

**PERFORMANCE APPRAISAL AND ITS IMPLEMENTATION IN THE NEPALESE
CIVIL SERVICE**

By

Ramesh Mainali

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

MASTER OF PUBLIC POLICY

2010

**PERFORMANCE APPRAISAL AND ITS IMPLEMENTATION IN THE NEPALESE
CIVIL SERVICE**

By

Ramesh Mainali

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

MASTER OF PUBLIC POLICY

2010

Professor Jin Park

**PERFORMANCE APPRAISAL AND ITS IMPLEMENTATION IN THE NEPALESE
CIVIL SERVICE**

By

Ramesh Mainali

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of the requirements
for the degree of

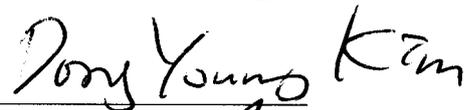
MASTER OF PUBLIC POLICY

Committee in charge:

Professor Jin Park - Supervisor



Professor Dong - Young KIM



Professor Jong - II YOU



Approval as of July 2, 2010

Abbreviations

- ACASA – Advisory, Conciliation and Arbitration service.
- CIAA – Commission for the Investigation of Abuse of Authority
- GoN – Government of Nepal
- HMG/ N – His Majesty’s Government of Nepal
- HRD – Human Resource Development
- HRM – Human Resource Management
- MBO – Management by Objective
- MoGA – Ministry of General Administration
- MoF – Ministry of Finance
- NCS – Nepal Civil Service
- NRs – Nepali Rupees
- PA – Performance Appraisal

ABSTRACT

PERFORMANCE APPRAISAL AND ITS IMPLEMENTATION IN THE NEPALESE CIVIL SERVICE

By

Ramesh Mainali

This study critically assesses the performance appraisal and its implementation in the Nepalese civil service. It looks into the awareness, understanding level as well as the constraints of PA as a managerial process. Simultaneously, it also analyzes the effectiveness of the PA scheme in NCS. Likewise, the study recommends some major measures that could be helpful to GoN for improving its civil service employees' performance and productivity.

The study finds the present performance appraisal system of NCS ineffective to meet the objectives of appraisal due to technical as well as cultural problems. However, the study is optimistic as it foresees ample possibilities to make immediate improvements and provides recommendations. It is believed that this report will be helpful for the understandings of problems of performance appraisal, which may be common in other developing countries as well and finding possible solutions for improvements.

The study is based on literature review using secondary data; books, articles and internet materials. The study reveals that effective performance appraisal system is prerequisite for better management of human resources and continuous improvement of employees and also for better organizational performance.

Finally, this study focuses on the importance of transparent appraisal system so that it can be helpful to be appraisee familiar with his/her strengths and weaknesses and improve his/her performance level. Furthermore, it also strongly recommends utilizing the multi-functions of appraisal system so that employees can be motivated to their jobs and organization can achieve its goal.

Copyright by
Ramesh Mainali (Full legal name)
2010 (Year of publication)

Dedicated

To

My Father Tara Prasad Mainali and Mother Mahalaxmi Mainali and other members of my family, who provided me this most valuable opportunity by shouldering my family responsibilities during my sojourn abroad in Korea for this study.

ACKNOWLEDGEMENTS

This study entitled 'Performance Appraisal and Its Implementation in the Nepalese Civil Service' has been made under the supervision of Professor Park Jin, KDI School of Public Policy and Management, Korea. The valuable guidance, encouragement and continuous support of Prof. Jin cannot be appraised in such a short write-up. It is my great pleasure to express my sincere gratefulness to him in particular. And all of those who in one way or the other helped me during my study period (2007-2008) in Korea deserve equal appreciation and gratitude. The result of their kind help is that I could successfully complete my Master's course in Public Policy and Management from the above institution. The list of the personalities who helped me during the entire period of my study in KDI includes Prof. Kim Tae-jong, the program chief of MPP (Master of Public Policy) program and Course Supervisor, Faculty Members and Officials of Academic Office. They were very generous throughout my study in Korea.

I must express my gratitude to the KOICA for funding my stay and for covering all study related expenses under KOICA Scholarship Scheme offered through the Government of Nepal in the absence of which I would not have been able to take part in the MPP program. In the home front, I would like to thank the Government of Nepal, Ministry of General Administration for nominating me to attend the program and thus for approving the leave of absence in the form of study-on-duty.

In the same vein Mr. Hari Datt Pandey, Joint Secretary, Ministry of Labor and Transport deserves my loyal gratitude and also Mr. Toyanath Bhattarai, Joint secretary, Parliament Secretariat, who constantly encouraged me to go for higher studies overseas, merits special mention in this connection.

My greatest debt, as ever, is to my parents, brothers, sisters and other family members for their kind affectionate support. I cannot help thanking my sister Sanu Pandey, younger brother Hari Prasad Mainali along with sister-in-law Anjala and my wife Sabitri, our daughters Apsara, Anju, Manju and my Niece Pragya for their assistance in the smooth running of my home affairs and consoling me by sending messages via email to alleviate my anxieties when I stayed away in Korea for 12 months.

Table of Contents

CHAPTER: ONE	1
INTRODUCTION	1
1.1 Background	1
1.2 Rational of the study	2
1.3 Objective of the Study	3
1.4 Methodology of the Study	3
1.4.1 Data Collection Method.....	3
1.4.2 Population	4
1.4.3 The Sample and Sampling Procedure.....	4
1.4.4 Data Presentation and Analysis	4
1.5. Limitations	5
1.6. Structure of the Study	5
CHAPTER: TWO	7
REVIEW OF AVAILABLE LITERATURE	7
2.1 Background	7
2.2 Definition of Performance Appraisal	7
2.3 Objective of Performance Appraisal	9
2.4 The Nature of Performance Appraisal	14
2.5 Who Is Appraised?	15
2.6 Who Is the Appraiser?	15
2.7 What is to be appraised?	16
2.8 The Administration of Appraisal	16
2.8.1 Frequency.....	17
2.8.2 Documentation.....	17
2.8.3 Timing.....	17
2.9 Process of Appraisal	17
2.10 Techniques of Appraisal	18
2.10.1 Absolute Standard.....	18
2.10.2 Relative Standards	19
2.10.3 Objectives	20
2.11 Factors Affecting Appraisals	20
2.11.1 Rating Errors.....	20
2.11.2 Other Common Problems	21
2.12 Measures to Remove Errors and Other Constraints	22
2.13 Conclusion	23
CHAPTER: THREE	25
PERFORMANCE APPRAISAL SYSTEM IN THE NEPALESE CIVIL SERVICE	25
3.1 Administrative structure in Nepal	25
3.2 Historical background of the civil services in Nepal	26
3.3 A Profile of the Nepalese Civil Service	27
3.4 History of performance Appraisal system in the Nepalese Civil Service	29
3.4.1 The Nepal Civil Service Act, 1956 and the Nepal Civil Service Regulation, 1956.	29
3.4.2 The Nepal Civil Service Regulation, 1964	30
3.5 Current Performance appraisal System	33
3.6 Characteristics of the Present Performance appraisal Programme	33

3.6.1 Form.....	33
3.6.2 Link of the Performance appraisal to Various Purposes.....	34
3.6.2.1 Promotion.....	34
3.6.2.2 Reward	36
3.6.2.3 Training.....	37
3.6.2.4 Service Period Extension	37
3.6.2.5 Termination.....	37
3.6.3 Actors of Performance Appraisal System.....	38
3.6.3.1 Appraise	38
3.6.3.2. Appraiser.....	38
3.6.4 Contents of Appraisal	39
3.7 Appraisal Method	41
3.8 Administration of Performance Appraisal.....	42
3.9 Conclusion	43
CHAPTER: FOUR	44
EFFECTIVENESS OF THE PERFORMANCE APPRAISAL SYSTEM IN THE NEPALESE CIVIL SERVICE	44
4.1 Introduction.....	44
4.2 Presentation and interpretation of Data.....	44
4.2.1 Performance Appraisal and Level of Employee Communication	44
4.2.2 Performance Appraisal and Level of Motivation.....	47
4.2.3 Performance Appraisal and Employee Development	49
4.2.4 Perception of employee in regard to the present performance appraisal system.	53
4.3 Strengths and Weaknesses of the Current Performance Appraisal System ..	55
4.3.1 Strengths	56
4.3.1.1 Defined time-period for submission and evaluation of appraisal forms..	56
4.3.1.2 Steps for ensuring objectivity	56
4.3.1.3 Fool proof recording system	57
4.3.1.4 Emphasis on job descriptions.....	57
4.3.1.5 Wide coverage	57
4.3.2 Weaknesses	57
4.3.2.1 Lack of participation	57
4.3.2.2 Lack of proper feedback	58
4.3.2.3 Lack of commitment	59
4.3.2.4 Lack of adequate training.....	59
4.3.2.5 Lack of appraisal interview.....	60
4.3.2.6 Subjectivity in assessment	60
4.3.2.7 Appraisal process not taken as a continuous process.....	62
4.3.2.8 No follow-up programme	62
4.3.2.9 Single evaluation instrument.....	63
4.3.2.10 Ineffective to motivate employees	63
4.3.2.11 Ineffectiveness to strengthen Employee Development.....	64
4.3.2.12 Failure of the system in employee's career development.....	64
4.4 Conclusions.....	64
CHAPTER: FIVE	65
CONCLUSION AND RECOMMENDATIONS.....	65
5.1 Conclusion	65
5.2 Recommendations	66
5.2.1 Performance indicators or standards.....	67
5.2.2 Strategic focus (Vision and mission)	68

5.2.3 Evaluation tiers	69
5.2.4 Participation	69
5.2.5 Performance- related pay	70
5.2.6 Enhancing the capacity of the Nepalese Civil Service	70
5.2.7 Disclosure of appraisal result.....	70
5.2.8 Appraisal interview	71
5.2.9 Avenue for reassessment.....	71
5.2.10 Appraisal form	72
5.2.11 Compliance of the Employees	73
5.2.12 The Provision of Refinement in the Current Appraisal Form.....	74
5.2.13 Phase-wise Implementation	74
BIBLIOGRAPHY	76
APPENDIX I	83
APPENDIX – II.....	91
APPENDIX III.....	92
APPENDIX IV	94
APPENDIX V	96
APPENDIX VI	100

LIST OF TABLES

Chapter- 3

Table-1. Recruitment system in the Nepalese civil service

Table-2. Marks allocated to different criteria for promotion before 1993

Table-3. Marks allocated to different criteria for promotion after 1993

Table-4. Marks allocated to different criteria for promotion after 2007

Table-5. Civil service awards and awarded employees

Chapter – 4

Table-1. Job description

Table-2. Clear perception over role and performance standard

Table-3. Discussion with the supervisor about job description and action plan

Table-4. Annual calendar of operation

Table-5. Mentioning all the particulars

Table-6. Role perception by the employee

Table-7. Job fit (compatible knowledge, skill and experience)

Table-8. Job satisfaction

Table-9. Relationship of PA with reward and punishment system

Table-10. Motivation on work after appraisal of one fiscal year's performance

Table-11 (a) .Feedback on work by superiors

Table-11 (b) .Orientation/Coach on jobs to be performed

Table-11(c). Identification of training needs and recommendation

Table-12 (a). Perception on what is expected from employee to derive the excellent evaluation

Table-12 (b). Confidence on excellent evaluation is followed by career development opportunity

Table-13. Success of PA in detecting ‘good performers’ and ‘bad performers’

Table-13 (b). Successful of PA in assessing the potential of employees

Table-14. Role of PA in promotion system

Table-15. Respondents’ opinion on three levels of evaluation ratings

Table-16. Uses of PA data

Table-17 Opinion of respondents on emphasis to make the appraisal system more objective and useful

Table-18. Should performance evaluation is confidential as now or open?

Table-19. Filling of the performance evaluation form

Table- 20. Evaluation of the performance evaluation form

Chapter: One

INTRODUCTION

1.1 Background

An organization is a set of relationships between different human resources with defined roles and functions to achieve certain goals. Therefore, it is necessary to correlate performance – related goal – setting and individual performance contracts to meet organizational objectives (reichard, 2002). Human resources are the most important factor in attaining such goals (Pandey, 1998). Performance implies productivity and, thus, performing employees are productive employees who perform tasks with greater efficiency and effectiveness (Agrawal, 2002). Hence, motivating, training, developing and rewarding employees is vital because their quality of work helps the organization to achieve its objectives.

Management of human resources has a central function in the organization. Therefore, in any organization, management of human resource is concerned with the creation of harmonious working relationships among the employees and brings about their utmost individual development. Different organizations employ different tools and mechanisms to boost morale and motivation; to develop skill and knowledge; and to improve productivity and efficiency of their employees. Among them, PA is a process most widely used in both the public sector and private sector organizations.

Pointing out the importance of PA in increasing employee's efficiency, Advisory, Conciliation and Arbitration Service (ACAS, 1988) suggests that PA is conducive for improving employee's performance by identifying their strengths and weaknesses; introducing measures to enrich and utilize their capabilities at the optimum level; overcoming weaknesses and contributing to reveal problems responsible for employee's inefficiency.

Realizing that people constitute the greatest single asset for an organization, PA scheme was introduced in the Nepalese Civil Service (NCS) in 1956. With the pace of time, several changes have been brought in the content, principle and procedures of the appraisal system. Moreover, since the successful historical people's movement (II), 2006 and the introduction of the Republic democracy in the country in 2008 and in reply to the people's rising expectations and ambitions, Government of Nepal (GoN) has felt a strong need to make the NCS more competent, efficient, people oriented, vibrant and transparent institutions.

