

KAMPALA INTERNATIONAL UNIVERSITY

THE IMPACT OF PERFORMANCE APPRAISAL ON PERFORMANCE OF EMPLOYEES

CASE STUDY: YUMBE DISTRICT LOCAL GOVERNMENT

BY

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF
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DECLARATION

I, ALORO TADEOS AJUGA BHR/4341/31/DU declare that this Research Report is from my own findings and has never been produced by anybody else for the same award in any institution.

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Date: 21/09/06

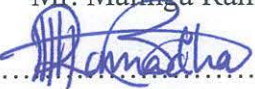
APPROVAL

This is to satisfy that my approval has been given for this research report to be submitted to School of Business and Management as a requirement for the partial fulfillment for the award of in Bachelor Degree in Human Resources Management.

Name of supervisor:

Mr. Malinga Ramadhan

Signature:

.....

Date:

21/09/06.....

DEDICATION

*THIS PIECE OF WORK HAS BEEN DEDICATED TO MY LATE BROTHER BURUGA
MOSES, GRAND PARENTS PIERINA AND FELICE*

ACKNOWLEDGEMENT

The researcher appreciates the enormous efforts his parents to take the right decision to make him accomplish this academic mission especially Mum Draru Anjelina.

Many thanks goes to Uncle Simon Dradri for tireless efforts in educating me, the staff of Yumbe District Local Government who also made this Research a Success.

Sincere thanks go to my supervisor Mr. Malinga Ramadhan for his guidance and advice, best friends at the university with whom during this difficult time endeavored to work hard in order to achieve this work especially Mr. Aluonzi Buran , Becky and Buga Jamal and girlfriend Doreen.

Not forgetting the efforts of the Dean of school of Business and Management Mr. Olar Ronald, Associate Dean of school of Business and Management Mr. J.O.M Wafula (Fellow), Mr. Muganga Chris and all the staff through whose hands we passed during our stay at in Kampala International University and all those with out whose support this work would not be a reality.

God bless you abundantly

Declared by Aloro Tadeos Ajuga

LIST OF TABLES

Table 1:	Table of respondents.....	20
Table 2:	The gender response.....	21
Table 3:	Departmental Distribution of respondents.....	22
Table 4:	The contribution of various parties in the appraisal process.....	24
Table 5:	Rate of appraisal practice among respondents.....	25
Table 6:	Parameters used in judging performance in the appraisal.....	27
Table 7:	Actions recommended after appraisal.....	28

LIST OF FIGURES

Figure 4.1:	General response.....	21
Figure 4.2:	Gender response.....	22
Figure 4.3:	Departmental distribution.....	23
Figure 4.4:	Contribution of various parties in the appraisal process.....	24
Figure 4.5:	Rate of appraisal among the respondents.....	26
Figure 4.6:	Parameters used to judge performance in the Appraisal process.....	27
Figure 4.7	Different actions taken by the administrators after appraisal	29

TABLE OF CONTENTS

Declaration -----	i
Approval-----	ii
Dedication-----	iii
Acknowledgement-----	iv
List of tables -----	v
List of figures-----	vi
Table of contents -----	vii
Abstract -----	ix

	CHAPTER ONE	
1.0	INTRODUCTION	1
1.1	BACKGROUND OF THE STUDY	1
1.2	BACK GROUND OF YUMBE DISTRICT LOCAL GOVERNMENT	2
1.3	BACK GROUND OF THE PROBLEM	2
1.4	STATEMENT OF THE PROBLEM	3
1.5	PURPOSE OF THE STUDY	3
1.6	OBJECTIVES OF THE STUDY	3
1.7	HYPOTHESIS OF THE STUDY	4
1.8	SIGNIFICANCE OF THE STUDY	4
1.9	SCOPE OF THE STUDY	5
1.10	DEFINITIONS OF KEY WORDS	5
1.11	SUMMARY OF THE ORGANIZATION OF RESEARCH REPORT	6
	CHAPTER TWO	
2.0	INTRODUCTION	8
2.1	RELATED LITERATURE REVIEW AND OTHER RESEARCHERS WORK	8
2.2	CONCEPTUAL FRAME WORK	8
2.3	THEORETICAL ANALYSIS	9
2.4	IMPACT OF APPRAISAL ON PERFORMANCE	12
2.5	SOUND MANAGEMENT OF RESOURCE	14
2.6	REVIEW AND OPTIONS OF APPRAISAL	15
2.7	COMPETITIVENESS AND TRADING	15
2.8	JOINT WORKING	16
2.9	ACCOUNTABILITY	16
	CHAPTER THREE	
3.0	INTRODUCTION	18

3.1	RESEARCH DESIGN	18
3.2	AREA OF STUDY	18
3.3	SAMPLE SELECTION TECHNIQUES	18
3.4	RESEARCH INSTRUMENTS	18
3.5	DATA ANALYSIS	19
3.6	RESEARCH PROCEDURE	19
	CHAPTER FOUR	
4.0	INTRODUCTION	20
4.1	GENERAL FINDINGS	20
4.2	THE CONCEPT OF PERFORMANCE APPRAISAL	23
4.3	LIMITATION OF THE STUDY	30
	CHAPTER FIVE	
5.0	INTRODUCTION	31
5.1	SUMMARY	31
5.2	CONCLUSION	31
5.3	RECOMMENDATION	32
	APPENDIX	34
A	BIBLIOGRAPHY	36
B	QUESTIONNAIRES	
C	INTRODUCTION LETTER	

ABSTRACT

This research was based on investigating the impact of Performance Appraisal on the performance of an organization .It was conducted in Yumbe District Local Government. It covered top Administrators and Employees as its respondents.

The researcher was interested in this topic because despite the resources pumped by government in to the district there is still low performance of employees in the District and since District Service Commission recruits on behalf of the Public Service, there is likely hood of recruiting in competent staff which can be handled by performance appraisal

This research was based on the assumption that there was significant relationship between performance appraisal, and performance. Thus if employees are appraised then their performance is known in terms of weakness and be corrected.

During the process of conducting this research, it was realized that performance appraisal had a significant relationship with the performance of the organization. It was also realized that effective performance appraisal establishing of employee weaknesses and corrective actions like training, transfer, retrenchment and promotion for high fliers are taken.

Some of the recommendations made by the researcher in this report included training staff about performance appraisal, involving the appraisees in the appraisal process, more effort on semi annual and quarter annual performance appraisal and more resource to be allocated for the appraisal activities.

CHAPTER ONE

INTRODUCTION

1.0 INTRODUCTION

This chapter introduces the back ground of the study, focusing on the formulation of problem statement, background of the organisation in which the research was done, and research objectives, research hypothesis, and significance of the study and scope of the study as well.

