and employees, once confidentiality is maintained by the appraisers and appraisee.

40% (12) of the respondents identified essay evaluation as an appraisal method. Their main reason was the results can act as a reference in the future for both management and employees when determining their performance.

3 respondents (10%) acknowledged other appraisal methods like call satisfaction survey and the multi-rater method.

5.0.6 According to response to the hurdles in the appraisal system. 50% (15) of the respondents indicated the following as some of the hurdles in the appraisal system.

- ◆ Inappropriate final judgment, for cases where reports have to be sent to Johannesburg for final judgment. Judgment may be reached yet it is not in relation to what is on ground back at the Wandegaya branch.
- ◆ Delay in feedback, judgment may delay in South Africa and by the time it returns the appraisee's performance might change to either positive or negative. As a result the whole appraisal process would be ineffective.
- ◆ Leakage of information. From the line manager office or appraiser to the appraisee about the evaluation results. The leaked information may include who appraised who what marks he or she awarded to the appraisee

There is likely to lead to poor employee working relations between the appraiser and appraisee, especially if the appraisee considers he/she was ranked low.

30% (9) of the respondents identified lack of training of appraisers in the field of evaluation of employee performance as a hurdle in the appraisal system.

10% (3) both acknowledged biasness on the side of the appraiser towards the appraisee during evaluation and lack of job knowledge (job relatedness) as hurdles in the appraisal system.

- 5.0.7 From the findings on the appraisal factors, 60% (18) of the respondents agree that job knowledge is an appraisal factor considered during the evaluation of bank employees' performance.

Job knowledge would look having the required academic qualification, work experience for the particular job.

20% (6) of the respondents both acknowledge leadership skills and response to the personal development plan (PDP) and ability to deliver bad news critiquing weak performance. Employees with such factors are considered to fill up managerial positions.

## 5.1 CONCLUSIONS

- 5.1.1 In response to gender, there was imbalance with 60% (18) of the respondents being male and 40% (12) being female.
- 5.1.2 Marital status indicated many single employees 70% (21) compared to 30% (9). This was because of the recruitment of fresh graduates.
- 5.1.3 According to the academic qualifications of the respondents, 15 (50%) had Bachelor Degrees, 9 (30%) qualified with Masters' Degrees, 3 (10%) had professional qualifications like (CIB, ACCA). Another 3 (10%) qualified with Diplomas; they included clerical staff who did not perform banking duties.

5.1.4 15 (50%) respondents were satisfied with their jobs unlike 12 (40%) who are less satisfied with their jobs and 3 (10%) who are happy. All these feelings are related to different policies the bank offers to its employees.

5.1.5 The methods of appraisal included confidential reports which was represented by 15 (50%) employees, essay evaluation was acknowledged by 12 (40%) of the respondents. 3 (10%) of the responded agreed on call satisfaction survey multi-rated method.

5.1.6 In relation to the hurdles in the appraisal system include: Inappropriate final judgment, leakage of information, delay in feedback which was represented by 15 (50%) of the respondents.

9 (30%) of the respondents acknowledged lack of frowning in the field of evaluating employee performance. 3 (10%) of the respondents both acknowledged biasness on the side of the appraisers towards the appraise during the evaluation process and lack of job knowledge by employee (job relatedness) as hurdles in the appraisal system.

5.1.7 Job knowledge was considered the major appraisal factor considered during the evaluation of employee performance. It was prepared by 18 (60%) of the respondents.

6 (20%) respondents acknowledge leadership skills while other 6 (20%) respondents considered, the response to the personal development plan (PDP). This is a plan that enables employees' carryout a self assessment in regard to their performance and then take action if necessary. Ability to deliver bad news critiquing work performance.

## 5.2 RECOMMENDATIONS

Stanbic bank Uganda limited (Wandegeya) should encourage the 360 evaluation /appraisal system that includes evaluation of outside parties that are related to the bank, for example customers. Their view can be important when evaluating an employee's performance.

Stanbic Wandageya branch should encourage having final internal evaluation, instead of sending appraisal reports of its employees to the Head office OR standard bank Johannesburg for final evaluation. This helps overcome hurdle of delay in feedback and inappropriate final judgment.

Stanbic bank should, ensure training of appraisers so that they carry out evaluation effectively.

Stanbic bank should ensure that employees with the right specification are placed in the right job. This will help over the hurdle of lack of job knowledge during the appraisal system.

I do recommend the bank to encourage the recruitment of single martial status employees, especially fresh graduates with the potential to develop and acquire new skills. This is because such recruits will stay focused on their jobs and they tend to be loyal and well committed to the organization unlike the case for the married.

## **DEFINITION OF TERMS**

**UCBL** : Uganda Commercial Bank Limited

**SAHL** : Stanbic Africa Holdings Limited.

**MBO** : Is an approach to management which aims to integrate the organization objectives with those of individuals. GA (1988)

### **Appraisal System**

Is an objective way of judging the relative worth or ability of an employee in performing his or her task. (Manopa, 1996)

### **Productivity**

Refers to the process by which resources (materials, time) are transformed into a different and more useful commodity or service (D. N DIVEDI, 2003)

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## APPENDIX I: QUESTIONNAIRE FOR STANBIC BANK EMPLOYEES (WANDEGEYA BRANCH)

### Introduction

The purpose of this questionnaire is to get your views on how an appraisal system impacts institutional productivity in Stanbic Bank (Wandegeya Branch).

The questionnaire aims at assisting the researcher in preparing a project paper in Human Resource Management.

Kindly answer the questions as indicated in every case and please return the questionnaire to the undersigned within a week's time.

Please note that your personal views, opinions and suggestions will be strictly kept confidential and utilized for the intended purpose.

EKWEE STEPHEN

Signature: .....

### Instructions:

Enter your answers in the space provided against each answer.

Please Fill, Tick OR Circle as appropriate

General information

i. Title/Status: .....

ii. Gender/Sex:                      Male                      Female  
   ☐                      ☐

iii. Marital status                      Married                      Single  
   ☐                      ☐

iv. Terms of employment

Temporary staff ☐

Permanent staff ☐

Contract staff ☐

Others (specify) .....

v. Highest academic qualifications

Diploma ☐

Degree ☐

Masters ☐

vi. How do you feel about your job?

Very good ☐

Good ☐

Bad ☐

vii. What methods of appraisal do you follow during the appraisal of Stanbic employees.

Confidential Report ☐

Essay Evaluation ☐

Others (specify) .....

viii. As Managers what hurdles do you face during the appraisal of Stanbic employees

Job relatedness ☐

Lack of training of appraisers ☐

Others (specify) .....

ix. What appraisal factors are you Managers looking for in an employee during the appraisal.

Job knowledge ☐

Leadership skills ☐

x. Others[specify] .....