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Employees Perception on Performance Appraisal Effectiveness in The Cyprus Public Sector (EAC)

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ABSTRACT

Performance appraisals are important for effective evaluation and management of personnel. This research investigates the Electricity Authority of Cyprus' employees' perceptions of performance appraisal. Data were collected from 161 employees of the Organization, using an online semi-structured questionnaire, and analyzed using SPSS; the qualitative data were analyzed manually. The results of the study highlighted respondents' perceptions with regard to the Organization's performance management practices, which have created a culture of mistrust towards the performance management system in use. The Organization's present performance appraisal system seems to posit more shortcomings than strengths and it doesn't seem to be integrated or linked with the organizational goals and missions of the Authority's. The research has delivered some information on what needs to be changed in order to improve the current system. The findings have serious managerial implications for redesigning the performance appraisal system so as to be more effective, more credible and more transparent. These implications include actions towards introducing new methods, training the appraisers, increasing motivation and provision of resources for effective performance appraisal.

Keywords: *performance management system, performance appraisal, appraisal error, performance management effectiveness, Electricity Authority of Cyprus.*

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INTRODUCTION

Within today's dynamic business environment, the process of performance appraisal (hereafter PA) is regarded as one of the most important human resource practices of any organisation. Within an organization, performance management is one of the key methods HR management uses to connect strategy to results (Mathis & Jackson, 2008). This link between strategy and results is achieved by the organization's personnel having a number of qualities, such as being efficient, effective, motivated, innovative, and many more attributes leading to excellence. In regard to the Electricity Authority of Cyprus, its current PMS is described in Directive no. O-A-012, entitled: Directive regarding the personnel's PA. It was first introduced in accordance with the EAC's 1986 regulations, and it was later modified in 1996. Since 1996 the PMS remains the same, that is for 23 years now. The Directive's introduction reminds appraisers that they should only evaluate employees' behaviors, which are directly related to their work duties. Furthermore, it states that the purposes of an efficient PA are to improve employee performance, to pinpoint possible areas of employee development through training, to better organize work procedures, to help in taking personnel decisions, such as hiring, promotions, transfers, etc.

The EAC's current PMS consists mostly of a single tool, a PA form. A manager evaluates subordinates by filling in the form. Then, the manager is joined by two hierarchically higher, than him/her, managers, who however are familiar with the appraisee's work, so as to discuss the appraisee's performance and evaluation. All three have to sign off the final rating awarded. If there are any disagreements on the rating, the decision is taken by the majority vote.

Employees are divided in two classes, Class A and Class B, according to their level of payment. Both classes' appraisal form roughly includes the same performance criteria. This form is filled in once a year, typically by the end of February. Class A includes the following ten performance criteria: Leadership, Quality of output, Ability to cooperate, Quantity of output, Job knowledge, Initiative, Reliability, Commitment, Verbal communication, and Written communication. Class B includes the following nine performance criteria: Quantity of output, Quality of output, Job knowledge, Ability to cooperate, Reliability, Commitment, Ability to understand, Verbal communication, and Written communication; these performance criteria are measured using a five leveled rating scale system, ranging from A to C.

The aim of this research is to gather information on the EAC's employees' perceptions on the efficiency of the current PA process within the wider PMS of the Organisation. Additionally, this study strives to investigate and evaluate the efficiency of the current PMS. This system is in place, in its current form, since 1996, that is 23 years ago, and is briefly presented in the previous sub-chapter. In light of the aims of this study, the following research questions were set: What is the impact of demographic variables on employees' perceptions towards the PA process? What is the employees' perception about the Organization's appraisal system effectiveness? What is the appraisers' role in the PA process?

LITERATURE REVIEW

PA plays a key role, even though is only one of the many contributing micro-processes in the macro context of a PMS, and is central to the whole process majorly contributing to the effectiveness of PM. PA can be characterized as the process of identifying how well employees do their job, compared and measured against a standard (their job description) and consequently communicating this piece of information to the appraisee (Mathis & Jackson, 2008). A more comprehensive definition is provided by the Chartered Institute of Professional Development (CIPD), and it states that „Performance Appraisal is an opportunity for individual employees and those concerned with their performance, typically line managers, to engage in a dialogue about their performance and development, as well as the support required from the manager“ (CIPD 2013, cited in Sekhar Patro, 2019).

PA is carried out by an organisation so as to enhance the quality and justify various decisions relating to administrative and developmental uses. Mathis and Jackson (2008) draw an interesting distinction with regard to these two categories. They pinpoint that these two categories call for managers to wear two hats. On one hand, managers as judges, in their administrative role, appraising their subordinates and trying to remain fair and neutral during this process. On the other hand, managers as coaches and counsellors, in their efforts to identify through appraisal, their subordinates' training and development needs. Next, we will elaborate on the most significant uses of both aforementioned categories, namely administrative and developmental.

With regard to PA process better informing administrative decisions, maybe the most common function is determining compensation changes if the Organization espouses pay for performance. In this case, PA is the instrument through which employers can identify those employees who do a better work and are deserving of a form of variable pay. This type of pay is compensation which is directly linked to performance and it can be either a bonus, or an incentive program payment (Mathis & Jackson, 2008). In general, when talking about offering a reward to an employee for a job well done, in most cases we talk about a payment system. However, rewarding an employee's outstanding performance doesn't always mean giving him/her a bonus, or a raise. Other rewards can be non-monetary and might include flexible working hours, employer offering praise and recognition (Waqas & Saleem, 2014).