1.1 BACKGROUND OF THE STUDY

Performance appraisal is the most effective way of assessing performance of employees of organizations whether big or small. In small organizations, performance appraisal may be done in an informal way but in big organizations it must be in a formal way and written performance appraisal reports produced. Performance appraisal helps in determining the training needs, employment opportunities of the organization

It also assists the human resource management know who to fire and who to retain performance appraisal is an effective tool in human resource management and helps the manager or any other stakeholder in doing the manpower audit of any given organization. The current appraisal system in the Public service is based on performance appraisal reports and the human resource management manual for local government in Uganda (March 1999). In that manual, it is indicated that the old performance appraisal system should be revised to take in to account a Result Oriented Management (ROM) and Management by Objectives (MBO).

Organisations in this case, local governments should clearly set smart objectives they need their employees to attain. Employees should endeavour to achieve those objectives and its against those set objectives that their performance should be appraised.

The new Public Service system is based on actual performance against well defined objectives and resources agreed upon by the employer and the employees. As a matter of

policy, the Ugandan Public Service Commission put in place the Public Service Act as a constitutional aspect. The Uganda Government standing orders Chapter one volume A-C mandates all officers to appraise the performance of their staffs as a human resource management function.

According to this policy, employees should be appraised twice a year for those who are on probation and once a year for those confirmed. Unfortunately, in some organisation, this policy remains on paper.

1.2 BACKGROUND OF YUMBE DISTRICT LOCAL GOVERNMENT

Yumbe District was created out of Arua district, and started operating formally in the financial Year 2001/2002 after approval by parliament in November 2000. It is bordered by Sudan in the North, Moyo District in the East, in the South by Arua and Nile and in West by Koboko District. As a new district, Yumbe district faces a number of challenges, both organizational and institutional. These challenges affect the smooth running of the district and impact on service delivery.

1.3 BACKGROUND OF THE PROBLEM

The government of Uganda has put in place many human resource management policies stipulated in the local government act, irrespective of those well intentioned regulations at different levels of governance, performance appraisal is still a need in most local governments.

As a result of this, most employees are unfairly transferred, demoted at worst dismissed basing on biased performance appraisal reports. Performance appraisal in Yumbe district is a new phenomenon. There would be beneficiaries end up missing chances of being promoted on their jobs and there is little transfers of expertise.

Available literature in the Ministry of Public Service indicate that performance appraisal in Uganda started with the creation of the Public Service Commission as a centralised government policy.

According to Warrant Nyamugasira (of Uganda National NGO Forum) report of April 2002, decentralization policy came into force without adequate regulation. For instance the district service commissions lack the capacity of appraising the performance of the technical staffs they employ. Some Districts also lack Expertise locally.

1.4 STATEMENT OF THE PROBLEM

A lot of scarce resources have been spent on carrying out performance appraisals as a matter of formality.

In some Local Governments, performance appraisals are conducted by people who are not competent enough to know the effects of those appraisals. It is important to also consider both negative and positive effects that can be experienced as a result of the appraisal.

Despite a lot of resources pumped by the government in to the district, there is still a lot of low performance by the employees of the district. Since the District Service Commission employs on behalf of the Public Service Commission there is likely hood of employing un competent personnel hence this problem can be solved by the use of performance appraisal in order to save the meager resource of the district

1.5 PURPOSE OF THE STUDY

The purpose of the study was to establish the relationship between performance appraisals and the performance of employees in Yumbe district.

1.6 OBJECTIVES OF THE STUDY

The following were the research objectives:

1. To establish the relationship between performance appraisals and transfers in Yumbe district Local Government.
2. To establish the relationship between performance appraisal and retrenchments in Yumbe Local Government
3. To establish the relationship between performance appraisal and actual performance in Yumbe district.

1.7 HYPOTHESIS OF THE STUDY

The research was based on the following hypothesis:

- i) There is a significant relationship between performance appraisal reports and actual performance of employees in Yumbe District Local Government.
- ii) There is a significant relationship between performance appraisal and human resource planning in Yumbe District Local Government.
- iii) There is a significant relationship between performance appraisal and manpower audit in Yumbe District Local Government.

1.8 SIGNIFICANCE OF THE STUDY

This study will in future benefit the employers, administrators, students and the society in the following ways:

- ❖ It is hoped that the findings of the study will help the organization's Administrators to recognize the importance of carrying out performance appraisal on their workforce to enhance effective achievement of the organizational goals.
- ❖ The study will also assist employers to understand the views of their workforce in regard to general conditions of work environment and performance appraisal specifically. It will act as a benchmark for most organizations that have over years neglected the forces of performance appraisal for the effective performance of the organizations.
- ❖ Most importantly, the report will assist other scholars and will perform the basis upon which further studies can be carried apart from adding on stock of knowledge that already exists about the effects of training on performance.
- ❖ The study also acts as a partial fulfillment of the requirement of award of Bachelor's Degree in Human Resource Management of Kampala International University for the researcher.
- ❖ The study will also help other students of the same profession in future to carry out a similar requirement during their academic stay in the

University. It can also be used as a reference by the teaching staff and administrators of the University.

- ❖ The employees also will get to know their employment status and their performance levels. This will help the employers and employees in planning for performance improvement in service delivery at all levels of governance in Yumbe local government.
- ❖ The report of this study will act as a secondary source of data for any other stakeholder in the above subject matter. Employees will also appreciate the use of formal performance appraisals as an effective tool of logic judgement as far as human resource management is concerned in the district.

1.9 SCOPE OF THE STUDY

The study covered Yumbe district. This district is located in the Northern part of Uganda. It covered all those administrators based in the district headquarters in the departments at various levels of administration.

1.10 DEFINITION OF KEY WORDS

Local Government employees

According to Derek and Hall, these include all persons employed by the local government agencies such as those at the district, County, sub county, parish and village level.

Employees

Hollinshead (1999) broadly defined work to include casual and seasoned employment and the use of fixed term contracts. He explains that: They may be seasonal mainly in production companies where seasons dictate the operations. Seasonal employees perform such duties as harvesting and managing production lines where extra workforce is needed to work in shifts.

Hollishead further differentiates temporary workers from agency temporary staff by pointing out that while the former may be recruited on individual basis.

Agency temporary workers are those that are recruited as a pool by a recruiting company, may train them and later hires them out to other companies on a need basis.

He further explains that while in seasonal employment the employment terms are negotiated between the individual and the employing company, in recruiting from agencies, terms and conditions are negotiated between the agency and the hiring employer.

Impact

According to Hall, this means the correlational relationship between performance and results of the independent variables.

Performance appraisal

This according to Osborn's Concise Dictionary is a policy mechanism of assessing performance of employees of organizations for a specific duration. It covers both big and small enterprises.

1.11 SUMMARY OF THE ORGANISATION OF RESEARCH REPORT

In Chapter 1, the researcher has dealt with the Introduction of the study, the background of Yumbe District Local Government (the organisation in which the research was done), the significance of this study to the Employers, s, Employees, Administrators and Students. This Chapter also gives lights to the problems that interested the researcher to carry out this study; the scope of the study is also talked about here, the research hypothesis, the research objectives and the definition of the terms used as well

In Chapter Two, the researcher reviewed the related literature to the research work. Here views, ideas and comparison of what earlier authors have said about this research area were analyzed to get guidance; a lot of library research was done in this chapter.