1.2 Rational of the study

Despite the introduction of the current appraisal system and many other efforts, NCS falls far behind popular expectations. Furthermore, it has been suffering from many drawbacks, such as inefficiency, lack of responsibility, non-transparency and less productivity. Indicating its inefficiency and incompetence, The Himalayan Times (August 20,2008) has commented that newly appointed Prime Minister a day after he took charge called a meeting with all top level government officials to issue special directions. He directs civil servants to serve people. He has requested to secretaries to work without any prejudice against any party in the government and told them that each of the civil servants would be rewarded fairly on the basis of performance. Prime Minister has also reminded to secretaries of the people's expectation on this critical juncture of the history and our responsibility to fulfill the great responsibility. It means Prime Minister is emphasizes that civil servants must work wipeout any negative image of the bureaucrats.

Keeping in view, the low productivity and diminished efficiency, there is a need to re-evaluate various aspects of its human resource management (HRM) functions in general and the effectiveness of its current performance appraisal system in particular. This is because there is a close relationship between organizational objectives and performance appraisal as Robbins (1982), and Schiavo – Campo and Sundaram (2001) correctly emphasize that the

degree of success that individual employee has in fulfilling his/her individual goals is significant in the determination of organizational achievements because organizations exist to achieve goals.

1.3 Objective of the Study

The objectives of this study are as follows:

- I. to stimulate awareness and understanding of the purpose, advantages and constraints of PA as a managerial process;
- II. to analyze the effectiveness of the PA scheme in NCS; and
- III. to recommend some measures that could be helpful to GoN for improving its civil service employees' performance and productivity.

1.4 Methodology of the Study

Different research methodologies have been applied to achieve the main objectives of this study.

1.4.1 Data Collection Method

- i. Literatures on Human Resource Development (HRD) and Human Resource Management (HRM) were reviewed to acquire theoretical basis and recent approaches on PA. The Constitution of Nepal (Presently, the Interim Constitution), Acts, Regulations, personnel policies, books and articles relevant to NCS have been used as the secondary source of information.
- ii. Some of the information based on the author's experience in NCS, especially in the Ministry of General Administration (MoGA) where he has had an opportunity over the last six years to get an insight on various aspects of the personnel management functions in general and PA in particular.
- iii. Structured Questionnaire method was used to collect data from the sample. The main reason behind the selection of this method is to provide comfort to the

respondents in replying the questionnaire alone at their convenience. A questionnaire was developed to gather the opinion and perception of the civil servants toward the current PA system. About a total of 60 questionnaires were sent to randomly selected civil servants of central level organizations of government of Nepal (GoN).

1.4.2 Population

The Nepalese civil servants of twenty central organizations of GoN were selected for the study. Only the gazetted class three and two level (junior and middle level officer) employees (who are the most affected group by PA system in NCS) were taken as target respondents for the study from the selected organizations.

1.4.3 The Sample and Sampling Procedure

Among 90 central level organizations (ministries, secretariats and departments), 10 have been selected at random from those organizations. In total, there are about 600 employees (in gazetted class three and class two) of which about 10 percent(60 employees) constituted the sample size and to make the sample more representative of the population, both administrative and technical employees were selected for mailed questionnaire.

1.4.4 Data Presentation and Analysis

The study has covered 60 randomly selected civil servants working in various 10 central level organizations (ministries, secretariats and departments). The study has also presented and analyzed the data on managerial demographical and social aspect of the civil servants in governmental organizations. The analysis also has discussed on awareness and understanding of purpose, advantages and constraints of PA. In addition, it has also critically analyzed the effectiveness of PA scheme in NCS and civil service employees' performance and productivity.

1.5. Limitations

Since the lack of time, resources and technical know-how this study is limited up to the civil service perspective of Nepal. Besides, it is perceived now that the study has had the following major limitations:

As mentioned above, considering the fact of the coverage of the study in broad, only the PA and its implementation in NCS were dealt for the study purpose.

Second, the study was confined to non-technical issues as far as possible because of researcher's non-technical background.

Third, the study was limited to the analysis of effectiveness of PA and its implementation for the awareness and understanding of the purpose, advantages and constraints of PA.

Moreover, the study suggests only the measures that could be helpful to GoN for improving its civil service employees' performance and productivity by enhancing, efficiency of PA system for the study purpose.

1.6. Structure of the Study

The study work has been organized as following:

I. Chapter One: Introduction and methodology

This chapter includes the matter, such as- general background, purpose, methodology, limitation and structure of the study.

II. Chapter Two: Review of available literature

This chapter analytically discusses and reviews the relevant available literatures.

III. Chapter Three: Performance Appraisal System in the Nepalese Civil service

In this chapter, the existing as well as past performance evaluation systems in the NCS have been analyzed in both historical and contemporary contexts.

IV. Chapter Four: Effectiveness of the Performance Appraisal System in the Nepalese Civil Service

Presentation, discussions and interpretation of and on the data are covered in this chapter.

V. Chapter Five: Conclusion and finding

Finally, this chapter includes conclusion, major findings of the study and recommendations for the improvement of the PA system in NCS.

Chapter: Two

REVIEW OF AVAILABLE LITERATURE

2.1 Background

In all organizations by far the greatest asset is their human resources. These resources include individuals with a wide variety and range of knowledge, skills, attitudes and abilities and are expected to perform job activities in a manner that contribute to the organization (Sherman and Bohlander, 1992). Managers are responsible for ensuring that the organization performs effectively (Hayes, 2007). The value and importance of these resources exceed other resources such as a financial and physical asset. Besides these have always been critical to the success of any organization. Naturally, every organization will try to increase the efficiency of its employees and this is only possible if it has comprehensive information about them and their efficiency. The most widely used mechanism for this purpose is PA.

2.2 Definition of Performance Appraisal

PA could, thus, be seen as an objective method of judging the relative worth or ability of an individual employee in performing his tasks. If objectively done, the appraisal can help identify a better worker from a poor one. Stressing the importance of performance appraisal in attaining the organizational goal, Schiavo – Campo and Sundaram (2001) have rightly mentioned “Benchmarking and performance measurement are closely linked. Performance measurement can be the first step toward improving the performance of a public sector organization.”

A better PA system should also focus on the individual and his development, so as to make him achieve the desired performance. The development focus of appraisal is rather new and has come as a result of research in behavioral sciences. It suggests that while results are important the organizations should also examine and prepare their human resources to achieve these results.

PA has directly linkage with such personnel systems as selection, training, mobility etc. Appraisal and selection has a lot to do with the criteria or job expectation. Well developed job descriptions can be extremely useful in not only selecting people but also evaluating them on the same criteria. Similarly there is a strong linkage between induction, training and appraisal. (Mirza S Saiyadain, Human resource management)

The formal appraisal of an employee is not a new phenomenon. Rendell (1994) mentions it's developed in Britain from the time of Robert Owen and the New Lenark Textile Mills through the present time. Various scholars have defined PA in different ways. Some of the definitions in wider use are discussed here.

Viewing PA as a conducive tool for the improvement of employee's performance, Rendell, Packard and Slater (1984) emphasize on the aspect of procedure to collect, check, share and use the information collected from the employees working in the organization in order to add to their performance.

This definition encompasses most of the characteristics of PA that have been described by other social scientists at different places at different times. This, we can say, is a comprehensive definition of PA.

The most of PA system has been pleaded by many scholars like Fletcher (1993) who argue that those organizations which try to avoid appraisal scheme, end up having it in an unstructured and indiscipline from which the potential of bias and unfairness.

Now, the question arises as to what are the areas of PA. There are primarily thee areas, namely: (i) a review of employees' past performance from which both the employees and the organization can learn; (ii) an identification of the future needs of the individuals and organization; and (iii) taking an action plan specifying what is to be done (Latham and Wexley, 1994)

2.3 Objective of Performance Appraisal

Almost all organizations practice PA in one form or the other to achieve one or more objectives. These objectives may vary from organization to organization and also in the same organization from time to time. Patz (1975) interviewed 70 top and middle managers in one Canadian, one Dutch, and 17 American companies. He asked them to indicate their understanding of the functions of PA. He concluded on the following two objectives of appraisal.

- I. PA was considered a development technique in the hands of managers, aimed at calling attention to a subordinate's behaviour flaws in order to improve his administrative ability.
- II. PA was viewed as a necessary vehicle for assessing management potential.

Bolar's (1978) survey of 89 Indian manufacturing and sales companies revealed the following three broad objectives of managerial PA.

- I. To determine salary increments.
- II. To facilitate organizational planning in the areas of planning, placement according to suitability, promotion, transfer, demotion or termination, etc.
- III. To identify training and development efforts.

Monga (1983) stressed that all appraisal systems should emphasize individual objectives, organizational objectives, and mutual objectives. The individual objectives may contain such areas as personal development, satisfaction and involvement of the individual, and the perception of fair and just compensation. As far as the organizational objectives are concerned, PA should generate manpower information, help in human resource development, improve efficiency and effectiveness as well as employee relations, serve as a mechanism of control, and provide a rational compensation structure. Talking of mutual goals, such items as growth and development, harmony, effectiveness and profitability were emphasized.

An effective appraisal system is asset to the organization. Pareek and Rao (1981) Klingner et al (1998), Beard well et al (2001), and Pandey (1998 and 2002) view the objectives of PA differently. According to them, appraisal should serve the following objectives.

- I. Help the employee to overcome his weaknesses and improve his strengths and thus enable him to improve his performance.
- II. Generate adequate feedback and guidance from the immediate superior to an employee working under him.
- III. Contribute to the growth and development of an employee through helping him in realistic goal setting.
- IV. Providing inputs to system of rewards (comprising salary increments, appreciation, additional responsibility, promotion, etc.) and salary administration.
- V. Help in creating a desirable culture and tradition in the organization.
- VI. Help identify employees for the purpose of motivating, training and development them.
- VII. Generate significant, relevant, free and valid information about employees.

There are several conflicting viewpoints about the principal objectives of PA, while some observers perceive it as a technique for assessing and rewarding performance, others consider its major purpose to be the identification of future development needs (Mick and Wilkinson, 1996). Moreover, its goals have varied across the development countries themselves. For instance, as Rendell (1994) points out, the British approach has been predominantly person-centered and skill-based whereas US companies have emphasized a work-centered and mechanistic philosophy.

But what is the empirical evidence? Research has shown (Long, 1986) that 98 percent of the organizations employ appraisal for the purpose of performance reviews and 97 percent for training and development. Likewise, 81 percent organizations practice this mechanism for

setting performance objectives, 75 percent for assisting career planning decisions and 71 percent for the assessment of future potential, while only 40 percent use it for pay reviews.

From above, it emerges that the two basic purposes of PA are: developmental and administrative. The developmental approach comes when objectives to be achieved are the determination of performance objectives, assessment of employee training and development needs, human resource planning, and employee potential assessment. Similarly, the later purpose comes when objectives of the appraisal are the assessment of rewards, updating of personnel records, motivating employees, and controlling work performance.

Several prominent experts such as McGregor (1957), Stewart and Stewart (1978). Hunt (1986) and Anderson (1993) suggest inter alia the following as the main purposes of PA:

- I. Improving performance of the employee: Employees improve their performance and results by getting feedback of their work. Identifying and improving performance for them depends on personal ability. Not everyone is able to identify his/her strengths and weaknesses. Through an appraisal, a manager can assess the strengths and weaknesses of his/ her subordinates and only then she/he can provide them feedback on performance and can coach them. PA, thus, contributes to improve performance at least in two ways: by giving direct feedback from the managers to the subordinates and vice-versa; and secondly by assisting employee to set up ways of monitoring his/her own performance (Stewart and Stewart, 1978).
- II. Career counseling: Performance appraisal help identify training and developmental needs (required additional knowledge, abilities, and skills to perform jobs) and to assess the employee's potential. Interview with employees during appraisal provides the appraiser the opportunity to talk about the appraisee's career, skills, ambitions etc. Some employees need career counseling. In order to assess the developmental needs of the staff, the

appraiser can consider long and medium term to maximize employees' contribution (Stewart and Stewart, 1978)

- III. Making personnel decisions: Appraisal is also used for personnel decisions such as salary review, transfer, placement, reward and promotion. In addition, it can serve as legal grounds for dismissal of employees (Goel, 1993).
- IV. Succession planning: An organization must prepare a list of people ready to take over in the event of a job becoming vacant (Stewart and Stewart, 1978). It is essential to Prepare human resource to take over key/leading positions in the organization. Appraisal enables the management to think about the abilities and developments of its staff to meet the required skills to perform the jobs. Further, it also helps in identifying to what extent the organization has strength in depth in particular occupational groups (Anderson, 1993).
- V. Organizational problems: Appraisals have the capacity of diagnosing organizational problems. They do so by identifying training needs, development needs, low performers, and required skills and abilities to fulfil organizational objectives. In addition they can distinguish effective performers, if they are conducted properly. Organizations can adopt Management by Objectives (MBO) through the use of appraisal system. Target-setting and result-oriented programmes can be implemented by the help of PA system. When MBO works well, all the people in an organization share a common goal and commitment. Delegation is also encouraged. It contributes to improve on the job effectiveness in each employee's present position by requiring planned attention to goals and priorities (Sherman and Bohlander, 1992).
- VI. Improving communication: Performance evaluation is a continuous process which involves communication of work goals, giving instructions, assigning works, fixing and agreeing targets, observing and evaluating work progress and ongoing verbal interaction that happens between supervisors/managers and subordinates. The appraisal process can

improve supervisor- subordinate relationships and dialogue that contributes to continuous discussion, coaching, training and counseling of employees. These improve the quality and responsiveness of the workforce (Williams, 1981 and Anderson, 1993).

- VII. Handling poor performance/legal issues: Legislation in some countries has made it more difficult to dismiss an employee without evidence of their unsatisfactory performance over a period of time. Similarly, it is necessary that adequate opportunity should be given to an employee to improve his/her performance. Rendell et al (1984:13) have classified these purposes in to the three categories, i.e., rewards review; performance review; and potential review. These academic pundits opine that using a single type of PA simultaneously for different purposes can result into failure, that is, the PA should not be used for conflicting purposes. Instead, performance, reward and potential reward are assessed separately and differently. Similarly, King (1989) emphasizes the same point by arguing to confine PA to limited and specific goals.