Next, PA can facilitate and document promotion, demotion, layoff, or downsizing decisions. Through PA, the Organization can point out the most talented and better performing employees for taking up senior positions. At the same time, PA can identify poor performers for when an Organization needs to downsize, or even those whose performance is inadequate and need to be discharged. Additionally, PA can validate hiring, and placement decisions, or transfer assignments. After a new hire has his/hers first PA, then an employer can feel confident that his hiring criteria are correct. Furthermore, PA can provide evidence that an employees' placement or transfer to a specific post was the right decision. PA can identify an employees' talents and skills, as well as his shortcomings, thus indicating where his/her placement, or transfer can better serve the Organizations' needs (Mathis & Jackson, 2008).

Nearly all of the Organization's personnel decisions could end up under legal scrutiny. PA generates documentation, which can provide a rational, well-argued and legally defensible basis for decisions relating to why an employee gets promoted, discharged, or differential pay raise compared to another colleague (Muchinsky, 2000). Through the PA process, information about the employee's performance reach both employer and employee. Inarguably, the PA process is a primary source of information and feedback which can better advise on the Organization's future developmental actions. Such functions include providing performance feedback, determining employees' training needs, and identifying individual employees' strengths and weaknesses (Mathis & Jackson, 2008). Providing performance feedback is paramount for several reasons. Notably, Muchinsky (2000) notes that perhaps the main use of PA information is for employee feedback. The employee has the chance to find out, through a formal way, how well he/she did during the previous year. This feedback can point out areas where the appraisee need to improve and navigate his/her future actions, leading to enhanced performance, and fulfilling the Organization's goals. The feedback yielded from an efficient PA will point out both top and poor performers. For the first ones their satisfactory performance should be reinforced, and for the last ones their performance deficiencies should be addressed. Overall, this feedback will help in bridging the gap between current and wanted performance, through a rigorous training program. By pinpointing employees' strengths and weaknesses, the organization can develop either organization-wide, or individual training interventions. Throughout this process, managers/appraisers play a key role. They are the ones undertaking the PA and ultimately, they are the ones who has to break the news to both top and poor performers. Their conduct can dishearten or motivate employees. During this process the appraiser takes up the role of a coach or mentor (Foot, Hook & Jenkins, 2016).

If an Organization is going to adopt a PMS, then this system has to work the same for everyone, otherwise people lose faith in it. That's why an important principle governing the whole PMS, and consequently the PA process, is that of fairness. Maley (2013) suggests that an effective PAS creates the conditions for a working environment within which employees can perform well. These conditions include fair treatment, offering of support, effective communication and collaboration. Fairness is also highlighted in the principles outlined by Strebler, Robinson, and Bevan (2001) for designing an effective PMS, in that a PMS should have clear aims and measurable success criteria, it should be designed and implemented with employee involvement, thus making it easier to be accepted by employees as a measure for their evaluation, it should be regularly and openly reviewed against its success criteria so as to keep up with changes inside and outside the Organization, and finally it should make clear the purpose of any direct link to reward and systematically include proper equity and transparency safeguards.

There are many possible causes of error in the PA process. Maybe the biggest such cause is mistakes made by managers while rating their subordinates. This is inevitable as the thing with any method used for PA is that a person will implement it. The bottom line is that the PA process should be safeguarded throughout its implementation by fair-minded and unbiased appraisers. Grote (1996) argues that even though managers aim to conduct appraisals in a fair, objective and impartial manner, errors in judgement might happen even unknowingly. He has compiled a list with the nine more common such errors, which are: contrast effect, first impression error, halo/horns effect, similar-to-me effect, central tendency, negative and positive skew, attribution bias, recency effect, and stereotyping. Muchinsky (2000) points out that three out of these might occur more often while using rating scales, due to this method's nature. These fall into the following categories: halo/horns errors, leniency errors, and central-tendency errors. Halo/Horns errors refer to bias that causes an appraiser to generalize one aspect of an employee's performance, either good (halo) or bad (horns), to all areas of that employee's performance, thus overshadowing other traits, or behaviors. Leniency/strictness errors, or as Grote calls them negative and positive skew (Grote, 1996), refer to bias that occurs when an appraiser tends to rate all employees as higher or lower than their performance actually deserves. Finally, central tendency errors refer to bias that occurs when an appraiser tends to rate all employees in the middle of a rating scale, even when their performance deserves a higher or lower rating.

Literature suggests that employee performance is enhanced when goals are set, as employees are motivated to work harder towards achieving these goals. Goal-setting theory by Locke and Latham (1991) "is based on the simplest of introspective observations, namely, that conscious human behavior is purposeful. It is regulated by the individual's goals". Goal-setting is linked with the concept of motivation, as setting goals encourages employee achievement, increases organizational commitment, and nurtures motivation.

George and Jones (2012) define work motivation as "the psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort, and a person's level of persistence in the face of obstacles". Employees' perceptions relating to the PA process are of critical importance, as these can regulate employee motivation, which is also directly linked to his/her performance levels. Motivation drives performance, and at the same time performance generates motivation. Motivation can be intrinsic or extrinsic. The main difference is that intrinsic motivation is when an employee wants to do something, and extrinsic motivation is when somebody else tries to make him do something. When these two motivation categories are used together, they can create an efficient working environment (Singh, 2016). Additionally, according to Singh (2016) extrinsic motivation is mainly focused on employees displaying a goal-driven behavior, trying to accomplish a certain task, so as to achieve a goal, such as a reward, or a benefit. On the other hand, intrinsic motivation relates to the feelings of pleasure and accomplishment an employee gets when achieving a goal, an activity. Combined, intrinsic and extrinsic motivation can have an effect both on the employee's attitudes towards an activity/goal, as well as on the employee's behavior (Lin, 2007). Furthermore, Waqas and Saleem (2014) mention that when monetary incentives are used, like a bonus, motivation can be

enhanced, but when non-monetary incentives are used, then these are more effective motivators, as these are incentives with an intrinsic motivational effect on employees.