In Chapter Three, researcher dealt with the targeted Respondents, Instruments of research used; these included sampling methods, tionnaires and interviews, the research procedure including data analysis and presentations.

In Chapter Four, the researcher dealt with the analysis of the data collected from the respondents, the presentations of this data in statistical forms for easy interpretation to the readers and also analyzing the limitations the researcher faced during the process of conducting this research.

Finally in the last Chapter, chapter five in the report, the researcher dealt with recommendations basing on the findings of this research and conclusion was drawn advising other researchers who might be interested in carrying out more work in this area. The summary of research report was made in this chapter.

CHAPTER TWO

LITERATURE REVIEW

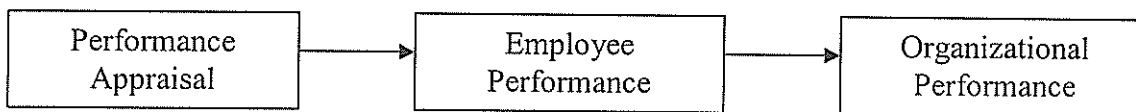
2.0 INTRODUCTION

This chapter is about the ideas and views of other persons in relation to the (topic) identified by the researcher. The literature is vital and enables the researcher to investigate further. The literature was mainly taken from other secondary sources of data.

2.1 RELATED LITERATURE REVIEW AND OTHER RESEARCHER'S WORK

1. William Glueds (1978) has defined performance appraisal as the personnel activity by means of which the enterprise determines the extent to which the employee is performing the job effectively.
2. Wendell French (2003) defines performance appraisal as :
 - (a) The formal systematic assessment of how employees are performing their jobs in relation to established standards and
 - (b) The dialogue about that assessment with employees.

2.2 CONCEPTUAL FRAMEWORK



Performance appraisal leads to employee's performance which eventually improves organizational performance. Derek and Hall (1995) have noted that increasing, organizations are recognised that performance appraisal has a critical effect an employee's performance in organization has traditionally around performance appraisal. Meanwhile organisational performance has got influence on employee performance and performance appraisal

Whereas performance appraisal directly results into employee performance, Employee performance also results to organization performance. The three are also interrelated to one another beginning from organizational hence forming a complete framework.

2.3 THEORETICAL ANALYSIS

2.3.1 Methods of performance appraisal.

Adage and Stearn (1991) further stated that the most widening use of performance appraisal is graphic rating scales. He also goes ahead to mention that it is one of the oldest methods of performance appraisal in use. In this method, the supervisor is presented with a graph and asked to rate employees on each of the characteristics listed. The number of character rated varies from a few to several dozens.

Graphic rating in many forms are used widely because they are easy to develop, because of its simplicity, this method is most frequently used by many government officers (supervisors) to rate their employees. Although it is one of the oldest methods, recent modifications have been designed to make it more effective and this therefore implies it is no longer in its old form (state) this method is most likely to result in greater reliability of performance appraisal

Wendell French (2003) once again identified another method of performance known as forced choice rating. He argues that the force choice method of performance appraisal was developed because other methods used at the time led to a preponderance (superiority) of higher rating, which made promotion decisions difficult in forced choice, the supervisor must choose from a set of description statement about the employee.

The researcher's reaction is that appraisal in the method may not only be used for promotion decisions alone. Force choice may be used to achieve many other objective of performance appraisal such as maintenance of discipline among employees. Although the forced choice method was develop as a remedy to the weakness of other methods at the time which make promotion decision difficult, it has today contributed to solving other related problems in performance appraisal.

David Evans (1995) argues that one of the most frequently used methods of performance appraisal is the behaviour anchored, to assess the successful

performance of a job. They pointed out that the focus on this method is not on performance outcome but a functional behavior demonstration on the job. Their assumption is that this functional behavior will result in effective job performance.

In the researcher's view, this method can be a solution to minimize various problems in the methods of performance appraisal by spelling out the behavior associated with each level of performance. This method can also be used for evaluation by supervisor, peers, or subordinates in combination of other methods.

Torrington and Laura (1995) have argued that the effective and accurate method of performance appraisal is ranking method. When it becomes necessary to rank relative performance of an employee to the performance of others ranking methods can be used, according to Torrington and Laura. This method consists of listing all employees from highest to lowest in performance through this method it is easier to rank the best and the worst employees than evaluate the average ones. Results of the employee, who in turn gets to see his/her opinion differ from those of the groups doing the assessment. They mentioned that some successful companies in America use it.

The researcher's point of view is that, this method may not be popular in Uganda and Yumbe District Local Government in particular. This is because situations in America are very different from those of Yumbe District Local Government.

Mathias and Jackson (2000) have argued that MBO is common method of performance appraisal. They have pointed out that MBO specifies the performance goal that an individual hopes to attain within an appropriate length of time. According to them, the objectives that each manager sets are derived from the overall goals and objectives of the organization.

Certainly, MBO method is not appropriate for all employees and all organizations. Jobs with little or no flexibility are not compatible with MBO method. For example a department – line employee usually has so little job flexibility that performance standards and objectives are already determined. This method in the researcher's view seems to be most useful with managerial personal and employees who have fairly wide range of flexibility and control over their jobs. When this method is

imposed on a region and autocratic management system, it may fail because of its extreme emphasis on penalties for not meeting objectives.

According to Bhaskar (1999), the simplest method of performance appraisal is the essay method. This according to him is to write a narrative describing an employee's strength, weakness, past performance, technical effectiveness, leadership ability, potential development needs, and suggestions for improvement. He points out that if essays are done well, they can provide detailed feedback to subordinates and can be a useful basis for personnel decisions. At the same time the written essay requires no complex forms or extensive training to complete.

The researcher's view is that methods tend to concentrate on extreme behavior in the employee's work rather than day-to-day performance. This method often reflects the ability of the writer because on many occasions, a good or bad appraisal method has been determined by the appraiser's writing and presentation skills. Furthermore, with this easy method of performance appraisal, comparison across individuals, group or departments are almost impossible since different essays touch on different aspects of each employee's performance.

2.3.2 Examining employee performance

Aldag and Stearn have stated that how much individual employees are paid may also be based on how well their performance is. They argue that under a piece rate system of compensation, total wages are tied directly to output. They gave an example of a worker in a toy factory that may get a dollar for every puppet produced.

Obviously, the more worker or employee is efficient in performance, the bigger the pay cheque. According to the researcher, rewarding performance leads to improved performance of the employees. This is actually one of the ways of motivating the employee to perform at his or her best ability. Other ways of improving performance can be through training the employees whose performance is very low.

Mathias and Jackson (2000) have stated that to know that an employee produce 10 toys per day does not provide a complete basis for studying employee performance as satisfactory or not. They emphasized that a standard against which to compare information is necessary. According to them performance standards define the exacted levels of performance, and are benchmarks or goals or targets depending on the approach taken.

According to the researcher, realistic, measurable, clearly understood performance standards benefit both the organization and the employees. Researcher argues that it is important to establish standards before the work is performed, so that all employees involved will understand the level of performance and accomplishments expected.