Undoubtedly, each organization has its own objectives. Moreover, organizational culture varies from organization to organization. Accordingly, various organizations have various kinds of appraisal systems. However, for the successful implementation of the appraisal, the participation of employees and management is a prerequisite. Participation helps strengthen the commitment of the management and staff. Moreover, it also enables the designer to set clear and distinct objectives for the scheme. In this context, Pratt (1985) rightly argues that people are committed to a scheme in which they are involved from the start. Finally, it can be concluded that in order to maintain clarity and avoid conflict, it is necessary to define appraisal objectives clearly. The effectiveness of PA system depends on the way it is designed and on the process it is conducted. Moreover, one of the main reasons of the failure of many PA schemes is the lack of commitment amongst the management and staff.

2.4 The Nature of Performance Appraisal

The nature of PA systems may be closed or open. In a closed appraisal system, the appraiser assesses the performance of his/her subordinate without communicating any information to him/her (Pandey, 2002). Due to this factor, the appraisee is not aware of how she/he has been assessed. In this system subordinates do not participate in the appraisal process and even they are not given feedback. In absence of feedback of their results, appraisees are unable to improve their weaknesses (Stewart and Stewart, 1985).

Contrary to the closed system, an open appraisal system has a wide avenue for discussion between appraiser and appraisee regarding the later's job, skills, ability, and problems. Both the appraiser and the appraiser frankly discuss the strengths and weaknesses of the later and accordingly take remedial measures to improve performance. Moreover, in this system, the appraiser discloses part or whole of the assessment report to the appraisee. One main advantage mentioned by Walker et al (1977) is that through an open appraisal system, an appraisee fully participates in the appraisal process. This, however, ranges from simply signing the appraisal from to actually writing some part of the assessment.

Like the IPM study in 1973 as quoted by Walker et al (1977), Mondy and Noe (1987) also stress that MBO provides the impetus towards shared ownership of the PA process by the appraiser and the appraisee focusing more on an employee's job performance rather than on his personal traits.

Actually, on open system of appraisal improves communication between the supervisors and subordinates leading to learning; on the part of the supervisor about what the subordinates think and feel about his/her jobs and what motivates him/ her, and on the part of the subordinates about what is needed to achieve favorable assessments of job performance (Long, 1986 and Torrington and Hall, 1995).

Nevertheless, it is possible that an open reporting system may not be sufficiently practicable in appraiser's comments for the negative motivation/ reaction from the appraisees. Despite this fear, fair and immediate feedback can increase trust and confidence. In this context, ACAS (1988) points out that manager are more likely to make fair and objective assessments if they are aware that the assessments will be shown to the appraisee.

2.5 Who Is Appraised?

The coverage of appraisal varies from organization to organization. Generally, in most organizations, appraisal takes in everyone from senior manager to the first level supervisors, clerical and secretarial staff, i. e.; all employees. In some organizations, appraisal reports are made on all staff except seniormost staff, while in other; appraisal covers some managerial staff (Pandey, 2002). Steward and Steward (1978) asserts that in some organizations only managers are appraised, while some appraisee employees of certain grade only and others appraisee all the people working with them.

2.6 Who Is the Appraiser?

Supervisors and managers traditionally are the appraisers of their subordinates. Since supervisors are closer to the subordinates, they are in a better position to perform this function (Schuler & Huber, 1990 and Torrington & hall, 1995). Hence, the immediate supervisor, generally, completes the appraisal. Appraisal is usually subject to some kind of revision by the supervisor's boss or the 'grand-parent' who looks the report, aids his/her signature and any comment she/he thinks necessary. In some organizations, the higher level of management (by personnel, by some appraisal committee or combination of these) reviews the report assessed by the supervisor, Redman and Snape (1992) suggest that there can be as many as seven options, and some systems involve several of these for the same appraisal by adopting a familiar terminology; these are:

- I. The individual's immediate supervisor ('parents' appraiser)

- II. His/her supervisor's supervisor ('grandparent' appraiser)
- III. Colleagues at the same grade/level ('peer' appraiser)
- IV. Internal customers for the individual services ('aunt/uncle' appraiser)
- V. External customers for the individual services ('client' appraiser)
- VI. The appraisee's subordinates ('upward' appraiser)
- VII. The individual him/herself ('self- appraiser).

Further, Torrington and Hall (1995) and Fletcher (1993) have added two more categories: the member of the personnel department; and assessment centre. Of late, this conception of appraisal has been broadened and called a '360-Degree appraisal' (Quoted from Kalauni, 2007). This is an individual by his/her boss, peers, sub-ordinates and customers. In this system of appraisal, information is collected using questionnaires. Ward (1995) concedes that it can motivate staff and the assessment is based on real work. The results of the appraisal are more reliable because it is done by various categories of people. Nevertheless, like any other appraisal procedure, it has also some problems. The appraisers may emphasize weakness rather than strengths. Also there could be the lack of confidentiality because the appraisal is done by several individuals. Moreover, the lack of training of the appraisers may result into poor reports.

2.7 What is to be appraised?

The PA system can measure a variety of things qualitatively and quantitatively; such as personality traits, behaviours of performer, achievement of goals etc. Coats (1994) argue that what is actually measured in PA is the extent to which the individual conforms to the organization.

2.8 The Administration of Appraisal

While designing the appraisal scheme, organizations must consider the relevant issues like the frequency, documentation and timing of PA. The issues are briefly discussed below:

2.8.1 Frequency

Formal appraisal, generally, is an annual activity. Now a day, appraisal is done more frequently in some organizations, i.e., every six months or variable frequencies. Periodical appraisals during the year are a typical feature of result-oriented programmes (Pandey, 2002). However, PA should not be only once a year rather it should be a continuous process (ACAS, 1998 and King, 1989). An ongoing process enables the manager to assess his/her subordinates regularly and take some remedial measures immediately instead of waiting until the end of the year. In order to maintain employee's performance excellent, its outcomes must be communicated regularly to him/her (Latham and Wexley, 1994).

2.8.2 Documentation

For PA, it is essential to have precise, accurate and simplified performance because a complex, cumbersome and jargonized document will lead to confusion, delay and misunderstanding. Wilson (1991) rightly argues that a lengthy and boring appraisal form causes long delays and frustration and brings managers far from the real objectives of the system.

2.8.3 Timing

Generally, a manager is busy in conducting meetings, tours and co-ordination activities. However, it is necessary that there should be a time schedule for appraisal assessment.

2.9 Process of Appraisal

The appraisal process begins with the establishment of performance standards. Performance standards specify the expected quality, quantity, cost, time etc of the jobs to be performed by the employees. They should be specific, measurable, achievable, realistic, and time bound - SMART, or clear, relevant, economic, adequate, and measurable – CREAM (Requoted from Pandey, 2006). Decenzo and Robbins (1995:362) suggest the following steps of appraisal process:

- I. Establish performance standards
- II. Communicate performance expectations to employee
- III. Measure actual performance
- IV. Compare actual performance with standards
- V. Discuss the appraisal with the employees and
- VI. Initiate corrective action (if necessary).

This draws the need for more participative PA which can be helpful to improve employee performance.

2.10 Techniques of Appraisal

There are various techniques and approaches, which are often applied in evaluating employee's job performance; personality traits; and behavior (Torrington and Hall, 1995, Long 1986, Megginson 1985, Agrawal 2002, and Pandey 2002). However, each technique has its advantages and disadvantages. These techniques are categorized as following:

2.10.1 Absolute Standard

In absolute standards no comparison is made with any other employee, and performance is measured alone. This group includes:

- I. Essay Appraisal: It is descriptive method in which the supervisor lays down employee performance, strengths and weakness and potential. It is simple and informative, but difficult to have a cross-comparison with others.
- II. Critical Incident Method: Supervisors attempts to measure certain critical or key behaviours and performance about success and failure in meeting the job requirements. This method facilitates to draw strengths and weakness of the individual but there remains difficulty in comparison and ranking of the subordinates.

- III. Checklist: This is the method that does not evaluate performance but only keeps records and presents the behaviours in the overall checklist. Though the method helps reduce rater-bias, it is difficult to maintain checklist for each job category.
- IV. Graphic Rating scale: In this method, the evaluator places a mark along a continuum that best describes employee performance. It is less time consuming and easy to understand and compare, but lacks depth of information.
- V. Forced Choice: In this method, supervisor has to choose statements which seem suit to employee from a special type of checklist. It reduces rater-bias, but rater is ignorance for feedback.
- VI. Behaviorally Anchored Rating Scale (BARS): This method specifies definite observable and measureable job behaviours on a continuum and the superior rates employees on the basis of the behaviours along the continuum. These scales combine major elements from the critical incident and graphic rating approaches. The method is comparatively free from leniency and halo-effect but it contains more time on framing out rating scales for each job.

2.10.2 Relative Standards

In this method, individuals are compared against other individuals. The Following are the popular methods in this group:

- I. Group Order Ranking: This method requires superiors to place employees according to a predetermined classification and individuals are placed between two extremes of good and bad job performance, e.g., 10 percent (outstanding – at the top), and 10 Percent (good – at the average), 40 Percent (satisfactory - average), 20 Percent (fair – below average), and 10 Percent (poor– at the bottom). It is usually used to determine the individual's overall effectiveness within the organization. This method also

reduces leniency in rating. However, it is difficult in placing the employees in the category when they are in the small groups.

- II. Individual ranking: It simply ranks individuals in an order from highest to lowest.
- III. Paired Comparison: In this method, all individuals are compared with other employees in the group on 'one-on-one' basis. A rank order is usually obtained by counting the number of times each employee is chosen as the better of the two. Finally, on the basis of overall performance or any distinct performance trait, a decision is made (Long, 1986). Complexity and time consuming nature are the main drawbacks of this technique.

2.10.3 Objectives

In this method, employees are evaluated by how well they accomplish specific objectives of their jobs. It needs the verification and quantification of objectives and job results

2.11 Factors Affecting Appraisals

Everyone expects objectivity in appraisal, i.e.; the evaluation should be free from personal biases and prejudices. But the following rating errors and other common problems may hinder the effectiveness of PA:

2.11.1 Rating Errors

Randell et al (1984) point out the following as the most common rating errors which hinder objectivity in performance evaluation:

- I. Leniency Error: Every evaluator has his/her own value system which acts as a standard against which appraisals are made. Some supervisors overrate and some underrate irrespective of work performance.
- II. Halo Error: This sort of error occurs when the evaluator assesses an individual either high or low on all factors on the basis of particular task behaviour.

- III. Similarity Error: Such an error occurs when an evaluator rates other people in the same way s/he perceives himself/herself.
- IV. Recent Error: Superiors, sometimes, assess subordinates performance overly influenced by the recent performance before the evaluation takes place without all tasks or behaviours over the evaluation period.
- V. Central Tendency: It occurs when the evaluator assigns average ratings to all employees irrespective of their performance.
- VI. Shifting Standards: This kind of errors appears when the evaluator rates each subordinate by different standards and expectations.
- VII. Miscellaneous Biases: Such sort of errors occurs when someone assesses on the ground of sex, race, ethnicity, religion etc. without assessing employee's merit.

2.11.2 Other Common Problems

Besides the rating errors discussed above, several scholars such as Cowling and Mailer (1989), Pratt (1986) and Anderson (1988) have indicated the following common problems that may impede the proper functioning of PA (Requoted from Pandey, 1998):

- I. The absence of adequate training to appraisers.
- II. Lack of top management support and commitment.
- III. Inadequate briefing about the purpose and characteristics of the appraisal system to appraisees.
- IV. Unequal standards applied by different managers.
- V. Lack of follow-up action emerging from appraisals and failure to make effective use of appraisal data.
- VI. Organizational culture.
- VII. Resistance from top level managers, appraisers and appraisees.
- VIII. Conflicting aims and objectives of the appraisal scheme.

- IX. Limited financial resource of the organization.
- X. Trade union hostility.
- XI. Dangers from importing an appraisal scheme from another organization.

Rater errors are extensively treated in the PA literature (Daley, 1992; Landy and Farr, 1980; Latham and Wexley, 1994; Murphy and Cleveland, 1995). As indicated in the following list of errors sources, not all rater errors deserve that name.

Organizational attributes causing errors are: (Handbook of Human Resource Management in Government, 2004).

- i. Lack of clarity or misunderstanding of goals
- ii. Hidden agenda of using PA as control mechanism
- iii. Unrealistic expectations
- iv. Work that occurs as a group and not an individual activity

Structural Attributes Causing Error

- i. Supervisors not trained
- ii. Goals not set
- iii. Appraisals adjusted to fit predetermined decisions
- iv. Employees that match behaviors to limited, incomplete set of criteria

True Rater Errors

- i. Job responsibility errors
- ii. Contrast errors
- iii. Unidimensional errors
- iv. Interpersonal errors

2.12 Measures to Remove Errors and Other Constraints

The above errors can be reduced through a number of initiatives within the system, for example, central tendency rating errors can be curtailed by introducing ‘the force distribution

rating method', and the leniency error by increasing 'anchor point and dimension definition' so as to reduce scale ambiguity. Other errors like the halo-effect and subjective judgement can be removed through 'rater training', instrument design' or 'system design.'

In order to mitigate other common constraining factors, many prominent experts like Anderson (1988), Harrison (1995), Decenzo and Robbins (1995), Schiavo – Campo Sundaram (2001), Pandey (2002), and Chadha (2003) suggest to:

- (i) Secure top management support and commitment,
- (ii) Provide proper training, coaching and briefing to all the appraisers and appraisees on all aspects of appraisal,
- (iii) Separate appraisal objectives, make them precise, unambiguous and shared and limit them in scope and number,
- (iv) Consult with the trade unions, especially with the designing, stage,
- (v) Avoid unequal performance standards,
- (vi) Understand the organizational culture,
- (vii) Focus on the process rather than the documentation,
- (viii) Develop positive interview outcomes, and
- (ix) Emphasis the links between PA and ongoing coaching and counseling.