One important factor, which demotivates employees is politics, which in an Organization are considered as a considerable source of stress, anxiety and dissatisfaction among the workforce. Abbas et al. (2015) even characterize this situation as an epidemic phenomenon, which influences employees' organizational commitment and job satisfaction. For an Organization this knowledge can have many implications. However, devising an effective motivation framework within which personnel works, act, and react can prove to be a tricky business. Motivation is a very complex concept and comprehending what motivates employees is paramount for managing an organization, through creating a dynamic work setting that will be able to enrich and satisfy employees, thus boosting their performance.

RESEARCH METHOD

The research methodology used to fulfill the purpose of this research is a quantitative approach. A quantitative research is about explaining phenomena by gathering quantitative data, that is "data in the form of numbers which can be interpreted and analysed mathematically, statistically, or both ways" (Lancaster, 2005). One of its main affordances is that through the gathering of numerical data it allows for generalizing the findings across groups of people and furthermore by applying them to other researches it allows drawing comparisons and reaching new more informed conclusions. On the other hand, a quantitative approach doesn't afford the in-depth analysis of the phenomenon under investigation, because it mostly produces numerical data and doesn't allow respondents to provide detailed accounts and explanations, or the researcher to follow up (Bryman, 2012).

A research's population is defined as "all the people about whom a study is meant to generalize" (Jackson, 2008). In this case, the research's population is the EAC's personnel in its entirety, including its regional offices, customer service centres and power stations. According to data obtained through the HRS, the EAC's number of employees as of June 2019 is 2.137. Their distribution by category is as follows: Professional 260, clerical 339, technical 1538, totaling 2137. For this research design, the researchers chose to include the entire population, hence the whole of the EAC personnel. This route was chosen as in this case the population is well defined, and thus the researcher has a clear view of the population to which he seeks to generalize. Additionally, the population is relatively small, thus allowing a complete sampling frame. This mode can eliminate any potential bias taking place through other sampling techniques, and it helps in minimizing problems relating to sample representativeness and non-response error (Rowley, 2014).

The instrument employed to deliver the survey and gather quantitative data was an online semi-structured questionnaire, constructed and distributed using Google Forms. Conducting an online survey has a number of advantages, one of the main one being that large numbers of completed questionnaires can be collected over a short period of time and at a low cost (Leeuw, 2008). All data collected from the questionnaire, except of those relating to the open-ended questions, were automatically imported to the SPSS for the statistical analysis to take place. After the pilot phase, the researcher measured internal reliability with the help of Cronbach's alpha. Because the questionnaire included multiple Likert questions that form a scale, it should be determined if these scales were reliable. Cronbach's alpha test is the widely used method for determining the reliability of scales. According to Pallant (2013), when the value of alpha is equal to 0.70 and above, this is an indication that items are reliable. For this study Cronbach's alpha was 0.84.

Data analysis included descriptive statistics to determine the main sample characteristics, such as age, gender, education level, length of service, work position, current level of payment, and whether they were awarded a promotion during their service. The quantitative data produced, were helpful in drawing comparisons of the effect of participant's characteristics between groups using one-way analysis of variance (ANOVA). T-test analysis was performed so

as to examine if there are any differences between the means of the participants' opinions according to their characteristics. Additionally, Chi-Square analysis was made in order to investigate correlations and comparisons of participants' characteristics and their perceptions.

RESULT AND DISCUSSION

Demographic details of respondents showed that male participants (N107=66.5%) predominated over female participants (N54=33.5%). There was almost an equal distribution of participants aging between 31-40 (31.1%), 41-50 (29.2%), and over 51 (32.3%). The same applies for their length of service, having almost an equal distribution between 8-15 years (28.6%), 16-23 years (28.6%), and over 23 years (31.1%). Most of the respondents hold a Master degree (28%), or a Diploma (27.3%), and about half of them (54.7%) are part of the technical staff. About 37% of the participants' current level of payment is A7-A8, following A1-A5 (29.2%), and A9-A13 (26.1%). Finally, the majority (67.1%) of the participants haven't yet gain a promotion.

According to their work position and current level of payment, employees are divided in two classes, Class A and Class B. It's to be expected that the majority of EAC employees fall into Class B. The survey's respondents obey to this assertion. Thus, 54 (33.5%) participants fall under Class A, and 107 (66.5%) under Class B. Question B1 asked respondents belonging to Class A, to specify the level of importance they award to the performance criteria used in their PA form. The results show that employees belonging to Class A, that is employees in high paid positions of A9 and above, deem that work quality and reliability are the two most important performance criteria included in their PA form, and verbal communication is considered to be the least important performance criterion against which they are evaluated. Furthermore, the mean of each item in this question ranges from 3.81 to 4.97, which indicates that almost all respondents were inclined to characterize the criteria as important, or very important.