Leshe (2000), pointed out that factors beyond the control of the employee can also stifle employee performance. The researcher's view is that although such obstacles are sometimes used merely as excuses, they are often very real and should be recognized. Some of the more potential employee performance obstacles the researcher witnessed included conflicting demands on the employee's time, inadequate work facilities and equipment, restrictions policies that affect the job and lack of cooperation from others.

2.4. IMPACT OF APPRAISAL ON PERFORMANCE

In *Rowe V. General Motors Corporation*, the fifth circuit Court of Appeals found that Supervisor's objectives, evaluations of the ability, merit and capacity of hourly employees used in promotion decisions had had adverse impact on black employees. Thus the company had violated Title VII of the Civil Rights Act of the United Kingdom.

The researcher's opinion however, is that employment in Yumbe District Local Government is not only hourly basis, but the Public Service Commission does employment and therefore the types of employees dealt with here are not those on hourly employment.

The above case took place when the Blacks in the White Man's Land, the Blacks were in their own country, then it would not have happened.

In *Chamberlain V. Bissell, Inc.* an evaluator expressed dissatisfaction with an employees' performance but did not inform the employee that his job was in jeopardy.

On being terminated, the employee sued the company claiming he had never been warned that he might be dismissed. The Michigan State Court agreed with the employee that the company was negligent and awarded the employee \$61,354 in damages.

This in the researcher's view is being practiced up-to-date. A number of employees who have been laid off, leave butterfly with a lot of complaints on the decisions taken by the management. Usually in determining a lay off in Yumbe District Local Government, reference is made to performance appraisal meaning that it still serves as the basis for dismissal decisions.

This means that you should determine and agree the shared vision which provides the framework for planning and budgeting at both corporate and service delivery levels; ensuring these respond to the needs of local communities and help to achieve the council's goals.

According to Leshe (2000), influencing political priorities and setting standards against which performance improvement can be measured are crucial tasks for elected members. You should be satisfied that effective performance management and reporting systems are in place (e.g. Scrutiny Panels) through which performance issues can be identified, monitored and addressed.

Performance in all areas of activity should be systematically measured and reported to elected members. Government should ensure that performance reports are relevant and clearly show whether strategic and operational objectives and targets are being met.

Reports should include information, which allows you to make informed decisions about how to improve performance.

2.5 SOUND MANAGEMENT OF RESOURCES

Stearn observes that a fundamental aim of performance appraisal is to assist councils to make the best use of their resources - including employees, financial resources, ICT and other systems, land and property and contractual arrangements - "keeping a considered and appropriate balance between cost, quality and price".

Elected members have ultimate responsibility for making sure that appropriate policies and processes are in place to ensure that the council's resources are used efficiently and effectively, the council's procurement process and contracts comply with all legal obligations and that sound financial stewardship is maintained.

He adds that governments should have to be aware, particularly at budget time, of the risks that might be facing the council (e.g. in relation to health and safety and child protection matters), and base your budget decisions on sound judgment and mature consideration of all factors.

Whilst persons involved in performance appraisal need not be involved in operational day-to-day decisions about these matters and the use of resources, they must ensure that there are processes in place to allow a regular review of the management of resources across all services and across the council as a whole, including a review of budget statements and approve spending decisions as a result of Best Value reviews and option appraisals, in order to make the strategic decisions that may be required to alter policies or to re-prioritise the use of resources.

The problem however with the scholars views in our relation is that they focus on the developed world and are not very representative of the predominantly rural Yumbe District

2.6 REVIEW AND OPTIONS APPRAISAL (SCRUTINY)

According to Cross (2001), the review and options appraisal aspect of performance should be seen as part of the scrutiny process in councils to ensure that services remain competitive and that the quality of provision is maintained for the benefit of service users.

A key feature of performance appraisal is that no areas of work should be 'protected' from consideration for review. Reviews can encompass process based and service reviews as well as strategic reviews such as appraisal of work schemes and housing stock transfer schemes. Strategic or thematic reviews, possibly cutting across service departments or involving other public sector or community partners, may have a greater impact than more narrowly focused service reviews.

He adds that elected members should approve the overall process and policies governing the review and option appraisal process and they should be involved at key stages in the process. That government should use the review and scrutiny process to challenge service performance. The reporting of reviews and scrutiny process should enable you to question and challenge the outcomes of reviews and that elected members need to ensure that the achievement of sustainable development is reflected in the council's objectives and highlighted in all appropriate strategies and plans at corporate and service levels. That they have to demonstrate a high level of commitment to achieving sustainable development and to promote an integrated approach to improving economic, social and environmental well-being.

2.7 COMPETITIVENESS AND TRADING

The Local Government Act 1997 gives local authorities greater freedoms to structure services under a range of possibilities that previously were not available to them. They can form partnerships and trading relationships with other local authorities, Community Planning partners, and the voluntary sector and (to a more limited extent) with the private sector.

According to Professor Kabwegyere (2003), elected members must ensure that their council's business in any potentially competitive situation is conducted in a manner which demonstrates appropriate competitive practice and conforms to the duties and guidance relating to trading accounts and the supply of goods and services.

That the local government should play an important part in ensuring the council is responsive to the interests of stakeholders and suppliers such as the business community and the voluntary and not for profit sectors. That they must be prepared to award contracts to external providers after competition where that represents Best Value and is evidently in the interests of your communities with regards to an "appropriate balance between cost, quality and price". Staff working to provide council services must be fairly treated, whether they are employed directly by the council or by a private or voluntary sector provider.

2.8 JOINT WORKING (WITH OTHER COUNCILS AND PUBLIC BODIES)

Performance appraisal should actively encourage opportunities for formal and informal joint working, joint use of resources and joint funding options, where this will offer scope for better services and customer focused outcomes. The local government should ensure procedures are in place, possibly through Community Planning, to allow the council to address impediments and barriers which might inhibit approaches to joint working with internal and external partners.

As the council's representatives on Joint Boards, other public sector agencies and community and voluntary sector organisations, elected members are well placed to facilitate joint working.

2.9 ACCOUNTABILITY

Cole (2000) observes that the local government members have a key role to play in ensuring that the council reports on its performance so that all stakeholders are told what quality of service is being delivered and what they can expect in the future.

Effective internal and external performance reporting can provide accountability and transparency. Therefore you must ensure there is a mechanism for internal scrutiny by

members of performance and service outcomes. He adds that they should ensure that the council's decision-making processes are open and transparent, with council business managed in a manner that supports accountability.

In view of the objectives enlisted in chapter one and in light of the available literature reviewed previously written about the subject, it follows that this study will play a leading role in providing data on performance appraisal especially for Uganda's developing towns.

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This chapter endeavored to describe the methods and techniques that were used to collect and analyze the data. It included the study design, sample selection, research tools and measures, procedure and limitations of the study.

3.1 RESEARCH DESIGN

The researcher used both qualitative and quantitative methods to allow multi-variable assessments.

3.2 AREA OF STUDY

The study was carried out in Yumbe District. Most of the respondents were got from district head quarters. Administrators at different levels and in different departments of the district Local Government were targeted.