2.13 Conclusion

From the above discussion, it can be concluded that the PA system is a dynamic process of learning and evaluating employees in an organization for achieving organizational goals. Here, individual traits, behaviour and outcomes of employee's performance are assessed methodically and their future needs such as training and career development are evaluated. Although both open and closed systems of appraisals are still in practice, an open appraisal system is relatively better than a closed system. Despite the various advantages of the appraisal scheme, there are several problems besetting it such as rating errors. However,

rating errors can be minimized / removed through such as force distribution rating, anchor point and dimension definition, rater's training as well as system design. Likewise, other common problems can be alleviated by making efforts for securing support and commitment from all the stakeholders of the scheme, facilitating adequate training as the appraisers and appraisees, laying emphasis on the process rather than documentation. Finally if performance system is used in an objective and unbiased manner, it will go a long way in benefitting not only the organization but also to appraisees and appraisers. PA systems are built around a central technique. The preference is for an objective technique – behaviorally anchored rating scales and management by objectives approaches- over such subjective techniques as essays, not-task-related rating scales, and forced-choice checklists and over ranking and forced – distribution interpersonal comparisons. Both the BARS and MBO applications of PA offer comparative advantages and disadvantages. Behaviorally anchored rating scales, on the one hand, are ideal for large organizations engaged in process-oriented tasks requiring teamwork. Management by objectives, on the other hand, can be individually tailored to specific job responsibilities. MBO also works well where individual outputs or results can be measured. Feedback is an integral part of the PA process. Through appraisal feedback, employees gain an understanding of their performance as well as an idea of what is expected of them. It is a means for correcting past behavior and encouraging motivation. Thus PA can be employed both in areas needing improvement and in areas of already proven strength. (Requoted from Handbook of Human Resource Management in Government, 2004)

Chapter: Three

PERFORMANCE APPRAISAL SYSTEM IN THE NEPALESE CIVIL SERVICE

3.1 Administrative structure in Nepal

Nepal is a small landlocked developing country which is situated in Southern Asia between India and China. This country had covered 147,181 square kilometers. There total population of this country is 28,901,790 (Central Bureau of Statistics, GoN, 2009). To the administrative purpose, GoN is divided into central and local levels with intermediate tiers created at regional levels for development purposes. At the central level, there are 25 ministries including office of the prime Ministers and cabinet and 50 departments (Department of Information, GoN, 2009). Peoples' Movement (Janandolan) II, 2006 has demanded the federal structure of the nation and the Interim Constitution of Nepal, 2007 has also declared it. In this moment, thus, Nepal is trying to move toward the federal structure (The Interim Constitution of Nepal, GoN, 2007). It means the State policy has declared about go head to federal system and the nation is on the way for formulating new federal constitution. The Ministries are headed by Prime Minister, Ministers or state Ministers and assistant Ministers help their respective Ministers. Along with the Ministries, there are also other central level institutions to perform special duties, e.g., National Development Council, National Planning Commission, Public Service Commission (PSC), Election Commission, Supreme Court, and Commission for the Investigation of Abuse of Authority (CIAA) etc.

Nepal is one of the least developing countries, because there is lack of road accesses and physical infrastructures. This country is administratively divided into 5 development regions, 14 zones, and 75 districts (Department of Information, GoN, 2009). Every development region has regional head quarters, every zone has zonal head quarters and each district has district head quarters. Furthermore, there are 3996 Village Development Committees (VDCs) and 58 Municipalities, at the local level, which are the lowest levels of administrative

units. VDCs are further divided into 9 wards, while Municipalities are divided into 9 to 35 wards depending on the geographical area (size) and the size of the population. The map of Nepal is attached in appendix II.

3.2 Historical background of the Civil Services in Nepal

According to the 2007 Constitution, all members of the civil service are recruited through an open competitive examination conducted by the PSC. The chairman and other members of the commission are appointed by the President on the recommendation of the Constitutional Council which is headed by the prime - minister (The Interim Constitution of Nepal, GoN, 2007). The commission must be consulted in all matters concerning laws relating to the civil service - such as appointment, promotion, transfer, or departmental punishment of the civil servants. Tenure, benefits, and postings were regulated by the Nepal Civil Service Act of 1993.

The Nepal Civil Service Act passed in 1993 classified all civil employees of the government into two categories--gazetted services and nongazetted services. Gazetted services include all services prescribed by the government by notification in the *Nepal Raj Patra*, the government gazette. After that restoration of democracy 1990, the Government of Nepal has made newly Civil Service Act, 1993 and Civil Service Regulation, 1994. These two act and regulation are stood as the backbone for the mobilization of the NCS. NCS are established to be the operational arm of the government, civil service plays pivotal role in carrying out developmental activities as well as in providing goods and services to the people.

The article 153 of the Interim Constitution of Nepal, 2007 has defined the Government Service as – “The Government of Nepal may, in order to run the administration of the country, constitute civil services and other government services as required. The constitution, operation, and terms and conditions for such services shall be as determined by an Act” (The Interim Constitution of Nepal, 2007).

3.3 A Profile of the Nepalese Civil Service

The NCS comprises as many as 71,500 civil servants working in central level Ministries, Secretariats and Commissions as well as in regional, zonal and district level organizations (Department of Civil Personnel Records, GoN, 2009). These civil servants are classified in different technical and non-technical services horizontally whereas they are grouped in gazetted, non-gazetted and unclassified categories vertically. The horizontal and vertical classification of the NCS can be tabulated as follows (Nepal Civil Service Act, 1993):

1. Horizontal Classification

I. Technical Services

- i. Nepal Economic Planning and Statistics Service
- ii. Nepal Engineering Service
- iii. Nepal Agriculture Service
- iv. Nepal Forest Service
- v. Nepal Education Service

II. Non-technical services

- i. Nepal Administrative Service
- ii. Nepal Judicial Service
- iii. Nepal Foreign Service
- iv. Nepal Auditor Service
- v. Nepal Miscellaneous Service

2. Vertical Classification

I. Gazetted officers

- i. Special class
- ii. Class one
- iii. Class two

- iv. Class three
- II. Non - gazetted officials
 - i. First class
 - ii. Second class
 - iii. Third class
 - iv. Fourth class
 - v. Fifth class
- III. Unclassified personnel
 - i. Driver (Grade 1 to 5)
 - ii. Office Helper (Grade 1 to 5)

The above-mentioned classification of the NCS, either horizontal or vertical, is not fool proof. The cause of superior and inferior feeling between gazetted and other employees can be attributed to the vertical classification. Similarly, the horizontal classification among different groups and sub-groups of services are often not justifiable. Some of such classifications have been made according to the vested interests of handful persons, which hamper the career development of other employees. The prominent example is the servicelessness in the special class. This type of classification cannot help in the professionalization of the Nepalese civil servants.

According to the Nepalese Civil Service Act, the recruitment system in the NCS is based partially on the open system and partially on the closed system. It is mentioned in the following table.

Table -1

Recruitment system in the Nepalese civil service

Post	By open competition	By promotion		
		By evaluation of competency	By internal competitive examination	promotion by seniority and work performance evaluation to adjustment
(a) Classless/Non gazetted fifth class	100%	–	–	–
(b) Non-gazetted fourth class	–	–	–	–
(c) Non-gazetted third class	–	100%	–	–
(d) Non-gazetted second class	60%	20%	20%	–
(e) Non-gazetted first class	60%	20%	–	20%
(f) Gazetted third class	70%	10%	10%	10%
(g) Gazetted second class	10%	60%	20%	10%
(h) Gazetted first class	10%	60%	20%	10%

Source: HMG/N, The Nepal Civil Service Act, 1993 (including latest amendment in 2007)

3.4 History of performance Appraisal system in the Nepalese Civil Service

3.4.1 The Nepal Civil Service Act, 1956 and the Nepal Civil Service Regulation, 1956.

In the NCS, PA was formally employed from 1956 only after the enforcement of The Nepal Civil Service Act, 1956 and The Nepal Civil Service Regulation, 1956. According to the Civil Service Regulation, 1956, the bureaucratic chief of each ministry, department and office had to make confidential performance reports on their staff. It was decided that performance results will be considered as the time of making decisions for promotion. However, whether PA was taken into Account would not be known except to the promotion committee (Ojha, 1989).

3.4.2 The Nepal Civil Service Regulation, 1964

Despite the replacement of the Civil Service Regulation, 1956 by the Civil Service Regulation, 1964, the status of the PA system did not much improve. The responsibility for preparing appraisal reports was shouldered by ministerial secretaries and the appraisal reports were to be kept confidential.

In 1971, with a view to making performance evaluation more effective to merit rating factors, it was designed to evaluate work performance and personal traits annually. A major change was made in the evaluation system by making the ratings open to the appraisee and taking concurrence of the employee over-rating. The new appraisal form was divided into two parts, i.e., the initial part for the assessment of quality and quantity of jobs performed and the later part for the evaluation was conduct, behaviours and personality. The first part was to be prepared every six months, and the second was to be assessed at the end of the fiscal year (Nepalese fiscal year begins from the first day of Shrawan and ends on the last day of Asharh according to the Nepalese calendar, that is in mid-July). The allocation of points for appraisal began from this programme and was to be counted for promotion. Under this programme, the appraiser could see the appraisal result. The immediate supervisor was to write the report and it was the responsibility of supervisor's supervisor (grand-parent appraiser) to review it. It carried a total of 120 points (37.5%) for promotion (Ojha, 1989). Quality and quantity of performed works, dependability, use of wisdom, ability to work under pressure, technical skill and efficiency, promotability, attendance etc. were bases for performance evaluation.

Equal weightage for rating were allotted to performance and personal quality in 1977. In the evaluation, separate quality traits had been incorporated for officer and assistant-level staff and work performance evaluation, at least six important job performance criteria were reported and appraised on the basis of achievement, quality and expenditure involved.

Decision making capacity, creativity, planning capacity (work), ability to manage staff under him/her and ability of evaluating quality and performance of staff under him/her were the traits and skills taken into account for the gazetted employees and attendance, discipline, response in job/work, dependability and neatness and clarity of performed works were for non-gazetted people. Due to inform rating irrespective of employee's performance and capability, the reporting system was again made confidential in 1982.

Performance had to be evaluated into two parts. In the first part, personal qualities were to be assessed and be awarded upto 60 points. The appraisal reports belonging to this part were to be kept secret. Under the second part, each employee had to fill monthly progress reports of performance. Employee's performance was evaluated every six months. The evaluation indicators were time, cost, achievement, quality of jobs done. Sixty points were allocated to this part too. Unlike the first part, the appraisal results of this section could be seen by the concerned appraisee, who could agree or disagree with the result. It is notable that under this amended system, there was the provision of different appraisal formats for different services or groups (HMG/N, 1983).

Amendment on the existing appraisal programme took place (under the same Civil Service Regulation of 1964) in 1983. The following personal qualities and management skills were the bases for performance evaluation:

I. For Gazetted Staff

- i. Time (whether jobs were performed on the fixed time/ before the fixed time or jobs were not finished though the fixed time or jobs were not finished though the fixed time passed away),
- ii. Standard of jobs performed: good/not good,
- iii. Result of output(jobs performed),
- iv. Enthusiasm on work/leaving work to others,

- v. Ability to work according to direction,
- vi. Creativity: use of knowledge and skill,
- vii. Honesty, ethics and manner etc.

II. For Non- gazetted Staff

- i. Result of output/jobs performed, fast/slow,
- ii. Enthusiasm on work, capacity to bear responsibility,
- iii. Ability to work according to direction,
- iv. Honesty, ethics,
- v. Manner etc.

In total, one hundred and twelve points (37.333%) were allocated to PA for internal promotion purpose. There were three tiers of evaluation: immediate supervisor (parent), reviewer (grand-parent, i.e., two-level up manager or supervisor's supervisor), and review committee. If there is no one two-level up of appraisee, the immediate supervisor could play the role of reviewer too. The review committee was composed of supervisor, supervisor's boss and office chief.

The rating scales and weightage for performance and personal quality and followed many changes along with the changes made in the criteria of promotion in the civil service. The bases for promotion and marks were to weightage allocated to the factors have been presented on the following table:

Table -2

Marks allocated to different criteria for promotion before 1993

Factors	1986	1971	1977	1982
Seniority	100	205	140	70
Educational qualification and training	100	185	130	69
Performance evaluation	100	120	120	112

Working on different geographical regions	-	25	40	25
Others: (Medals, recognition and health)	-	105	50	24
Total	300	640	480	300

Source: Bhatta (1999)

3.5 Current Performance appraisal System

The political change, brought in 1990, required transparency and efficiency in the public service. It also needed a people- oriented public service. Hence, the government established a “High Level Administrative Reform Commission” under the chairpersonship of the then Prime Minister. The commission recommended various change in the civil service. In order to implement some of the recommendations made by the commission, the Civil Service Act, 1993 and the Civil Service Regulation, 1993 came into effect (Bhatta, 1996).

The present PA system in the NCS has been introduced along with this act and regulation. The system focuses more on the job performance than personal traits. For the first time, in the history of NCS, performance evaluation has been accorded 40% weightage for promotion decision, the highest so far. It is notable that with the commencement of new appraisal system, the existing appraisal programme form changed entirely but rating system remained in the new programme too. The Performance appraisals form should be filled up twice a year for gazetted level employees and once a year for Non-gazetted level employees. The performance form is attached in appendix- III, IV, V, and VI.