In question B2 respondents belonging to Class B, were asked to specify the level of importance they award to the performance criteria used in their PA form. The results show that employees belonging to Class B, that is employees in lower paid positions, up to A8, deem that quality of output is the most important performance criterion included in their PA form, and verbal communication is considered to be the least important criterion. Furthermore, the mean of each item in these questions ranges from 4.05 to 4.52, which indicates that all respondents were inclined to characterize all the criteria as important, or very important.

Results based on research questions.

Investigating participants' perceptions according to the current performance appraisal system/ Investigating any differences regarding to the performance criteria

To examine any differences between the means of how participants responded relating to the importance they attribute to the performance criteria included in their PA form according to gender, T-test analysis was performed. With regard to employees belonging to Class A, the Independent Samples T-Test found that there is statistically significant difference between men and women, with mean scores in 4 performance criteria being higher for women than men. These are work quality ($t(51.32) = -2.18, p = .033 < 0.05$), ability to cooperate ($t(47.49) = -2.71, p = .009 < 0.05$), commitment ($t(48.16) = -3.02, p = .004 < 0.05$), and written communication ($t(47.31) = -2.38, p = .021 < 0.05$). The means scores in all 4 criteria are higher for women than men, which indicates that women attribute greater importance to these performance criteria, than men.

With regard to employees belonging to Class B, the Independent Samples T-Test found that there is statistically significant difference between men and women only regarding the performance criterion of quality of output. The means scores for this criterion is higher for women than men ($t(98.78) = -2.51, p = 0.014 < 0.05$), which indicates that women, of Class B, attribute greater importance, than men do, to the criterion of quality of output when they are being evaluated. Furthermore, a one-way between subjects' ANOVA was conducted so as to

examine any differences between the means of whether their perceptions on their performance criteria is influenced by their characteristics both in class A and in class B. Relating to their age and work position no statistical significant differences between group means was found. On the other hand, it was found that Class A employees' perceptions regarding to 3 of the performance criteria, were influenced by their level of education. These are: leadership ($F(4.49)=3.75, p=.010$), work quality ($F(4.49)=3.34, p=.017$), and initiative ($F(4.49)=2.58, p=.049$). Overall the leadership criterion was deemed as more important for those holding a Diploma and a PhD.

Post hoc comparisons (Bonferroni test), indicated that the leadership criterion was more important for those holding a diploma compared to those who were secondary level graduates. The rest levels of education don't display any significant differences between them. Moreover, a one-way ANOVA analysis indicated that their current level of payment does have a significant difference as to Class A employees' perceptions regarding the performance criteria of leadership ($F(1.52)=4.65, p=.036$). Overall, the leadership criterion was more important for A14 and above employees, than those in A9-A13.

Furthermore, a one-way ANOVA analysis indicated that their length of service does have a significant difference as to Class B employees' perceptions regarding their performance criteria of quality of output ($F(3.103)=2.70, p=.029$). Overall the quality of output criterion was deemed as more important for employees with length of service of 16-23 years. Additionally, a one-way ANOVA analysis indicated that their current level of payment does have a significant difference as to Class B employees' perceptions regarding to 2 of their performance criteria. These criteria are: job knowledge ($F(1.10)=5.72, p=.018$), and ability to understand ($F(1.10)=3.99, p=.048$). Overall, both criteria were more important for A7-A8 employees, than those in A1-A5.

Investigating participants' perceptions relating to the current performance appraisal system

To examine any differences between the means of the participants' level of agreement with a series of statements relating to the current PAS according to their gender, T-test analysis was performed. The Independent Samples T-Test found that there is statistically significant difference between men and women, only relating to the statement "I have a good understanding of the appraisal criteria". The means scores for this statement is higher for women than men ($t(159)=-2.29, p=0.023<0,05$), which indicates that women believe to a greater extent, than men, that they have a good understanding of the appraisal criteria against which they are evaluated. Furthermore, a one-way ANOVA analysis indicated that there were statistical significant differences between group means of the four groups corresponding to age regarding to statement "the format of rating scales used in the appraisal form is not an effective measure of employee performance" ($F(3.15)=2.89, p=0.037$). Overall employees of over 51 tend to agree with this statement. Post hoc comparisons (Bonferroni test), indicated that statement B3.6 was more important for those being over the age of 51 compared to those between 31-40. The rest age groups don't display any significant differences between them.

A one-way ANOVA analysis indicated that there were statistical significant differences between group means of the four groups corresponding to length of service regarding to employees' level of agreement with statements "performance criteria actually measure my performance" ($F(3.15)=3.16, p=.026$), and "the format of rating scales are effective as a measure" ($F(3.15)=3.81, p=.011$). Overall this statement was deemed as more important for those over 23 years of service. Post hoc comparisons (Bonferroni test), indicated that both statements were more important for those having over 23 years of service compared to those having 16-23. The rest age groups don't display any significant differences between them. A one-way ANOVA analysis indicated that there were statistical significant differences between group means of the four groups corresponding to the current level of payment regarding to employees' level of agreement with statements "I am satisfied with the criteria used in the appraisal system" ($F(3.15)=3.88, p=.028$), "I have a good understanding of the criteria" ($F(3.15)=4.44, p=.005$), "the criteria actually measure performance" ($F(3.15)=7.09, p=.000^{**}$), and "the format of the criteria is not effective" ($F(3.15)=4.47, p=.005$). Post hoc comparisons

(Bonferroni test), indicated that the mean score for the current level of payment according to the above statements differed. Specifically, this test indicates that employees of A9-A13 tend to disagree more with statement “I am satisfied with the criteria used in the appraisal system” than employees in A1-A5, who mostly tend to disagree with this statement. Also, differences between group means indicate that employees of A14 and above tend to agree more with “I have a good understanding of the criteria”, “the criteria actually measure performance”, and “the format of the criteria is not effective” statements than the rest of the groups.