3.3 SAMPLE SELECTION TECHNIQUE

A population of 40 respondents used to represent the whole population. A convenience random sampling technique was employed by the researcher in terms of departments as its samples. However, the fact whether one is on probation or confirmed was put into consideration.

3.4 RESEARCH INSTRUMENTS

The data collection instrument of this study were basically a self-administered questionnaire which comprised both open and closed ended questions that required a respondent to answer all the questions to the best of his/her knowledge. All research ethics like confidentiality was closely followed. No names of the respondent were required but his or her other particulars like age, sex, employer and level of education were documented.

3.5 DATA ANALYSIS

Only correctly filled questionnaires were coded and analyzed. The data was Analyzed using a computer with SPSS computer programs it will be summarized into frequencies and percentages, then subjected to Pearson correction coefficient ® to test the significance of the result.

3.6 RESEARCH PROCEDURE

- The researcher obtained an introduction letter from the Dean of School of Business and Management in charge of Research in Kampala International University.
- Permission was sought from Yumbe District Local Government authorities to allow the researcher conduct this study in the district.
- Willing participants were guided in the questionnaire filling process by the researcher in order to minimize errors.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF FINDINGS

4.0 INTRODUCTION

The main objective of the study was to examine the relationship between performance appraisals and transfers, the relationship between performance appraisal and retrenchments and the relationship between performance appraisal and performance of employees in Yumbe district Local Government.

Under this chapter, the findings of the study are presented, interpreted and discussed under major themes related to the research questions. The presentation of the data as is laid out in this chapter is by quantitative findings and they have been reinforced by qualitative analysis that provides a stronger basis for interpretation and discussion.

4.1 GENERAL FINDINGS

In general there were 40 respondents targeted by the researcher. Of these 40 respondents 30 responded positively by answering the questionnaires and accepting to be interviewed by the researcher. The number that responded represented 75% and those who didn't respond represented 25% as represented in table 4.1 and figure 4.1 below.

Table 4.1. Showing the general response of respondents

RESPONSE	FREQUENCY	PERCENTAGE
RESPONDED	30	75%
NON RESPONDED	10	25%
TOTAL	40	100%

Source: primary data

A piechart showing the general response of Respondents

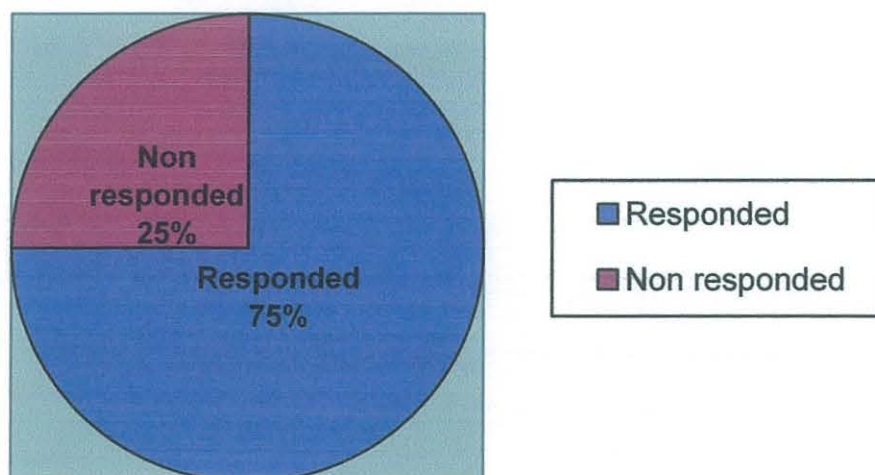


Figure: 4.1

Source: Primary Data

4.2.1 Demographics analysis

During the course of this research, in the 75% of those who responded, 26 respondents were men representing 87% and the 4 of the respondents were female representing 13% of the respondents. There were 2 female among the contract workers and 2 among the permanent employees employed by the local government. Despite the affirmative action by many organizations in the district towards gender balance, males still out-number females in the district employment ranks as represented in the table 4.2 and figure 4.2 below

Table 4.2. Showing the gender response

GENDER	FREQUENCY	PERCENTAGE
Male	26	87%
Female	4	13%
Total	30	100%

Source: primary data

A Pie-chart showing Gender Response

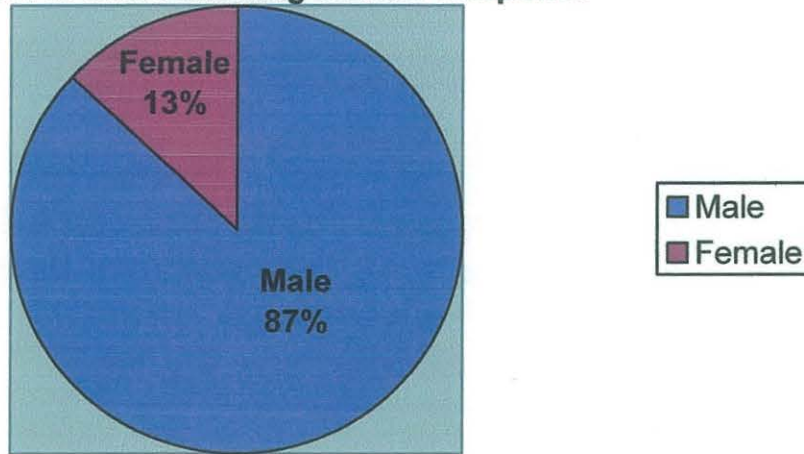


Figure 4.2

Source: Primary Data

4.1.2 Departmental Distribution of Respondents.

In the 30 respondents, 9 respondents were from administrative department representing 30%, 5 respondents were from finance department representing 17%, 10 respondents were from the health department representing 33%, 6 respondents were from the education department representing 20% as represented in table 4.3 and figure 4.3 below.

Table 4.3. Showing departmental distribution

DEPARTMENT	Frequency	Percentage
Administration	9	30%
Finance	5	17%
Health	10	33%
Education	6	20%
Total	30	100%

Source: primary data

A Pie-chart Showing Departmental Distribution

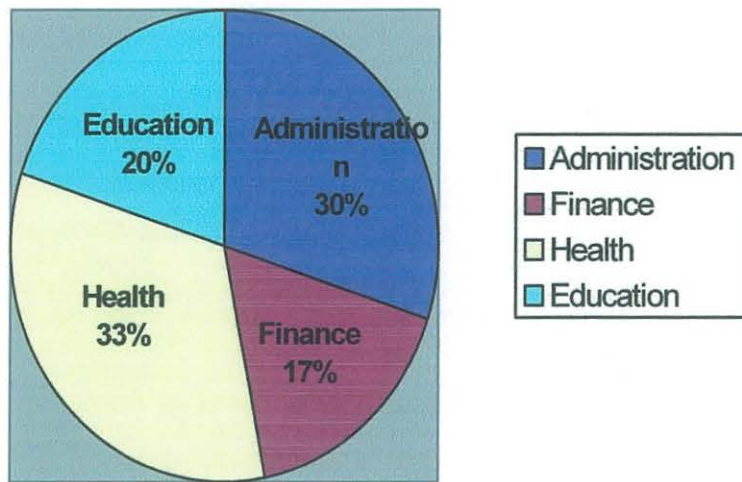


Figure 4.3

Source: Primary Data

4.2 The Concept of Performance appraisals

According to scholars like Derek Torrington and Laura Hall, that there is a very close relationship between work appraisal and performance. William Glueds (1978) has defined performance appraisal as the personnel activity by means of which the enterprise determines the extent to which the employee is performing the job effectively. It is therefore a performance audit.