3.6 Characteristics of the Present Performance appraisal Programme

3.6.1 Form

There is a single system which applies to all categories of services and groups of Civil Services, i. e., the form is the same for the Nepal Administrative Service or other technical services, such as Nepal Engineering Service or other services of the Civil Service.

Nevertheless, there is variation in the review committee evaluation. The review committee assessment part of the form is divided into the five separate sections.

The yearly PA form is divided into three parts. The first part contains description of performed jobs and achievement, second contains an assessment of level (standard) of performed works and the third part contains the review committee's evaluation.

3.6.2 Link of the Performance appraisal to Various Purposes

3.6.2.1 Promotion

One of the purposes of appraisal is assessment for promotion. Organization makes use of past appraisals of performance in making promotion decisions. Appraisal is one of the components of internal promotion process in the NCS. Promotion has been a sensitive subject in the NCS, since it is also a motivational factor.

There are various methods of considering candidates for promotion. Interview has been the most commonly used method in Britain. In the US various tests are used in promotion decisions such as biographical information and assessment centers, which combine several methods of assessment appraisal (Williams, 1981).

According to the Civil Service Act, 1993, the following are the criteria and points allocated for the purpose of internal promotions. These factors are intended to measure the performance capability of servants. A civil servant who gets maximum marks on these criteria altogether shall be promoted.

Table-3.
Marks allocated to different criteria for promotion after 1993

Criteria	Marks
(i) performance evaluation	50
(ii) seniority	20
(iii) service at different geographical locations/regions of the country	15
(iv) academic qualifications and training	15
Total	100

Source: HMG/N, The Nepal Civil Service Act, 1993

Hence, PA is linked with promotion and has received 50 Percent weightage in promotion decisions.

After the Janandolan ii retorted parliament had made 2nd amendments in the civil service act, 1993. This amendment has Marks allocated to different criteria for promotion after 2007.

Table-4

Marks allocated to different criteria for promotion after 2007

Criteria	Marks
(i) Performance evaluation	40
(ii) Seniority	30
(iii) Service at different geographical locations/regions of the country	16
(iv) Academic qualifications and training	14
Total	100

Source: HMG/N, The Nepal Civil Service Act, 1993 (including latest amendment in 2007)

It is a difficult task to develop bases for promotion and giving proper weightage for each basis. Principally we can say seniority, broad experience; improved performance and potential for attaining next higher level would be bases of promotion. Assessing promotability is to do with making judgement about individual's ability to perform work at subsequent levels in the organization (Williams, 1981).

In the NCS, the process and criteria for internal promotion have been changed from time to time. It is said that the changes occurred, in many instances, to safeguard certain people's interests (Wagle, 1994). Criteria for internal promotion changed so that those who were not on the promotion list previously got promoted easily under the changed system.

Employees can count marks allocated for other criteria except PA. The latest figures for internal promotions demonstrate that PA is deciding factor (The Kantipur, 1998). Analyzing the promotion results of class one officers in the year 1994, Wagle(1994) argues that who 48 marks on other criteria (excluding PA) did not get promotion, but persons who had 40 marks

or lower scores(excluding PA) got promoted. Likewise, Khadka (1995) points out that employees who are working from 20 years in the same post did not get promotion but people who worked 10 years or less got promoted.

3.6.2.2 Reward

The appraisal is linked with rewards. An officer-chief/ a department- head/ a secretary of a ministry may award his/her staff in the terms of cash or grade increments while a departmental head may award up to and a secretary may award up to 5 grade increments. The maximum amount of cash award has been NRs.1500.00 (Approximately US \$22.00). Performance is one of the bases of evaluation for rewarding grade increments or cash.

However, ‘decoration’ from the Head of the State is not in any way linked with performance. It is observed that, sometimes, those are also decorated whose performance has been quite poor. Now the decoration providing facilities aren’t on the practicability.

There are provisions of rewards for the Nepalese civil servants in article 116 and 116 (ka) of the Nepal civil service regulation, 1993 and they are linked with the PA of the employees. The article 116 (1) states that the civil servants having excellent marks in PA for 4 years in the same class but unable to get promotion will be awarded salary increments along with certificates of honour. Similarly, the following types of civil service rewards are to be provided to the Nepalese civil servants every year on the basis of their PA, job efficiency, and seniority as per the provisions made in article 116 (ka) of the same:

Table 5
Civil service awards and awarded employees

Title of the award	Amount of the award	Number of the employees to be awarded	Number of the Employees to be awarded till 2009
Excellent Civil Service Award	NRs.2,00,000	1	Non
Best Civil Service Award	NRs.1,00,000	5	46
Civil Service Award	NRs. 50,000	15	88
Total		21	134

Source: HMG/N, The Nepal Civil Service Act, 1993 (including amendments)

The persons having 10 years of service period and 95 percentage or more marks in PA of each of four latest years are taken as the candidates for the awards.

This excellent civil service award, best civil service award and civil service award have been included in Civil Service Act 1998. From starting to till nobody have received excellent civil service awards, but best civil service award, and civil service award has received by 46 and 88 civil servants. The total 134 civil servants are honored by these awards. (Taken from Civil Service award minutes at MoGA) The awards are provided every fiscal year and award providing selection committee is formed under the chairmanship of chief secretary and five members committee are formed. This reward makes motivated to the works for the civil servants.

3.6.2.3 Training

Selection for training is linked with appraisal. According to the article 49 of the Civil Service Regulation, 1993, appraisal has been one of the bases of selection for training. However, there is no section of assessing training and developmental needs and there is no place for describing strengths and weaknesses of employee in the performance evaluation form.

3.6.2.4 Service Period Extension

The civil Service Act, 1993 has limited the retirement age of 58 years or 30 years of service period. There has been a provision that HMG/N can extend upto 5 years service period for any civil servant (upto 2 years for 58 years and upto 5 years for 30 years of service). PA is one of the bases for extending service period.

3.6.2.5 Termination

A civil servant who has completed 20 years of service could be terminated by HMG/N subject to the various conditions. Among these, PA one of the criteria for dismissal from services. According to the article 105(a) of the Civil Service Regulation, 1993, a civil servant who secures satisfactory (or below) level in performance rating may be dismissed.

3.6.3 Actors of Performance Appraisal System

3.6.3.1 Appraise

The PA scheme covers employees up to gazetted class one officers (up to Joint Secretary Level). It does not cover special class officers (Special Secretaries, Secretaries and Chief Secretary).

3.6.3.2. Appraiser

There are three tiers of appraisers:

i. Supervisor

The first level tier is the immediate supervisor ('parent' appraiser). The supervisor is the civil service employee who is at least one grade higher than the appraiser, who is to be appraised. However, non-gazetted employee cannot appraise his/her subordinates. In other words, the supervisor must be an officer.

ii. Reviewer

The Reviewer is the supervisor of the supervisor ('grand-parent' appraiser). She/he must be at least two grades higher than the appraise.

iii. Review committee

There have been three types of review committees. They are:

i. In the case of non-gazetted employees, Ministerial Departmental head will designate the chairperson of review committee. The review committee consists of three persons including supervisor and reviewer.

ii. In the case of both gazetted class three and two officers, the review committee will be as follows:

(a) Secretary of the Ministry where the appraiser is working Chairperson

(b) Secretary of the Ministry that administers the service of appraisee she/he belongs to or a class one officer designated by the Secretary.
Member

(c) Class one officer from the MoGA Member

iii. In the case of gazetted class one officers, the review committee will be as follows:

(a) Chief Secretary - Chairperson

(b) Secretary of the Minister where the appraisee is working - Member

(c) Secretary of the Ministry that administers the service of the appraisee belongs to Member

In case of the part (b) and (c), if the officer is the same, there shall be Secretary of the Cabinet Secretariat as a member of the review committee.

A total of fourth points have been allocated for PA. Out of fourth, a maximum of 25 (62.50%) marks be awarded by supervisor followed by 10 (25%) marks by the reviewer. The 5(12.50%) points to be awarded by the reviewer committee.

We cannot find any other types of appraisers such as peers, subordinates etc. in the NCS. Besides, there is neither a provision for appraisal interview nor it is in practice. It is also notable that it is not usual for the manager and employees to sit together and discuss performance, strengths, weakness and improvements.

3.6.4 Contents of Appraisal

The appraisal form is divided into the following three types:

- i. Part 'A' deals with the statements of jobs performed by the appraisee. The jobs are divided into two types: one is 'jobs with targets fixed' and 'jobs without targets'. The appraisee should mention the main five tasks accomplished by him/her in the fiscal year. The performance of 'targets fixed jobs' should be stated in terms of quantity, cost and time. The 'jobs without targets' should be described in terms of

achievements. The supervisor will verify the appraisee's statements and she/he will allocate level of 'very good', 'good', 'satisfactory' or 'low' according to the level of performance.

This part also includes statement of the reasons for not accomplishing jobs or tasks and the efforts that were made for accomplishment. There is space for supervisor's note about it.

- ii. Part 'B' is to evaluate the level of performance which should be based on jobs mentioned in part 'A'. The supervisor and the reviewer both have to evaluate the level of performance in terms of aggregate quantity, cost, time and quality of jobs performed by the appraisee. They have to award appropriate points separately. The level of performance is divided into four grades which are 'very good', 'good', 'satisfactory' and 'low'.
- iii. Part 'C' is designed for the evaluation by the review committee. The committee evaluates the performance in terms of personality traits and management skills as mentioned below:

1. For Gazetted Class One Employees

- i. Policy analysis ability
- ii. Discussion and negotiation skill
- iii. Ability to use wisdom, decision-making and evaluation
- iv. Leadership and ability of organizing
- v. Professional sensitivity (honesty, secrecy etc.)

2. For Gazetted Class Two Employees

- i. Knowledge and skill on subject
- ii. Ability of using wisdom and decision-making
- iii. Ability of organizing work

- iv. Creativity and initiative
- v. Effective use of resources

3. For Gazetted Class Three and Two Employees

- i. Knowledge and skill on subject
- ii. Ability of using wisdom and decision-making
- iii. Ability of organizing work
- iv. Creativity and initiative
- v. Professional sensitivity (honesty, secrecy) etc.

4. For Non-Gazetted Employees

- i. Knowledge and skill on subject
- ii. Ability of keeping secrecy
- iii. Ability of working according to direction
- iv. Honesty and moral
- v. Attendance, time keeping, discipline etc.

5. For Unclassified Level Employees

- i. Knowledge and skill on subject
- ii. Ability of working according to direction
- iii. Enthusiasm on work
- iv. Obedience and discipline
- v. Awareness and quickness

3.7 Appraisal Method

The newly introduced appraisal scheme is based on a rating method. It has been tried to develop objectives bases, and there have been personality traits as the bases of evaluation as well. Both the supervisor and reviewer evaluate the performance on the bases of quality, quantity, and cost and time whereas the review committee assesses the performance on the basis of

personality traits and management skills. The levels such as 'very good', 'good' 'satisfactory' and 'low performance' are distinguish in terms of marks. The supervisor awards 6.25 5.25, 4.25 and 3.25 points for 'very good', 'good' 'satisfactory' and 'low performance' respectively. Similarly, the reviewer awards 2.5, 2, 1.5 and 1 mark respectively for the above mentioned levels of performance. Likewise, the review committee awards 1, 0.75, 0.50, 0.25 marks for 'very good', 'good' 'satisfactory' and 'low performance' very good', 'good' 'satisfactory' and 'low performance' respectively to the gazetted class one, gazetted class two and gazetted class three officers, non-gazetted and unclassified employees.

3.8 Administration of Performance Appraisal

The frequency of appraisal in the NCS is once a year for non gazetted employees whereas gazetted employee's performance is evaluated in two ways. The first way is through half year evaluation forms which is filled by the concerning employee at the end of six month interval, twice a year. This sort of evaluation is done only by the supervisor. The second way is through the annual evaluation form which is evaluated by three tiers (Nepal Civil Service Act, 1993).

The submission of the annual PA form to the supervisor by the appraisee and the function of evaluating the appraisee's performance take place when the fiscal year ends (in-mid July). The appraisee must submit three copies of performance evaluation forms mentioning at least five main functions performed by him/her immediate supervisor within the seven days after the expiry of the fiscal year. The supervisor must submit the form (accessing his/her part) to the reviewer who has to submit it to the review committee within seven days. In the case of the review committee, it has to evaluate and submit its findings to PSC, concerning ministry and the secretariat of the promotion committee within the two months onward from the last day of the previous fiscal year (Nepal Civil Service Act, 1993).

After evaluation, the review committee sends one copy of forms to the concerning Ministry, one copy to MoGA (Secretariat of the promotion committee for the gazetted officials) and the third copy to PSC in the case of gazetted officials. Similarly, one copy is send to the reviewer and another copy to the District court (Secretariat of the promotion committee for the non-gazetted officials) in the case of non-gazetted officials. However, in case of the unclassified level personnel's, both copies of assessed forms are sent to the office where she/he is working with.

This is an interesting anomaly here. If appraisee fails to submit his /her form within seven days to the supervisor, s/he is penalized with five points. However, no penalty is imposed on either the reviewer or supervisor or reviewer committee members, if they fail to evaluate and submit their findings to the concern authority.

Furthermore, whole rating is kept confidential and used for promotion or other purposes by authorized people only.

3.9 Conclusion

Performance Appraisal System was introduced in the NCS with the promulgation of the first Civil Service Act, 1956. Since then, it has passed through several phases, but its sprit has remained the same, as appraisal has been used only in employees' promotion and for other purposes of the system, it has not been practiced fairly and thoroughly. Interestingly, no mechanism yet has been developed to ensure the impartiality and transparency in the rating system. Moreover, one does find 'bias' when special class is excluded from the system of PA. Though merits and demerits of this system will be discussed in the following chapter, one is compelled to say at this stage that this excellent system is being abused for obliging its favorites.