T-test analysis was performed so as to examine any differences between the means of the participants’ level of agreement with a series of statements relating to the current PAS according to whether they were ever awarded a promotion. The Independent Samples T-Test found that there is a statistically significant difference between getting promoted and agreeing with statement “the format of the rating scales used are effective” ($t(159) = -2.25, p = .025 < 0.05$), which indicates that employees who got promoted believe that the format of rating scales used to evaluate them can effectively measure their performance. A one-way ANOVA analysis indicated that there were no statistically significant differences between group means relating to their education and work position.

Employee perceptions about perceived employee performance

Investigating participants’ perceptions according to the Perceived Employee Performance

T-test analysis was performed to examine any differences between the means of the participants’ level of agreement with a series of statements relating generally to the PAS in their organization, according to their gender. The Independent Samples T-Test found that there is statistically significant difference between men and women, with mean scores in 3 statements being higher for women than men. These statements are “the appraisal system should be fair” ($t(150.25) = -2.44, p = .026 < 0.05$), “performance measurement criteria should be objective” ($t(157.89) = -2.22, p = .028 < 0.05$) and “it is important to keep peace and harmony among the personnel” ($t(153.02) = -2.50, p = .013 < 0.05$). The means scores in all 3 statements are higher for women than men, which indicates that women believe to a greater extent, than men, that the appraisal system their Organization uses should be fair, that the performance measurement criteria should be objective, based on measurements and active observation, and finally that it is important to keep peace and harmony among the personnel of their Organization. A one-way ANOVA analysis indicated that there were statistical significant differences between group means of the four groups corresponding to age regarding to statement “the quality and quantity of my work and not my personality or position, are solely responsible for my performance appraisal” ($F(3,15) = 4.11, p = .008$). Post hoc comparisons (Bonferroni test), indicated that the statement was more important for those being 18-30, whereas those over the age of 51 had the tendency to neither agree, nor disagree with it. The rest age groups don’t display any significant differences between them.

One-way ANOVA analysis was performed so as to examine any differences between the means of the participants’ level of agreement with a series of statements relating generally to the PAS in their organization, according to their education. One-way ANOVA analysis indicated that there were statistically significant differences between group means of the five groups corresponding to the education level regarding to statement “setting goals is an important aspect of performance management” ($F(4,156) = 3.72, p = .006$). Overall, the statement was more important for the participants with PhD, who tend to agree with it. Post hoc comparisons (Bonferroni test), indicated that the statement was more important for employees holding a master, than for those having only a secondary education.

One-way ANOVA analysis was performed to examine any differences between the means of the participants’ level of agreement with a series of statements relating generally to the PAS in their organization, according to their length of service. One-way ANOVA analysis indicated that there were statistically significant differences between group means of the four groups corresponding to length of service regarding to following statements. An analysis of variance showed that the effect of length of service on “appraisal criteria should be according to

the job description” was significant ($F(3,157)=2.92$, $p= .036$), and more important for participants with length of service of 8-15 years, who tend to agree. Furthermore, there was statistical significant difference between length of service and statements “criteria should be objective” ($F(3,157)=3.23$, $p= .024$), and “the quality and quantity of my work and not my personality are responsible for my appraisal” ($F(3,157)=3.45$, $p= .018$), which were more important for participants with 0-7 years of service, who tend to agree with it. Moreover, there was statistical significant difference between length of service and statement “appraisers should devote time in observing and evaluating appraisees” ($F(3,157)=3.13$, $p= .027$), which was more important for participants with 16-23 years of service, who tend to agree. Post hoc comparisons (Bonferroni test), indicated that statement “appraisal criteria should be according to the job description” was more important for the group of having over 23 years of service, who tend to strongly agree, than those having 8-15 years of service. Also, statement “the quality and quantity of my work and not my personality is responsible for my appraisal” differed according to their length of service, as this statement was more important for the group of having over 23 years of service, who tend to strongly disagree, than those having 0-7 years of service.

To examine any differences between the means of the participants’ level of agreement with a series of statements relating generally to the PAS in their organization, according to their work position, a one-way ANOVA analysis was performed. This analysis indicated that there were statistically significant differences between group means of the four groups corresponding to the work position regarding to the statements in this question. An analysis of variance showed that the effect of work position on statement “appraiser and appraisee should develop the performance goals together” was significant ($F(4,156)=2.58$, $p= .039$). This statement was more important for the Secretarial staff and for Upper management/directors, who tend to strongly agree. Furthermore, there was statistical significant difference between work position and statement “it is important to keep peace and harmony among the personnel” ($F(4,156)=2.96$, $p= .039$), which was more important for the Technical staff, who tend to strongly agree. Post hoc comparisons (Bonferroni test), indicated that statement “appraiser and appraisee should develop the performance goals together” and the statement “it is important to keep peace and harmony among the personnel”, was more important for technical staff, who tend to strongly agree, than the group of Upper Management/ Directors, who tend to agree.