In the course of this research it was realized that the subject of appraisals in Yumbe local government has over time drawn a lot of controversy with some section of administrators believing that it is a waste of money while another section is in support of it. Due to this difference in perception the rate at which administrators carry out performance appraisal differs from department to department. It was therefore realized that some department carry out appraisal of employees on annual, semi annual, quarter annual and monthly bases in Yumbe local government to assess employee performance and to take a corrective action.

4.2.1 Who does appraisal

Performance appraisal in Yumbe local government is done by very many categories of staff. This includes the administrators (superiors), peers (staff of the same level), subordinates (how they rate the performance of their bosses) and other stake holders (coming from other departments, self appraisal and also politicians). The degree of contribution by the various sections of appraisers varies from the superiors taking 50%, subordinates contributing 33%, peers contributing 10% and other stake holders contributing 7%.

Table 4.4. Showing the contribution of various parties in the appraisal process

Category	Frequency	Percentage
Superiors	15	50%
Subordinates	10	33%
Peer	3	10%
Other stake holders	2	7%
Total	30	100%

Source: primary data

A pie chart showing Contribution of various parties in the appraisal Process

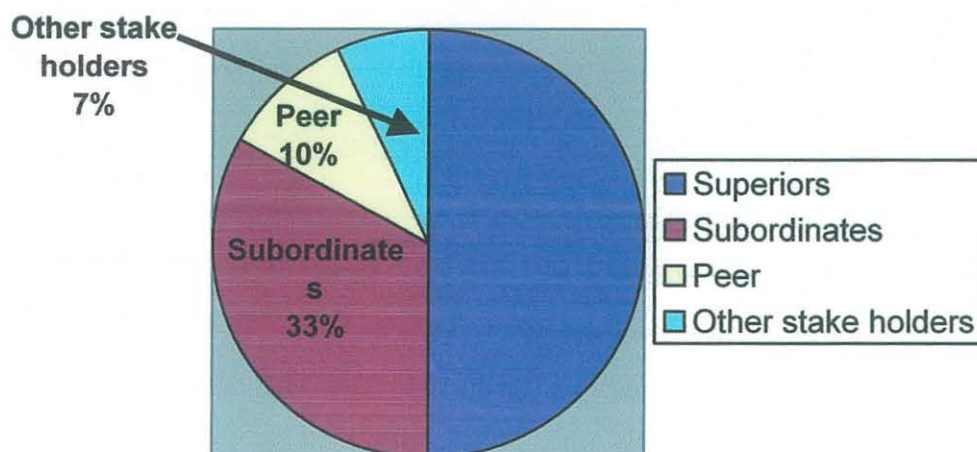


Figure 4.4
Source: Primary Data

From the above figure 4.4 and table 4.4 above, it is realized that the superiors as a direct supervisors to the employees contribute more than other appraisers because they contain all the information about the performance of the employee in terms of out put, following of instructions and meeting dead lines.

4.2.2 Nature of Performance Appraisal Systems

The most common performance appraisal system is in routine duty checks. In Yumbe Local Government appraisal are done on two different categories of staff, those on contractor bases and those who have completed the probation and are now permanent staffs of the district. The employees on contract bases are appraised almost daily by their immediate supervisors and those already employed on permanent bases are appraised on different bases like annual and semi-annual depending on what level one holds in the hierarchy of administration.

4.2.3 Rate of carrying out appraisal

Performance appraisal can be carried out any time in the organisation. The rate at which appraisal is carried out depends on what the organisation wants to achieve, the availability of resources to carry out the appraisal process, the need and policies of the organisation. During the course of this research it was realized that in Yumbe local government appraisal is done at different rates by the administrators depending on the needs of a particular department. It was realized that 40% of the respondents carry out appraisal annual, 27% carry out appraisal semi annual, 20% do it quarter annual and 13% carry out appraisal monthly.

Table 4. 5. Showing the rate of appraisal practice among respondents

Respondents	Frequency	percentages
Annually	12	40%
Semi annually	8	27%
Quarter annually	6	20%
Monthly	4	13%
TOTAL	30	100%

Source: primary data

A Pie Chart Showing rate of Appraisal Practice among the respondents

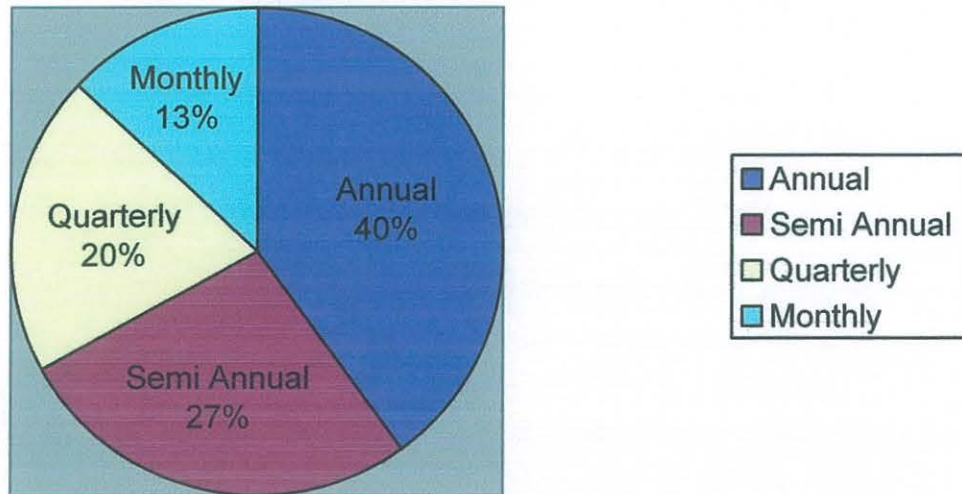


Figure 4.5

Source: Primary Data

From the above figure 4.5 and table 4.5, the administrators who responded to be carrying out appraisal annually are the majority and this was at higher or senior level of administration and the lowest was seen at those respondents who carry out appraisal monthly and this was at lower level in the administration especially on the worker on contract bases.

4.2.4 Parameters of judging performance

When carrying out performance appraisal certain parameters are used to judge the performance of the employees. During the course of this research it was realized in Yumbe local government the administrator use different parameters including behavior of employees, results expected from employees and others like discipline.

Table 4.6 showing parameters used judging performance in the appraisal.