Chapter: Four

EFFECTIVENESS OF THE PERFORMANCE APPRAISAL SYSTEM IN THE NEPALESE CIVIL SERVICE

4.1 Introduction

This chapter gives an analysis of the effectiveness of the Present PA system in NCS. Firstly, for this purpose, the data collected from the questionnaires have been presented in four parts which include the relationship of the level of communication; motivation; and employee development to PA; and the collecting of employee's perception in regard to the current PA system. It also presents the empirical results in a tabulated form and interprets them accordingly. Secondly, the chapter discusses its strengths and weaknesses. The questionnaires are attached in appendix- I.

4.2 Presentation and interpretation of Data

4.2.1 Performance Appraisal and Level of Employee Communication

For the purpose of this study, communication comprises job descriptions, an annual calendar of operation, reporting of jobs performed, role perception and a discussion on performance targets and standards. It also includes the written and verbal form of expressing the performance goals; standard of work; work schedules and jobs performed.

Table- 1

Job description

Options	No. of Respondents	Percent
Yes.	11	20.37
No, the work is done on the basis of past practice.	23	42.59
No, the work is carried out according to supervisor's directions and instructions.	20	37.04
If any other comments	No comments	No comments
Total	54	100

Table-2

Clear perception over role and performance standard

Options	No. of Respondents	Percent
Obviously clear perception	4	6.66
Clear perception	7	11.67
Somehow clear perception	13	21.67
Partial clear perception	16	26.67
Not clear perception at all	20	33.33
Total	60	100

Analysing the tables above, it is found that the large majority of the civil servants (79.63 percent) in table 1 and 48.34 percent in table 2 continue to work as per past practice on the directions of their superiors. There is also 42.59 percent of the people who have no clear job description the work is done on the basis of past office practice.

This shows that one of the essential ingredients for PA system regarding clear comprehensive of job description is not fulfilled. However, only a marginal few employees (20.37 percent and 6.66 percent in table 1 and 2 respectively) work according to their written job description/ perception, a very low percentage from any standard. Under the circumstances, instructions of superiors and not job description are important and chances of an employee being judged on the basis of his/her work performance are rather slim.

Table-3

Discussion with the supervisor about job description and action plan

Options	No. of Respondents	Percent
Regular discussions in all areas.	10	16.67
Discussions on main areas	20	33.33
Informal discussions only in some areas.	26	43.33
No discussion at all.	4	6.67
Total	60	100

This table shows that about 50 percent of respondents opined that they had frequent discussions on job to performed with superiors while 43.33 percent responded that they had

occasional informal discussions only in some areas and 6.67 percent indicated that there is not any provision of discussion at all.

Table-4

Annual calendar of operation

Options	No. of Respondents	Percent
Clear annual calendar	5	8.33
Somehow clear calendar	10	16.67
Not clear calendar	13	21.67
No work schedule	23	38.33
No routine jobs at all.	9	15.00
Total.	60	100

The table -4 shows that most civil servants (38.33) percent have no work schedule but the jobs are carried out according to supervisor's direction and instructions.

Table-5

Mentioning all the particulars

Options	No. of respondents	Percent
All the particulars of all jobs.	3	5.00
All the particulars of few jobs.	13	21.66
Only a few particulars of jobs.	15	25.00
Mentioned only occasionally.	16	26.67
No particulars have been mentioned.	13	21.67
Total	60	100

The table -5 shows that only about 5 percent employees describe all particulars of their jobs when filling out that part of the evaluation form. Thus, prerequisites for PA such as quantity, cost, time and quality of job performance is not mentioned in the form.

Table-6

Role perception by the employee

Options	No. of Respondents	Percent
Obviously clear perception.	9	15.00
Clear perception.	14	23.33
Somehow clear perception.	21	35.00
Partial clear perception	15	25.00
Not clear perception at all.	1	1.67
Total.	60	100

The table -3 shows that most civil servants (73.33) percent have clear role perception while 25 percent are not confident with their role.

4.2.2 Performance Appraisal and Level of Motivation

In this study, motivation includes job fit, job satisfaction, reward and punishment system based on performance and work motivation.

Table- 7

Job fit (compatible knowledge, skill and experience)

Options	No. of Respondents	Percent
Fully compatible.	6	10.0
Mostly compatible.	14	23.33
Compatible in general.	15	25.00
Less compatible	13	21.67
No compatible at all.	12	20.00
Total	60	100

A large majority of the respondents (58.33 percent) have jobs compatible with their knowledge; skill and experience, while remaining others feel that their jobs are not fit in relation to their expertise.

Table-8

Job satisfaction

Options	No. of Respondents	Percent
Fully satisfied.	15	25.00
Partially satisfied.	26	43.33
Dissatisfied.	12	20.00
Fully dissatisfied.	7	11.67
Total	60	100

The above table shows that 25 percent have job satisfaction and 43.33 have less satisfaction and 31.67 percent are dissatisfied with their jobs. Job fit (compatible with the knowledge, skill and experience) and job satisfaction should be positively related but the NCS employees having 'job fit' also indicated less job satisfaction.

Table- 9

Relationship of PA with reward and punishment system

Options	No. of Respondents	Percent
Reward/ punishment have been absolutely based on performance appraisal.	4	6.67
Reward/ punishment is partially based on performance appraisal.	16	26.67
No relation between performance appraisals on reward/punishment.	13	21.66
No basis of performance appraisal on reward/punishment.	21	35.00
Performance appraisal and reward/punishment have a different base	6	10.00
Total.	60	100

A marginal few opine that reward/punishment is absolutely based on PA while about 26.67 percent feel that the former is partially based on the later. Remaining others point out that there is no relationship between reward/punishment and performance evaluation.

Table- 10

Motivation on work after appraisal of one fiscal year's performance

Options	No. of Respondents	Percent
Highly encouraged and motivated on work.	4	6.67
Positively motivated on work.	17	28.33
No effect on motivation.	22	36.67
Less motivated.	14	23.33
Demotivated on work.	3	5.00
Total	60	100

This table shows that 36.67 percent civil servants have no effect on work evaluation after the assessment of performance. It is also notable that 28.33 percent have positive motivation and 5 percent have negative motivation.

4.2.3 Performance Appraisal and Employee Development

For employee development, feedback on work, on the job orientation, training needs identification, distinction between good performer and bad performer, and potential assessment are included to explore the opinion and perception of civil servants for the study.

The respondents' data on these areas are given below:

Table- 11(a)

Feedback on work by superiors

Options	No. of Respondents	Percent
Timely, formal and clear feedback.	4	6.66
Feedback for essential areas.	12	20.00
Feedback on only a few areas.	13	21.67
Feedback occasionally.	18	30.00
No feedback at all.	13	21.67
Total	60	100

Table- 11 (b)

Orientation/Coach on jobs to be performed

Options	No. of Respondents	Percent
Timely orientation and coaching.	10	16.67
Occasionally orientation and coaching.	22	36.67
No. orientation and coaching at all.	28	46.66
Total	60	100

Table- 11 (c)

Identification of training needs and recommendation

Options	No. of Respondents	Percent
Usual.	11	18.33
Occasional.	23	38.33
No identification & recommendation.	26	43.34
Total	60	100

The tables 11 (a), 11 (b) and 11 (c) provides the information regarding feedback on work, orientation/coach and identification of training needs. Most of the respondents point out that they have not been provided adequate feedback on work from superiors. Similarly, approximately 46.66 percent civil servants have never been oriented on their jobs. On the same way, about 43.34 percent superiors do not identify training needs for their subordinates.

Table- 12 (a)

Perception on what is expected from employee to derive the excellent evaluation

Options	No. of Respondents	Percent
Clear perception about the level and expected standard of evaluation.	14	23.33
Partially clear on this area.	21	35.00
Don't have a clear perception	25	41.67
Total	60	100

The table presents the perception of employees on their expected level of performance, efficiency and behaviour. Most of the respondents (41.67 percent) have no clear perception over their expected achievements and behaviour that follow excellent evaluation.

Table- 12 (b)

Confidence on excellent evaluation is followed by career development opportunity

Options	No. of Respondents	Percent
Career development is based on evaluation.	13	21.67
Career development is occasionally based on evaluation.	29	48.33
Other factors rather than evaluation are the bases for career development.	18	30.00
Total	60	100

Above 78.33 percent civil servants have no confidence that career development opportunities are based on PA.

Table- 13 (a)

Success of PA in detecting ‘good performers’ and ‘bad performers’

Options	No. of Respondents	Percent
Fully successful.	2	3.33
Successful to a large extent.	9	15.00
Partially successful.	17	28.33
Unsuccessful to a large extent.	19	31.67
Fully unsuccessful.	13	21.67
Total	60	100

Approximately 53.34 percent respondents opine that the present performance assessment system is unsuccessful in detecting ‘good performers’ and ‘bad performers’.

Table- 13(b)

Success of PA in assessing the potential of employees

Options	No. of Respondents	Percent
Fully successful.	2	3.33
Successful to a large extent.	8	13.33
Partially successful.	13	21.67
Unsuccessful to a large extent.	23	38.34
Fully unsuccessful.	14	23.33
Total	60	100

The table indicates that the current PA system is ineffective in assessing the 'potential of employees'. Only 16.66 percent respondents, however, feel that it is effective in this area.

Table- 14

Role of PA in promotion system

Options	No. of Respondents	Percent
Basic and decisive factor.	14	23.33
Decisive but as a complementary factor.	24	40.00
Has no decisive role though 50% weightage has been accorded to it.	12	20.00
Less decisive role in comparison with other factors on promotion capability.	9	15.00
It has completely no effect on promotion decisions.	1	1.67
Total	60	100

A large majority of the civil servants (63.33percent) have found the role of PA as a decisive factor in promotion system.

4.2.4 Perception of employee in regard to the present performance appraisal system.

Table- 15

Respondents' opinion on three levels of evaluation ratings

Options	No. of Respondents	Percent
Has helped to make the evaluation more rational and objective	2	3.33
Supervisor should allocate more weightage.	9	15.00
Supervisor has to make all ratings and only the assessment and adjustment be made by other levels.	19	31.67
Only the supervisor and reviewer should be two levels of assessment.	22	36.67
Other comments	8	13.33
Total	60	100

The respondents do not feel that the three levels of evaluation have helped make the evaluation objective and realistic. Most of the civil servants are of the opinion that there should be only two levels of evaluation focusing more weight on the immediate supervisor and marginal adjustment from another level.

Table- 16

Uses of PA data

Options	No. of Respondents	Percent
Promotion on the basis of performance capability.	51	85.00
Identification of training and development needs	23	38.33
Grade and salary increment.	44	73.33
Rewards and incentives.	34	56.57
Job rotation and job enrichment.	1	1.67
Career development	22	36.67
Feedback on performance.	0	0
Motivation on work.	21	35.00
Other	0	0

Respondents were requested to choose more than one options, which they think are appropriate to the present evaluation. The above table shows that the PA data are mostly used

in promotion activities. The subsequent use, as pointed out by the respondents, is in grade and salary increment and rewards and incentives. Other uses are marginal and insignificant.

Table- 17

Opinion of respondents on emphasis to make the appraisal system more objective and useful

Options	No. of Respondents	Percent
Job description and performance standards.	57	95.00
Open discussion between supervisor and subordinate on the appraisal process.	54	90.00
Evaluation skills and rationale of appraisers.	52	86.67
Direct and positive link between personal appraisal and reward.	58	96.67
Result oriented performance indicators and comparison evaluation method.	49	81.67
Grading method in the substitution of rating scale method.	23	38.33
Group evaluation	14	23.33
All of above	0	0

Respondents were requested to choose more than one options, which they think are appropriate to the present evaluation. The table denotes that civil servants want to emphasis on assessment skills and objectivity on the part of evaluation followed by job description and performance standard.

Table- 18

Should performance evaluation be confidential as now or open?

Options	No. of Respondents	Percent
It should be kept confidential as now.	19	31.67
It should be open.	41	68.33
Total	60	100

Most of the civil servants (68.33%) opined that the evaluation should be open while 31.67 percent preferred for confidential as now.

Table- 19

Filling of the performance evaluation form:

Options	No. of Respondents	Percent
Forms are filled with in the specific time period.	49	81.67
The performance forms are not filled with in the specific time period.	11	18.33
Total	60	100

Table- 20

Evaluation of the performance evaluation form:

Options	No. of Respondents	Percent
Evaluation is carried out within the specific time period by the supervisor.	22	36.67
Evaluation is carried out within the specific time period only by the supervisor and reviewer.	19	31.67
Evaluation takes place within the specific time period by all the levels of evaluation.	1	1.66
Evaluation is carried out within the specific time period by none of the levels of evaluating period.	18	30.00
Total	60	100

The large majority of the civil servants opine that PA forms are submitted by the appraisees in time and on the same way they also indicate that supervisors assess their part within the defined time period but all of the respondents perceive that the evaluation by the review committee never takes place within the specified time.

4.3 Strengths and Weaknesses of the Current Performance Appraisal System

The analysis of the data above and review of literature on Nepalese PA system highlight the following strengths and weakness of the existing PA system in the NCS:

4.3.1 Strengths

4.3.1.1 Defined time-period for submission and evaluation of appraisal forms

Time period has been fixed for the submission of the performance evaluation forms to the respective supervisor by the appraisee and the submission of the assessed forms to the respective viewer and reviewing committee by the supervisor and reviewer respectively. This has made the assessment possible by the same supervisor and reviewer who supervised the jobs of the appraisee. The response given in the table-19 further shows that forms are filled within specified period. We, however, could not see such time limits in previous performance evaluation systems. Due to the lack of defined time period for the submission and evaluation of PA, it has been observed that before the promulgation of the recent system, appraisees used to submit their appraisal forms of three and four years together when they were eligible candidate for the internal promotion.