One-way ANOVA analysis was performed to examine any differences between the means of the participants’ level of agreement with a series of statements relating generally to the PAS in their organization, according to their current level of payment. One-way ANOVA analysis indicated that there were statistically significant differences between group means of the four groups corresponding to the current level of payment with statement “criteria should be objective” ($F(3,157)=3.40$, $p= .019$), which was more important for participants of group A1-A5, who tend to strongly agree, and statement “it is important to keep peace and harmony among the personnel” ($F(3,157)=3.55$, $p= .016$), which was more important for participants of group A9-A13, who tend to strongly agree, maybe because they have subordinates. Post hoc comparisons (Bonferroni test), indicated that the mean score for their level of agreement to both statements were more important for groups A1-A5 and A7-A8, who tend to strongly agree, more than the other groups. To examine any differences between the means of the participants’ level of agreement with a series of statements relating generally to the PAS in their organization, according to whether they were ever awarded a promotion, T-test analysis was performed. This analysis, found that there is statistically significant difference between getting promoted and not, with mean scores in two statements being higher for employees who didn’t get a promotion. These are “criteria should be according to job description” ($t(159)=-2.34$, $p= 0.020<0,05$), and “criteria should be objective” ($t(67.35)=-2.72$, $p= 0.008<0,05$). These results indicate that these employees believe to a greater extent that the PMS, their Organization uses should employ appraisal criteria, based on each position’s job description, and that the performance measurement criteria should be objective, based on measurements and active observation. Furthermore, T-test analysis was performed so as to examine if there are any differences between the means of the participants gaining a promotion according to their gender, age, education,

length of service, work position, and current level of payment. The Independent Samples T-Test found that there is no statistically significant difference between the above variables.

To examine potential differences in employee percentages, chi-square criterion was performed for independent samples. Relating to gender, this analysis found that there is no statistically significant difference. Particularly, 30.8% of men and 37% of women gained a promotion, and these percentages are very close to expectations. Also, in order to investigate potential differences in the percentage of employees relating to length of service, criterion chi-square was used. The analysis showed that there is a statistically significant percentage of employees having over 23 years of service, who have been promoted compared to other groups of employees ($\chi^2(3)=85.24, p < 0.01$). Moreover, it should be noted that a considerable number of respondents, even after 16-23 years of service, have not yet been awarded a promotion. A chi-square test of independence was performed to examine the relation between work position and gaining a promotion. The relation between these variables was significant, $\chi^2(4)=40.87, p < 0.01$. These results indicate that overall, the technical staff was less promoted than the other groups.

CONCLUSION AND RECOMMENDATION

Conclusion

With regard to the steps included in the performance management cycle it's noticed that the EAC's PMS skips most of them. There is no planning between manager and employee on which objectives the latter must accomplish, even though 75% of respondents believe that setting goals is an important aspect of performance management. Respondents, with a percentage of 79% strongly agree that appraiser and appraisee should jointly develop the performance goals, and with 93% they are in agreement that it is essential to know the purpose and objectives of the PMS. These results highlight that employee participation in the process is important for a fair and ethical appraisal system. Roberts (2003) emphasizes that employee's participation in the PA process has an intrinsic motivational value. Analysis showed that the statement relating to the appraiser and appraisee jointly developing the performance goals together was important for Upper Managers, who tend to strongly agree. However, as discussed earlier there is no planning stage in the EAC's PMS, and therefore the practice of jointly developing performance goals is not a current PMS process. Upper managers might agree in theory, but they don't seem to incorporate it in their management style. Another additional shortcoming of the current situation is that no developmental plan is discussed among them appraiser and appraisee.

The absence of these functions in the PMS, and more importantly in the Organization's culture, is a failure on the part of Upper management. These shortcomings demonstrate that there is insufficient awareness and lack of understanding not only of the PA process, but also of its importance and implications (Boachie-Mensah & Awini Seidu, 2012), even though 93% of the respondents indicated that it's important for them to know the purpose and objectives of the PMS. In general, employees seem to be kept in the dark with regard to how his/her individual goals, as part of personnel, can and must align with those of the organization. With regard to the employees' perceptions relating to the method used to collect PA data, it seems that more seasoned employees, over 51 years old and having over 23 years of service, and employees who got promoted tend to agree more with the statement „The format of rating scales used in the appraisal form is an effective measure of employee performance“, rather than younger employees. Maybe this can be attributed to the fact that more seasoned employees have accepted the PA status quo, whereas younger employees are keener on questioning it.

From the onset, respondents were asked if the current appraisal system is very effective, 78% disagreed, or strongly disagreed with the statement. Another statement with which they disagreed, or strongly disagreed, with a percentage of 71% was if the current system contributes to their organizational effectiveness. Adding to this last statement, 83% disagreed, or strongly disagreed in relation to the current performance system's ability to improve the personnel's

productivity and effectiveness. All these high percentages of disapproval are strong indications of the employees' perceptions relating to the system's inefficiency. Respondents were provided with many opportunities to indicate their feelings on the PA's fairness. Indeed, when commenting in general on the PA process, the statement with the highest mean score (4.84) was „The appraisal system should be fair“. Overall, participants' responses show that they don't believe that it's a credible and transparent process. All 69 answering the open-ended questions had something negative to say about the PA. Actually 45, out of the 69, stated flat out that they believe the PA process to be unfair, and 3 others that the raters are unfair. Even of those 30, who responded that they were satisfied with the last rating they got, 26 went ahead and expressed what they believe to be wrong with the MPS. Furthermore, the performance criteria used are not measurable, rather they require information relating to trait-based and behavior-based information to determine how well employees are performing their job duties. Trait-based information pinpoints an employee's character traits rather than being performance related, measurable, and objective. Even though participants are aware of the importance of employee involvement in designing and implementing the PA, for example 79% of them agree and strongly agree that appraiser and appraisee should develop the performance goals jointly, however currently this doesn't happen.