PARAMETERS	FREQUENCY	PERCENTAGES
BEHAVIOUR OF EMPLOYEES	10	33%
RESULTS	15	50%
OTHERS	5	17%
TOTAL	30	100%

Source: primary Data

A pie-chart showing Parameters used in Employee Appraisals

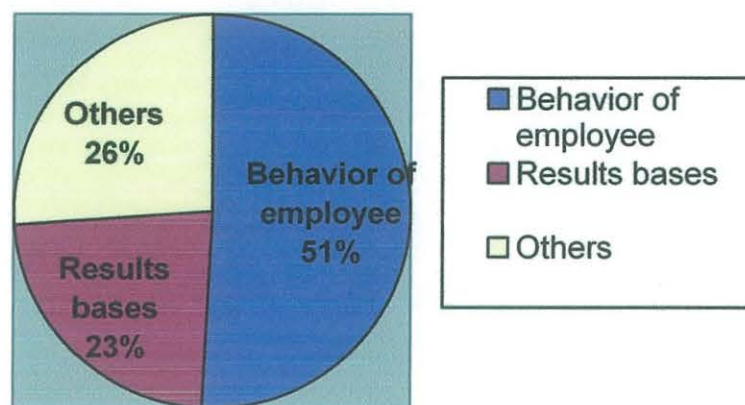


Figure 4.6

Source: primary data

From the above figure 4.6 and table 4.6, it is illustrated that the administrators who evaluate the employee performance on result bases constitute 50% of the respondents which is 180, those who use behavior as bases of appraisal constitute 33% representing 119 and those administrators who use others parameters constitute 17% representing 61.

4.2.4.1 RESULTS AS BASES OF APPRAISAL

The objective of performance appraisal is to discover the performance gap that exists between the actual performance and the planned performance. Mathias and Jackson

(2000) have argued that MBO is common method of performance appraisal. They have pointed out that MBO specifies the performance goal that an individual hopes to attain within an appropriate length of time. According to them, the objectives that each manager sets are derived from the overall goals and objectives of the organization.

In this regard the researcher realized that in Yumbe local government, the use of appraisal results by the administrators to assess the performance of employees was an ideal decision as argued by Mathias and Jackson (2000) above.

4.2.5 ACTIONS RECOMMENDED AFTER APPRAISAL

When performance appraisal is complete, the appraisal results are used by the administrators to take decision on employees. In Yumbe local government these actions range from training, promotion, transfer, caution and retrenchment depending on the results of a particular employee. During the course of this research, the administrators who have ever recommended training for their employees were 5 respondents, promotion were 3 respondents, transfer were 8 respondents, caution were 10 respondents and retrenchment were 4 respondents as represented in table 4.7 and figure 4.7 below

Table 4.7 showing different actions taken by administrators after appraisal

ACTION TAKEN	FREQUENCY	PERCENTAGES
TRAINING	5	17%
PROMOTION	3	10%
TRANSFER	8	27%
CAUTION	10	33%
RETRENCHMENT	4	13%
TOTAL	30	100%

Source: Primary Data

Bar graph showing different actions taken by the administrators after appraisal

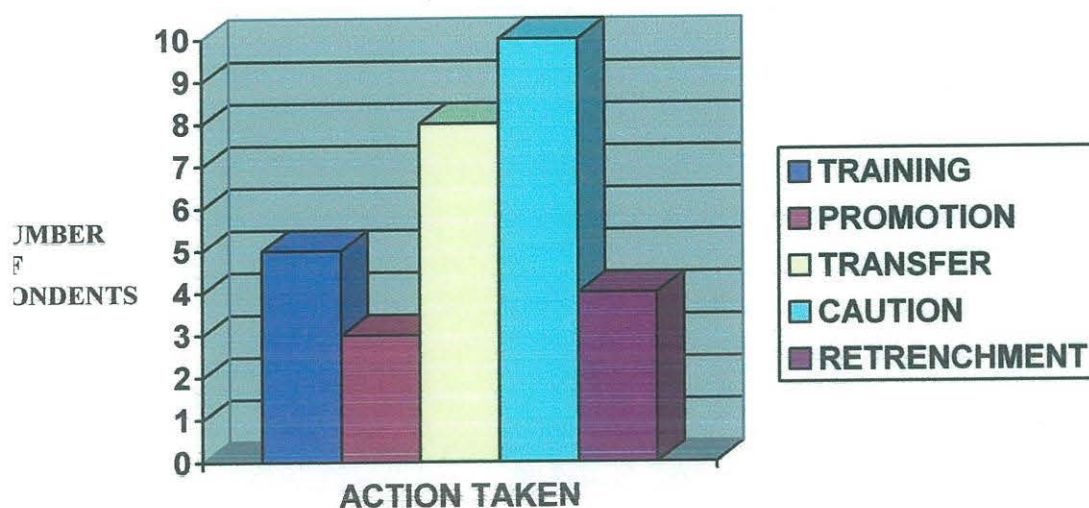


Figure 4.7

Source: primary data

4.2.6 Performance appraisal and performance of Yumbe Local Government

All the Administrators who continuously appraise employees' performance felt that this process had contributed something to their respective departments in the district and in very many different capacities. These included Administrative department, finance department, health department and education department. Appraisers believe that this directly impacts upon work out put since the appraisees are also involved in the process and their weaknesses are realized and corrective action is taken or recommended. This has led to avoidance of resources wastage on non performing employees and improving the employee performance especially those who recommended for training and those promoted because they are motivated.

4.3 LIMITATIONS OF THE STUDY

During the course of conducting this research, there were very many limitations encountered by the researcher. This ranged from material limitation to informational access limitation. The following were the limitations encountered by the researcher:

- There was informational limitation in form of access of information, where very many of the respondents were reluctant to provide information to the researcher.
- Another limitation faced during the course of this research was the issue of accessing modern business and management texts. The texts that were available in the library were a bit old or outdated as business world is dynamic, this forced the researcher to move to other libraries.
- Financial limitation was one of the limitations encountered by the researcher. This dwelled the progress of the research process because of transport and accommodation became a problem during the dispatch of the questionnaires.
- Lack of seriousness among the respondents to beat the time frame for response. This dwelled the research process back wards.
- The researcher found it difficult to convince some employees as to why the study is being conducted in their district not elsewhere.
- Some respondents feared to give information for or of their jobs.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.0 INTRODUCTION

In this chapter, the research is summarized, concluded and possible recommendations about the research are made.

5.1 SUMMARY

In totality, this research was all about the impacts of performance appraisal on the performance of organizations. It was carried out in Yumbe local government in Yumbe District in West Nile Region in Uganda. It also covered all the levels administrators' ranging from Heads of departments to lower level administrators who are within the district head quarters.

During the course of this research, it was realized that many organization carry out annual performance appraisal to identify weaknesses of the employees and to correct the performance gap.

It was also realized that performance appraisal is used to improve the employee's performance, promote, retrench and even transfer if deemed necessary by the administrators.

During the course of this research, financial limitation, informational limitations were the obstacles faced by the researcher. These either dwelled the progress of researcher report or limited the movement of the researcher.

The researcher therefore recommended that organizations should adopt positive performance appraisal philosophy, encourage employees participation in the appraisal process, increase budget for the exercise and train administrators on how to perform the exercise.