4.3.1.2 Steps for ensuring objectivity

For the purpose of rescuing the performance assessment from subjectivity at either supervisor's reviewer's level there is a provision that the review committee can ask any of the levels to revise their evaluation. Furthermore, 'the appraising ability' is also one of the criteria of their own performance assessment of class three, class two and class one officers. This can control the supervisors and reviewers from being subjective to some extent. Moreover, realizing that performance standard and indicators are essential to facilitate evaluation of performance and to make appraisal objective cost, time, quality and quantity and personal qualities have been bases of the current performance evaluation system. However, these factors are still to be defined. In response to the questionnaire (table-17), respondents rated correlation between performance evaluation and reward (96.67%) as most important followed by job description and performance standard (95%).

4.3.1.3 Fool proof recording system

In the current appraisal system, we can see that the evaluated appraisal forms and results are kept in three different organizations, i.e., one in the concerning organization and another in the respective office that works as the secretariat for the promotion committee, and the third one in the PSC (for details, see section 3.7 in chapter-3). It reduces the manipulation of scores at the time of promotion.

4.3.1.4 Emphasis on job descriptions

The current appraisal system, for the first time in the history of the NCS, focuses on the requirement of job description and work-schedules though they are not fully in vogue at present. Table- 1 supports the analysis since about 20.37 percent employees have a written job description and description, one should keep in mind that the current appraisal system was introduced in 1993 and change cannot come overnight. It is hoped that within a few years, situation will improve.

4.3.1.5 Wide coverage

PA system is almost universally applicable to all classes. The only exception is the special class. Even office supporters and drivers are subject to PA system. It tries to encompass each and everyone under one system.

4.3.2 Weaknesses

4.3.2.1 Lack of participation

In order to increase ownership of appraisal and get support from employees, staff and union consultation is also essential when designing an appraisal scheme. Successful schemes are characterized by credibility and ownership, otherwise an appraisal scheme becomes just a form filling exercise (O'Donovan, 1994). Imposed schemes have little prospect of working.

The existing Nepalese system completely lacks principles of openness, participation and a search for objectivity in performance measurement. The features of high power distance

culture (Hofstede, 1991) in the NCS are authoritarian style of decision-making, less participation and consultation, managers as gurus, the higher the grade the more the respect etc. In such situation, appraisees are never allowed to participate in the planning and discussion stages. Hence, the system is mainly control geared and not participative. Table-3 proves that only about 50 percent employees have formal discussion with their supervisors in all or main areas, while about 43.33 percent employees can have only informal discussion in some areas only.

Furthermore, Table-12(a) shows that a very huge number (76.67 percent) of employees has no clear perception over expected achievements and behaviour that follow excellent evaluation. Due to the lack of joint forward planning and feedback, benefits of participatory approach are lost because the greater the extent to which the appraisee is allowed to participate in the system, the greater the chance of gaining his/her commitment.

4.3.2.2 Lack of proper feedback

The nature of PA system being confidential, appraisees are not provided feedback. This is evident from table 11 (a). Where 30 percent respondents point out that they had only occasional feedback from their supervisors. Consequently, subordinates are left with suspicious perception of their performance and are surprised when they find themselves not promoted even when they had achieved optimum points in the rest of the criteria prescribed from promotion.

In the same vein, as mentioned in the previous chapter, there is absence of assignment review/performance discussions and the individual work plan is not taken in any post. Furthermore, when performance discussions and feedback are absent, alleviation of employees' frustration and misunderstandings in assessment cannot be assumed even by the intervention of the review committee.

Moreover, if a PA scheme is meant for the improvement of performance, there must be some degree of openness in which there can be some forms of exchange and flow of ideas throughout the organization during the appraisal process (Fletcher, 1993). In this regard, 68.33 percent respondents in our survey (Table-18) had agreed that the performance evaluation should be open.

4.3.2.3 Lack of commitment

The theory suggests that the awareness of top and line-managers be increased on the importance of PA. Fletcher (1993) argues that if top- management is not seen to be involved and committed in PA, nobody else is likely to take part in it. It is, therefore, obvious unless the top level is fully committed to the PA system, it will not work effectively.

Unfortunately, most of the appraisers in the NCS tend not to take the appraisal system seriously because they underestimate its usefulness. Only 36.67 percent and 31.67 percent respondents state that evaluation is done in time by the supervisor and reviewer respectively, however, no one says that evaluation is done in time at all levels.

4.3.2.4 Lack of adequate training

In the NCS, it is observed that supervisors are not trained on how to conduct PA. When the latest PA system was introduced, Performance Evaluation Procedure, 1993 (in Nepali Version) was prepared as a guide- line. Despite the existence of this guide-lines, a briefing on how to use them would have been useful, so as to avoid misunderstandings. The literature review reveals that when a useful tool is introduced, there should be training how to use it, and ensure that all staff understand it and are prepared to use it properly (Pandey, 2002).

Equally important is that managers have to possess high skills in order to evaluate present and past as well as to predict future performance. In this regard, Torrington and Hall (1995) argue that an excellent PA system is of no use at all if managers do not know how to use the system to the best effect.

Similarly, emphasizing training as an important factor for the development of organization, Rendell et al (1948:11) argue: “Organization can more readily be developed through people than through procedures. The practical implication is that, no matter how good the procedure is, it is useless if the individuals involved are not prepared to carry it outit, therefore, follows if an organization is to be improved, emphasis, if not priority, should be given to attempting to improve the people who make it up.”

4.3.2.5 Lack of appraisal interview

The appraisal interview, which is supposed to be goal specific and be based on problem solving approach and that puts the appraiser in the position of helper and counselor is absolutely absent in the NCS (Pandey, 2002). It is undermined by the provision of mentioning only any five main tasks, in the evaluation form, performed by the appraisee during the appraisal period. Moreover, supervisors are not aware of the importance of appraisal interview, or they simply are not allowed to conduct it. As table-3 shows that only 43.33 percent employees report their performed job to the supervisors. In the situation of such a poor reporting system, and absence of any interview, how an appraiser and reviewer are expected to know the job performed by the appraisee and his/her weakness and strengths?

4.3.2.6 Subjectivity in assessment

On the rating side, problems with leniency, rater-bias, and halo- effect are encountered. This happens because of the lack of clear performance standard, job description and task-plan. Present appraisal system is also marred by the fact that there is no annual calendar of operations for the employees. Furthermore, no study has been done to standardize the time needed to perform a particular task. This finding is supported by the survey in which more than 53.33 percent of respondents in table-4 say that they do not have any annual calendar of operation specifying time. The same table shows that only a mere number of employees (8.33%) have an annual calendar of operations specifying job volume cost and time.

The assessment is based on a mixture of goal-setting with both rating-scales and narrative approaches, For instance, some supervisors give some ratings (i.e., average) to all appraisees in the same department or unit while they have different jobs and performance standards. As indicated by Pratt (1985), many of these tendencies may be due to diplomacy or a quiet life. Or, sometimes, they make an evaluation report artificially positive to avoid confrontation with their appraisees. Others exaggerate in rating, either higher or lower than they should be (over and under-rating). The following examples illustrate these tendencies.

- i. In several cases it has been observed that employees were recommended for promotion not on the Basis of good performance but rather good relationship with the supervisor.
- ii. It has also been observed that the rating of appraisal is not correlated to employee's performance. For instance, an employee's performance was rated as mediocre for the appraisal period during which he had been decorated by His Majesty the king with 'Gorkha Dakchhin Bahu', a highly reputed medal. It is obvious that one's performance must be extra- ordinary appreciable to be rewarded by the headed by the head of the nation.
- iii. In most situations, where the ratings are unfair or exaggerated, the reviewer is generally unable to take any corrective measures, especially where he is not familiar with appraisee's performance. For instance, how can a joint Secretary (reviewer) based on the Ministry of Home effectively review the performance of a 'gazetted class three officer' (appraisee) working in District Administration Office Baitadi, approximately eight hundred kilometers away from the reviewer's office, without being familiar with his/her progress? In my opinion, such a system is a mere endorsement of the immediate supervisor's rating. In the same vein, the objectivity of the whole process becomes doubtful. This instance is further

supported by our survey (table-6) in which only about 38.33 percent respondents think that all three levels- supervisor, reviewer and the reviewer committee-have adequate information about the appraisee while approximately 35 percent opine that only the supervisor and the reviewer have adequate information about the appraisee.

4.3.2.7 Appraisal process not taken as a continuous process

Appraisal is neglected due to time constraints, because it is combined with other end of the year activities such as annual reports and closure of accounts (Adhikari, 2004).The appraisers think of appraisal once a year, when they receive appraisal forms. It is seen as a time consuming and tiresome exercise. This attitude arises since appraisals are carried out at the opening of the following year instead of being done continuously. It is also notable that appraisers do not consider the appraisal as part of their day to day tasks.

4.3.2.8 No follow-up programme

The Appraisal system in the NCS is almost dead because no follow-up action is taken on PA outcomes. Such a system is likely to be demotivating and discouraging to both appraisers and appraisees. There is no evaluation of how the assessment is carried out, although it is important to know this in order to avoid repetitive mistakes in the future. If evaluation and follow-up are not taken honestly, the whole process of PA can be waste of time and resources. The lack of follow-up, usually widens the lack of commitment, hence the whole exercise becomes a formality of form-filling exercise. Emphasising on the necessity of follow-up programmes in any system, Townsend and Gebhardt (1992:107) rightly argue that: “No system is inherently failure, proof or failure prone. A lot depends on the organization’s follow-up procedures and how they are exercised.”

4.3.2.9 Single evaluation instrument

Single appraising instrument is one of the drawbacks of the existing appraisal system in which one form is used for appraising all employees in a certain class, regardless of different categories of services with different objectives. It is unrealistic to assess the work of employees in different occupations, such as administrative service, engineering service, agriculture service etc., using the same instruments and factors. Arguing each organization is unique, Wilson (1991) suggest that PA system should be tailored to suit the structure and specific needs of the organization.

Second, performance is not separately assessed for different purposes. The same appraisal evaluation is used for various activities as salary increment, reward, termination, promotion etc. thus, mixing of appraisal for performance potential with assessment for reward payment may be harmful (Randell et al, 1984).

4.3.2.10 Ineffective to motivate employees

According to our survey (table-8), a large majority (75.00%) of employees is either completely dissatisfied or partially dissatisfied with one's job where as only 25 percent employees say that they have job satisfaction

Table-9 shows that about 33.34 percent respondents state that PA system has any relation with reward/punishment. Nevertheless, a majority of respondents (approximately 66.66 percent) believe that reward/punishment is independent of the appraisal system.

Likewise, in table-10, 36.67 percent respondents observe that post-appraisal period has no positive or negative effect on motivation by the results of appraisal at the end of the fiscal year.

On the same way, table-16 shows that about 73.33 percent employees believe that employees' grade and salary increment is affected by PA. The same table shows that none of the respondents found the appraisal system relevant to job rotation and job enrichment.

These analyses have shown that the current PA system is ineffective to motivate employees.

4.3.2 .11 Ineffectiveness to strengthen Employee Development

According to the table 11 (b), about 46.66 percent respondents think that the appraisal system has no relation with employee coaching; only 16.67 percent think that they are correlated. As regards assessment of training needs, only 18.33 percent respondents in table – 11 (c) are in view that the appraisal is able to identify the training needs of the employees.

4.3.2.12 Failure of the system in employee's career development

About 78.33 percent employees in table 12 (b) think that the appraisal system has any relevance for employee's career development. Similarly, nearly 82 percent employees in table 13 (a) believe that the system cannot detect good and bad performers. Likewise, about 61.67 percent respondents, in table-13 (b), argue that the system is unable to assess the potential of employees.

4.4 Conclusions

Despite some strength, PA system in the NCS has been suffering from various weaknesses. As discussed above, performance indicators or standards do not exist so that maintaining objectivity in evaluation is difficult. The PA results are confidential. The confidentiality and subjectivity of evaluation may make it easier to promote preferred employees and to punish less preferred ones. The high degree of subjectivity and secrecy of appraisal results increase the incidence of employees feeling coerced into loyalty to their bosses. Employees have to serve their bosses, otherwise they have no future. This tendency may demotivate sincere, disciplined, hardworking and capable people. They can remain in the shadows. The degree of manipulation in awarding marks for appraisal is relatively high because the weightage of appraisal is higher than other criteria for promotion. All the weaknesses, therefore, are considered sufficient to impact negatively on performance.

Chapter: Five

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The study has indicated that PA must be an essential activity for an organization if it requires an effective HRM system. Without effective PA system, organizations cannot be expected to make effective and efficiency use of their human resources. In the second chapter, the study reveals that if the implementation of PA process is carried out correctly, it will benefit appraisee(s), the appraiser(s) and the organization. As a result, there will be improved productivity and commitment in the service because everyone will be aware of what is expected of him/her and future prospects will be made known to the appraises.

The Civil Service in Nepal has an important role to play in the economic and social development of the country because the private sector and non-governmental organizations are not sufficiently capable to foster economic development. The catalytic and facilitative role of the civil service for enabling other sectors and providing suitable environment for country's overall development is still relevant in the context of Nepal. The country, therefore, needs an efficient civil service. The efficiency of the civil service depends upon the competence and skills of its members.

The third chapter of the study has made it obvious that the existing appraisal scheme in the NCS includes some elements of objective assessment and target-setting approach. Different regulatory provisions have been made in the areas viz. job description and its implementation, preparation of result- oriented work calendar, salary increment on the basis of performance evaluation and the specified time-frame for reporting and evaluation job performance. Further, assessment of personality characteristics has remained a part of the current appraisal scheme. Thus, theoretically, the present appraisal programme seems more improved than previous ones.