PA is not linked to a training and development plan, which was pinpointed by 5 employees in their comments. Additionally, 3 respondents mentioned the lack of feedback at any stage of the PM cycle. Both factors negatively influence the personnel's ability to effectively perform in their role, and hinders their performance improvement. Therefore, alignment of individual and corporate goals can't be achieved. Furthermore, providing feedback is an important aspect of the PA process, and especially when done right. When an employee experiences positive appraisal reactions, this can positively influence his/her behavior and future development (Murphy & Cleveland, 1995). Rewards, neither monetary, nor non-monetary, are awarded to top performers. There isn't a mechanism in place, in terms of performance-related reward of any kind, for those employees who have excelled in their work. The only instance when documented excellent performance can benefit an employee is in getting a promotion. However, 10 respondents complained that promotions are awarded on seniority grounds, and not on performance, with 3 others commenting that promotions should be linked to PA results.

Based on the performance criteria used in the EAC's appraisal forms, these can be viewed as subjective, as they are trait-based and behavior-based, and so are not based on measures with numerical levels of the performance target. The performance criteria used require judgement and self-assessment on behalf of the appraiser and therefore are more difficult to determine (Mathis & Jackson, 2008). 45% of the respondents agree or strongly agree that these actually measure their actual performance, and 68% are among the neutral to strongly disagree spectrum relating to being satisfied with the performance criteria used in the current PAS. However, when respondents were asked to offer their opinion on how important they consider the performance criteria to be both employees in Class A and Class B, indicated that they deem these criteria to be important, or very important. 54%, of the respondents, are among the neutral to strongly disagree spectrum relating to having a good understanding of the appraisal criteria. For this statement again the mean score indicate that women believe to a greater extent, than men, that they have a good understanding of the appraisal criteria against which they are evaluated. Additionally, 92% of them agree or strongly agree that the criteria should be formulated according to their job description.

Another important issue highlighted by the respondents, was that of raters and the role they play in the PMS. Grote (1996) argues that even though managers aim to conduct appraisals in a fair, objective and impartial manner, errors in judgement might happen even unknowingly. Respondents are aware of the pivotal role appraisers, and the relationship of appraiser-appraisee play in the effectiveness of the PA process (Murphy and Cleveland, 1995). This is evident in their responses in the related statements. 93% of the respondents agree or strongly agree that appraiser should devote time in observing and evaluating the appraisee, thus basing his judgement on sound evidence. 79% agree or strongly agree with the view that appraiser and

appraisee should jointly develop the performance goals against which the employee will be evaluated, thus, enhancing employee's commitment and engagement by taking part in the process. 56% of the respondents agree or strongly agree with the statement that supervisors award the same ratings to all of their subordinates so as to avoid conflicts and resentment among them. This is corroborated by the respondents' comments provided in the open-ended questions. 6 mentioned that all employees are awarded the same rating, while 8 mentioned that it's impossible to distinguish poor, average, and excellent performance, as all employees are awarded the highest possible rating.

Data provided by the respondents in the open-ended questions, paint a very negative picture of raters and their ability to fulfill their role in conducting PA effectively. These comments allude to a substantial number of errors committed by raters. It should be noted that in an effort to minimize the occurrence of these rater errors, the EAC's Directive O-A-012, regarding the personnel's PA, include a section describing a number of frequently committed errors, and urging appraisers to be more objective in their ratings. Respondents in their comments talk about the raters being unfair, inefficient, too strict with some employees, and too lenient with others, being biased, not being consistent with their rating, favoring more seasoned employees on the expense of newer hires, rating most employees as excellent, thus not distinguishing poor, average, and excellent performers. Respondents perceived that some raters tend to give unusually high ratings to all employees. 8 mentioned that it's impossible to distinguish poor, average, and excellent performance, as all employees are awarded the highest possible rating, noting that even though they have been awarded the highest possible rating, this is rendered without any real meaning as most of their colleagues are up there with them. This is one of the most common rater biases, according to Dewberry, Davies-Muir, and Newell (2013), and is the most common appraisal error identified in this research. This is in line with respondents answer with 56% agreeing or strongly agreeing that supervisors award the same ratings to all of their subordinates so as to avoid conflicts and resentment among them. Grote (1996) very pointedly mentions that "The one that may have the most damaging effect on an organization, however, is central tendency or it's even more pernicious cousin, leniency".

Employees in their comments also highlighted the raters' lack of consistency on rating. This was noted in regard to raters not being consistent with managers in other departments Organization-wide, as well as not being consistent with their ratings among their subordinates, due to bias and politics. With regard to the former Armstrong (2009; 2016) and Armstrong and Baron (2005) argue that this the main problem with rating scales, that is achieving consistency, with managers across the Organization keeping a consistent approach when rating their subordinates. It should be noted that to increase consistency among raters with regard to their understanding of the performance criteria, the EAC's Directive O-A-012, regarding the personnel's PA, provides a description of each performance criteria against which the appraisee is measured. Employees feeling wronged might feel compelled to formally object to the performance rating grade they were awarded. 18 (11.2%) out of the 161 participants responded that they have resorted to this action. This answer was enhanced by the comments provided in the open-ended questions, as well as the answer provided to questions, where 78% of respondents believe that the current PAS is not effective, where 71% of participants believe that the current system can't contribute to their organizational effectiveness, where 83% believe that the current performance system can't help employees to improve their productivity and effectiveness.