5.2 CONCLUSION.

In conclusion, performance appraisal and performance go hand in hand, performance appraisal reinforces performances as the recommendations are made in order to close the performance gap and to save resources. This leads to achieving the objectives of the local government of Yumbe district. It was realized that performance appraisal brings about job satisfaction for employees since the district administrators at times recommend promotions for the performing employees and improve employee performance if training is recommended for the staff

The results of this research could not be different if all the respondents had responded. This is because at least the views and how performance appraisal is practiced in each department in the district has been included or represented. The sampling was done in a way that the experience of the roles played by performance appraisal in these departments would reveal a diversity of experiences which could be used in future references. However the response that showed 80% response was enough to continue with research

The future interested researcher who would like to carry out a study in this field are therefore advised to prepare enough resources as the area covered might be a bit diverse. They may need to move personally to the offices of some of these departments. The researcher therefore encourages more research in this field since it is one of the ways to realize performance deficit in the local government and save the resources of local government. Future researchers can therefore expand their pie to include county, sub county and parish local administrators.

It is therefore incumbent upon organizations to encourage and adopt positive performance appraisal philosophy, plan for routine appraisals and encourage the employees' participation in performance appraisal process.

5.3 RECOMMENDATIONS

In the process of carrying out this research the research came up with the following recommendations:

- ❖ The local district administrators of Yumbe district should educate and train all the staff ranging from top level administrators to lower level administrators about the importances of performance appraisal through work shops, seminars and provision of reading material about the appraisal procedures.
- ❖ The administration should much involve the appraisees in the appraisal process so that the short falls they have can be rectified and proper and accurate recommendations are made to improve their performance
- ❖ There should be more effort put on the semi and quarterly appraisal practice. This helps the supervisors to identify the performance gap earlier in order to save the meager resources the district has.
- ❖ More resources should be allocated in matters concerning performance appraisal in terms of funds for the appraisers in the counties and parishes.
- ❖ Employees should also be trained and taught about the merits of performance appraisal exercise because they may think it is only concerned about assessing them to pave way for firing or retrenching them hence having negative attitude to wards performance appraisal.

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QUESTIONNAIRE

This questionnaire seeks to establish the impact of performance appraisal on local government employees, having Yumbe District as a sample frame. Your active participation will help in the improvement on local government employees' performance.

Answer all the questions to the best of your knowledge and note that there is no wrong answer.

Your responses will be treated with the highest confidentiality it deserves.

Please tick the best answer or as many as you feel.

PERSONAL PARTICULARS

AGE:

20-25 ☐

26-30 ☐

31-35 ☐

36-40 ☐

46-50 ☐

Above 50 ☐

SEX:

Male ☐

Female ☐

EDUCATION:

PLE ☐

O'Level ☐

A' Level ☐

Diploma/ Certificate ☐

Degree ☐

Masters ☐

PHD ☐

Others ☐

EMPLOYER:

Self ☐

Government ☐

Private Sector ☐

MARITAL STATUS: Single ☐

Married ☐

Widowed ☐

PERFORMANCE

1. What do you understand by a term performance appraisal?
 - (a) It's the evaluation of how an employee performs on his/her duty.
 - (b) It's the assessment of how one performs?

- (c) It's the basis of performance judgement?
 - (d) All of these
2. Who does performance appraisal at your place of work?
- (a) peers (b) superiors (c) subordinates (d) other stakeholders (specify)
3. Which are the common parameters of judging performance?
- (a) Behaviours of employees
 - (b) Result oriented (output)
 - (c) a and b
 - (d) None of these
4. Which of these behaviours should you consider good when making a performance appraisal?
- (a) Always at the centre of an activity
 - (b) Capable of leading a small group
 - (c) Has no leadership qualities
 - (d) No own initiatives
 - (e) Never acts unless instructed
5. What factors that can influence the success of performance appraisal?
- (a) The knowledge and skills of the one doing it.
 - (b) The fairness of the whole exercise
 - (c) Both a and b
 - (d) None of these

TRANSFERS

6. How did you get your current job?
- (a) It was advertised, did interview and was employed
 - (b) Through a friend
 - (c) My own initiative
 - (d) I do not remember
7. For how long have you been in this same department?

- (a) Less than one year
 - (b) more than one year but less than four years
 - (c) more than four years but less than ten years
 - (d) Above ten years.
8. What could be the causes of your answer?
- (a) No vacant post in another department
 - (b) My expertise is limited to this
 - (c) Working together with my colleagues is not prejudicial to the organisation
 - (d) No alternative
9. Why would you consider transfer a good human resource function?
- (a) It creates more opportunities
 - (b) It's a human resource planning function
 - (c) It is a human resource planning function
 - (d) All of these
10. When should transfers be made?
- (a) To fill a vacant post
 - (b) To transfer experts
 - (c) To separate employees
 - (d) All of these

RETRENCHMENT

11. How do people leave jobs?
- (a) By registration
 - (b) By retirement
 - (c) By dismissal
 - (d) Any of these
12. What was your fate on the lost job?
- (a) I had never lost a job
 - (b) I was terminated

- (c) I was retrenched
13. When was it done?
- (a) After a man power audit
- (b) After some rumours
- (c) After the structural adjustment programme
- (d) I can't tell you now
14. How was it done?
- (a) By notice and after payment of terminal benefits
- (b) By just showing me the exit
- (c) After a fair hearing
- (d) I can't remember
15. Should people ever leave organisations, if yes why?
- (a) To get more exposure and share of experience
- (b) To get green pastures
- (c) To create room for new blood
- (d) Any of these
16. How is performance appraisal done in this district?
- (a) Informal way
- (b) Formal way
- (c) Both formal and informal ways
- (d) Not done at all
17. How often is performance appraisal done in this district?
- (a) Always (b) Frequently (c) Sometimes (d) Never

THANK YOU



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***Office of the Dean
School of Business and Management***

Date: 25th July, 2006

CHIEF ADMINISTRATIVE OFFICER,
YUMBE DISTRICT LOCAL GOVERNMENT,
P.O.BOX 1,
YUMBE.

Dear Sir/Madam,

RE: MR. ALORO TADEOS AJUGA REG.NO. BHR/4341/31/DU

This is to confirm and inform you that the above referenced gentleman is a bonafide student of Kampala International University pursuing a Bachelor of Human Resource Management Degree programme in the school of Business and Management of the University.

His title of the Research Project is "IMPACT OF PERFORMANCE APPRAISAL ON LOCAL GOVERNMENT EMPLOYEES IN YUMBE DISTRICT.

As part of his studies (research work) he has to collect relevant information through questionnaires, interviews and reading materials from your place.

In this regard, I request that you kindly assist him by supplying/furnishing him with the required information and data he might need for his research project and also by filling up the questionnaire.

Any assistance rendered to him in this regard will be highly appreciated.

Yours Sincerely,

DR. Y. B. NYABOGA
ASSOCIATE DEAN – SCHOOL OF BUSINESS AND MANAGEMENT
TEL.NO. 0752 843 919