Analysis indicated that employees with more years of service (16-23 and over 23 years) have objected more times to the rating grade they were awarded, than younger employees (0-7 and 8-15 years). Additionally, employees in low level of payment (A1-A5) have again objected more times to the rating grade they were awarded, than employees in higher levels of payment (A9-A13 and A14 and above). Overall, the employees' feelings towards the PA, as expressed by this data, are a sign of the demise of appraisals as a credible process for evaluating performance and furthermore it indicates appraisees' mistrust towards the PMS. This should alarm the Organization and force HRS to reexamine both the content and the process of PAs. This

reexamination should adhere to some legally sound evaluation practices, as summarized by Malos (1998), who underwent an extensive research of articles relating to performance evaluations in the case law of the USA.

Respondents are aware of the important role raters play, not only as their supervisors delivering their PA, but also on their professional advancement. In their comments in the open-ended questions, 10 participants remark that promotions are highly associated with seniority and not on value, with 3 noting that promotions should be directly linked to PA. They even note that in most cases, seniority is the only criterion for somebody to get promoted. Even if we accept that in some instances PA high ratings play a major role in justifying someone being promoted, 9 participants commented that high ratings are linked to the length of service, and even worse 14 respondents mentioned that ratings are affected by politics.

Analysis indicates that young employees, aged 18-30, have strong feelings with regard to „The quality and quantity of my work, and not my personality or position, are solely responsible for my performance appraisal“. They are new to the Organization, and as such, they strive to distinguish themselves through the quality and quantity of their work. They try to establish their position within an environment where politics seem to play a major part in the Organization's culture. Further analysis with regard to promotions, indicated that employees with over 23 years of service were more likely to have already been awarded a promotion, whereas a considerable number of respondents even after 16-23 years of service have not yet been awarded a promotion. This is in accordance with the respondents' comments about how promotions are awarded, that is based mostly on seniority and less on merit. Analysis has shown that employees who didn't yet get a promotion tend to believe to a greater extent, than those who are already promoted, that the appraisal system their Organization uses should employ appraisal criteria, which would be constructed according to each position's job description, and that the performance measurement criteria should be objective, based on measurements and active observation. In this finding, is again detected the employees' wish for a fair process, free of politics.

14 respondents cited politics as a disruptive factor, not only with regard to the PA process, but for the EAC's activities at large. They characterized the involvement of political parties and labor unions as a problem deeply rooted in the Organization's culture, and the society in general. Within the framework of PA and politics, 3 respondents expressed very strong opinions relating to the unwritten law, as one of them called it, of not being able to be awarded 8 As. For example, an employee belonging to Class B, is evaluated against 9 performance criteria, not only this employee knows beforehand that getting straight As is out of the question, but also there is the unwritten law that he/she can't even be awarded 8 As. This seems to be creating tensions among the personnel, as word is getting out that this unwritten law doesn't apply to everyone, as these 3 respondents are commenting.

A development's program design and redesign should be closely associated with the PMS. This is especially, if we bear in mind that PA outcomes have both administrative and developmental uses. A development plan should outline which strengths and skills the individual should develop so as to effectively perform in their role. This is done so as to make sure that individual and organizational goals are aligned. However, as discussed already, no developmental plan is discussed among appraisers and appraisee during the EAC's PA process. EAC's annual reports give an account of the organization's efforts towards personnel's education and training. However, in these reports there is no mention that these education and training initiatives originate from the PMS. Nonetheless, we should note that the statistics provided in these reports indicate that a quite rigorous education and training program is in place.

In the last available report, of 2017, we learn that for that year, a total of 2.222 participants attended training courses. 1.854 members of the personnel attended 127 courses, which were organized in-house, by the Authority's Training School. 341 members of the staff attended various open educational programs and training courses, which were organized by local educational institutions and organizations. Finally, opportunity was provided to 27 employees to attend training courses abroad (EAC 2017).

Recommendation

This research was not broad enough to make generalisations as the response rate was only 7.5%. It was noticed that two specific portions of the population, namely the power station and the technical/maintenance personnel, displayed a low return rate. This can be explained by the fact that these employees don't have their own computer at work and thus during working hours their access to the web is extremely limited. Thus, the fact that the questionnaire was web-based hindered their ability to fill it in. To bypass this, these employees would have to access their work emails from their devices at home and fill in the questionnaire on their personal time. Indeed, internet coverage error is one of the most often mentioned limitations of a web survey (Manfreda & Vehovar, 2008). Future surveys could be conducted using paper questionnaires for these groups of employees, so as to remedy the fact that they don't have immediate and often access to a computer during working hours. This step would alleviate this limitation and garner feedback from this set of employees, thus producing a more representative set of responses. This study can be the starting point for the EAC's future research into HR issues. Future researches can build on this one's shortcomings and adopt a mixed-methods research approach. Incorporating more strategies, methods and tools when it comes to planning a research and gathering and analysing data, affords the researcher the opportunity to take advantage of the strengths and compensate for the weaknesses of each individual mode (Leeuw, Hox & Dillman, 2008). This mixed-methods approach could include interviews with a number of employees from each work position. In this way the researcher would be able to get a more detailed perspective on some of the issues raised and corroborate the data gathered by the quantitative data of the questionnaire (Blaxter, Hughes & Tight, 2010). The wealth of data generated by the participants' responses to the questionnaire's open-ended questions, highlights the benefits of including the interview method. The richer open-ended responses are an indication of the employees' strong attitudes towards the EAC's PA process. Through their answers, respondents provided new information, casting light on issues the researcher was unaware of, corroborated and complemented the questionnaire's results.

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