However, it lacks practical scenario. The analytical study made in the fourth chapter has shown that it is not successful in maintaining a minimum level of employee communication, motivation and development to improve the performance level of the civil servants. Among the stated objectives of performance evaluation system, performance based reward/punishment and career development have not been fully achieved because most of the civil servants do not perceive evaluation as the basis of reward/punishment and career development opportunities. The system also lacks two way communications on performance goal setting and feedback on PA act in their traditional role of a judge, and not as a facilitator or motivator. Evaluation is made as a onetime activity in a year and it lacks defined performance standards to make fair measurement of performance. In addition, the appraisal system is not regarded as a process where individual's work is assessed, monitored, recorded, reported, and discussed so as to improve the performance of employees.

Several factors such as cultural and ethnic differences, geographical constraints, gender bias, lack of political support and commitment have been hindering the effective implementation of the performance programme in the NCS. For the avoidance of cultural, ethnic and gender biases in evaluation, objective criteria of appraisal are essential. Most important factor to alleviate various anomalies and aberrations in the appraisal system is political commitment.

Finally, it can be said that the current PA system in the NCS has both problems and prospects. For mitigating problems, certain reforms at structural and functional levels are necessary. This aspect is discussed in the following section.

5.2 Recommendations

The existing PA system seems to be an attempt to introduce elements of objective and target – setting approach in NCS. Evaluation of performance in terms of time, cost, quantity and quality is an objective way of assessing performance. However, mechanism, process and procedure require several improvements if the appraisal follows these criteria. In this context,

metric benchmarking and process benchmarking should be followed (Schiavo – Campo and Sundaram, 2001, p.663). Many weaknesses prevailing with the present appraisal system have been pointed out in the previous chapter.

HRM within NCS is being affected by many factors, such as culture of society; socio-economic development; political situation etc. Exploration for new suitable appraisal scheme demands thorough studies on culture in the civil service, motivational pattern, resource availability, pay, practicability, administrative reform, organizational politics etc. Of late, in the NCS, various HRD/HRM practices are influenced by the western theories and practices. For instance, current appraisal programme, which has been in practice for five years, is also influenced by present western trends. It has brought some elements of target- setting approach. Nevertheless, merely designing a new appraisal programme, introducing and imitating just a few aspects of the programme are not sufficient. Establishment of process and culture for effective implementation is most important.

In this section, following recommendations are made to improve implementation and assessment aspects of the appraisal scheme:

5.2.1 Performance indicators or standards

To maintain objectivity and fairness in assessment of performance, it is not only essential but also useful to derive and develop performance indicators or standards in terms of quantity, quality, cost, and time (Fletcher and Williams, 1985). The performance standards should be result- oriented, measurable, specific and verifiable, divided into key performance areas, and time frame. Developing of performance standards obviously need careful efforts by the supervisors as well as the experts. As well, the supervisee/employee must be involved in the task of developing performance standards. Furthermore, the performance standards should be redesigned every year based upon the yearly programmes of each organization and its each unit.

Unfortunately, the Nepalese Civil Servants have found difficulties in finding ways to report performance and even in knowing the expected role and behaviour that counts in performance evaluation. In order to increase productivity, NCS demands an objective performance evaluation system based on objectively verifiable indicators of performance on the job. Keeping these facts in mind, in the beginning off the review period, there should be performance agreement which should clarify to the sub-ordinate regarding his/her statement of work objectives for the review period, performance indicators, and expected performance standards against each indicator.

5.2.2 Strategic focus (Vision and mission)

The vision, mission, goals, and values of the organization as well as PA system are rarely communicated to the appraises with in NCS. One does not see there the practice of communicating organizational objectives and individual responsibilities to meet these objectives. People follow previously entrenched systems and procedures despite various amendments in them. An effective PA demands that the goals, values and mission be deeply shared throughout the organization (Cummings and Worley, 1993). In the case of NCS, even though writing job descriptions for employees commenced 13 years ago, it is very slow and there is a need to accurately portray what and when the job holder should perform, how the job is done, why it is done, what the relevance of the particular job is towards the fulfillment of the overall organizational objectives. According to the prevailing Nepalese Civil Service Act, the chief of the government office (ministry/department/office) is responsible to design the job description of each and every employee under him; otherwise he/she is liable for departmental action. However, this provision of the Act is not carried out strictly. Therefore, through management audit, this provision must me made obligatory.

5.2.3 Evaluation tiers

The provision of a 'review committee' is not necessary because the members of this committee are almost unfamiliar with an appraisee's work and conduct. Assessment of performance should be the joint responsibility of supervisor and reviewer only. To make evaluation by reviewer effective and fair, information database about appraisee's job performance, achievement, behaviour, etc. should be developed and maintained regularly on a monthly basis. Supervisor and reviewer should award marks separately. For this purpose, GoN needs to make necessary amendment in the existing provision of the evaluation tiers.

5.2.4 Participation

The main facet of any appraisal system originates with and concentrates on the employees. It is the understanding, participation and acceptance of employees on appraisal which helps to breed, maintain and modify according to the need of the hour.

Employees can participate actively only if they have adequate training, proper skills and comprehensive understanding of their roles. Training on appraisal programmes, objectives of programme, process, role play, etc. are pre-requisites for employees prior to their involvement in the programme.

Similarly, another significant fact is for the success of appraisal programme, the support and involvement of the senior and middle-level managers is must. The importance of senior management support is stressed by Anderson (1992) who wants the appraisers to know that standard of their appraisal reports will also have effect on their appraisees.

Likewise, the culture of praising good performance, giving and receiving feeding, coaching, avoiding element of biases and discriminations should be established. In addition, participation in corporate activities, information sharing on work achievement, organizational performance and policy changes should be encouraged.

5.2.5 Performance- related pay

Salary and benefits offered to employees have a direct bearing on their motivation and their work performance. People, if properly led and given adequate motivation could achieve many things. History of mankind is full of such instances. It is needless to state that the Nepalese bureaucracy is not motivated because of low pay and various other factors. System of rewarding and recognizing efficiency and quality of work should be established. Resources to reward and recognition to the best performer should be made available. It is most necessary to think about economic and non-economic rewards. Finally, improvement in pay-scale should not be ignored at all as present salary for the Nepalese Civil Servants is far less to meet even basic requirements (Upadhaya, 1996).

5.2.6 Enhancing the capacity of the Nepalese Civil Service

MoGA, which also works as central personnel agency for the NCS, should hire external PA consultants to help improve the implementation and administrative aspects of the PA system. Obviously, the particular areas in which special expertise of external consultants is needed should include; the reviewing and updating of job descriptions, the determination of performance factors to be assessed, redesigning of appraisal forms, the production of manuals guidelines and design and delivery of appraisal training. It should be noted that, external consultants should work very closely with officials in HRD Division of MoGA as a way of ensuring the transfer of necessary skills to them.

5.2.7 Disclosure of appraisal result

Performance result should be open to every concerned appraisee. Foremost reason behind this is that open appraisal system emphasizes a participative problem-solving mode of discussion in which the objective is an action plan with which both parties agree and to which both are committed as a basis for future work. Another reason is that employees have a right to seek and receive high quality and balanced feedback on their work performance. However, the

appraisal documents should be made safe and confidential and should be used only by the authorized person for various purposes. In addition, appraisers should be aware of making the appraisal results of any appraisee a subject of inappropriate discussion or gossip. If the approach, if a subordinate does not achieve agreed targets or objectives, she/he have difficulty in defending his/her performance.

5.2.8 Appraisal interview

It is necessary to arrange time for discussion of performance of the past period and performance agreements for the next period. There is an urgent need to initiate tradition of appraisal interview. This element is present in all organizations where PA system is satisfactory.

5.2.9 Avenue for reassessment

Appraisees who are not satisfied with the appraisal report should be allowed to appeal (Long, 1986). Where appeals are permitted, employees are more likely to believe in the fairness of the whole exercise and will develop commitment to the system. Appeals should be made to the reviewer's supervisor and if there is no reviewer's supervisor in the civil service hierarchy (for example in case of the assessment of the gazetted class one officers), it should be made to the Civil Service Tribunal. The body for appellate should facilitate this provision and should arrange to have the subordinate re-appraised and if the result of reassessment differs from the previous one, the authority for appellate should ask to account the reassessment result.

In order to check unnecessary appeals, there should be a provision for reducing one point out of the total points awarded by the appraiser against whom the appeal is made if no substance is found in the allegation of the appraisee.

5.2.10 Appraisal form

i. Allocation of marks/points

The present appraisal scheme carries out 40% weightage (40 scores) of the total scores for internal promotion. 16 marks allocated for the service in different geographical regions do not seem justified since some ministries and departments have no field office at all and there are some ministries and departments having field offices but not in all geographical regions. Besides, working in different geographical regions does not particularly help improve the competency of employees. It is, therefore, recommended that these 16 marks should be added in PA scheme instead of geographical markings. It will be appropriate to emphasize here that 40 marks of the total 65 should be given at the disposal of supervisor, who due to proximity with the appraisee knows him/her best of all. Remaining 25 marks should remain with the reviewer.

ii. Assessment criteria

Since junior and middle managers are the future middle and senior managers respectively, they may require to be assessed on management skills. All the personality characteristics in the current appraisal form are not necessary. It is necessary to identify appropriate management skills such as skills in policy analysis, organization of work, communication skills etc. these managerial skills should be developed in terms of employee behaviours or activities. However, assessment in terms of personality traits or management skills is not necessary for non- gazetted and unclassified staff. Their performance assessment should be based on achievement of performance agreements and targets or objectives.

Appraisal is widely used for promotion decisions. In the NCS, appraisal result is accounted for internal promotion. Rating system is relevant for this comparison purpose. But, introduction of upward or subordinate appraisal to junior and middle level manager can be appropriate. It can help understand what skills and improvement are necessary for

efficient leadership in the Nepalese bureaucracy. It may help establish participatory style of management. At the beginning it may be introduced for a particular service/group of the civil service. Nevertheless, it should not be linked to promotion.

iii. Link to various purposes

There should be space to describe improvement needs in the appraisal form. Appraisal is linked to training. According to the Nepal Civil Service Regulation, 1993, academic qualifications and training are to be counted for the selection of academic study and training, which is a contradiction. At the time of selection for training, improvement needs should be considered and at the mean time needs of service category and organization should be taken into account.

Appraisal is a management tool to make use of the potential of employees and develop their skills. Punishment by lowering appraisal marks is not, at any rate, an appropriate action. If someone does not perform well or does not improve performance after gaining improvement opportunity, he/she should be terminated from service or be penalized by departmental action or punishment.

It is strongly recommended that PA scheme should be established as a medium for placement, reward, transfer, training and development in a fair and transparent way. But it is notable that MoGA, the CPA of the NCS, must be aware that it must orient all the supervisors through workshops/seminars about the various usages of PA. Likewise, it also needs to make all the employees familiar with the various functions of PA, especially in the process of their career development. Such activities can be done through interaction/staff meeting in each unit/office.

5.2.11 Compliance of the Employees

It is essential to have the conscience of the stakeholders for any sorts of chance targeted to them. In this context, it shall be appropriate to make all the employees of NCS familiar with

the proposed amendments in the existing PA and the bright sides of these changes. As we are conscious, without any benefit, no change can be internalized effectively by its target group. Considering this fact, NCS must carry out the incentives recommended in the former part so that the employees shall be enthusiastic to accept the newly prescribed provision of PA as per this recommendation. Likewise, it will also be much more practicable if both the parties (supervisors and employees) are given sufficient orientation about the expected changes in PA. If all the stakeholders of PA system own the change, there shall be little space of resistance.

5.2.12 The Provision of Refinement in the Current Appraisal Form

Every provision must be changed in the pace of time. The currently proposed amendments are not the permanent solution. The NCS should also make it clear that the current appraisal form shall be evolved in the scientific way in five years.

5.2.13 Phase-wise Implementation

As the number of civil servants in NCS is very large, it is time consuming as well as cost consuming to orient and train all the civil servants to the recommended system (after the implementation) together or at the same time. So it will be wise of the MoGA to carry out the recommended PA system phase wise, e.g. in the initial phase it should be carried out for the gazetted level employees, in the second phase for the non-gazetted, and likewise, for the classless employees in the final phase.

Finally, the study highlights that there are ample possibilities to make immediate improvements in the PA system of NCS. Though there are certain problems, these problems are of technical nature, therefore, can be solved in short time. Some steps like developing job description, introducing the system of performance agreement, setting performance goals, linking performance with transfer and other personnel decisions, introducing multi source evaluation like 360 degree appraisal can be implemented without delay. Linking performance

pay and increasing the scope of rewards may take little time but process can be initiated to that direction as well. It is believed that the recommendations presented through this study will contribute in the process of strengthening NCS.

BIBLIOGRAPHY

- Adhikari, B. (2004), A Thesis on Effective Performance Appraisal system: A Tool for performance improvement, submitted to the University of Potsdam, Germany: University of Potsdam.
- Advisory, Conciliation and arbitration service (ACAS) (1988), Employee Appraisal, England: manor Park Press.
- Agrawal, G.R. (2002), Human Resource Management in Nepal, Kathmandu: M.K. Publishers and Distributors.
- Anderson, G (1988), 'Staff Appraisal', Training and Development, March 1988, PP.15-20.
- Anderson, G (1992), 'Performance Appraisal' in Towers. (ed). The Handbook of Human Resource Management, Oxford: Blackwell Publisher Limited.
- Armstrong (1995), A Handbook of Personnel Management Practice, London: Kogan Page Limited.
- Bhatta B.D. (1996), Development Administration in Nepal (Nepali version), Kathmandu: Abash Bhatta.
- Chadha, P. (2003), Performance Management, Chennai, India: Macmillan India Limited.
- Coates. (1994), 'Performance Appraisal as Icon; Oscar- winning Performance or Dressing to Impress?' The International Journal of Human Resource Management, Vol. 5, No.1, February, 1994, PP.167-91.
- Cowling, A. and Mailer. (1993), Managing Human Resources, London: Edward Arnold.
- Craig, S. E., Beatty, R. W., & Baird, L. S. (1986). Creating a performance management system. Training and Development Journal, April: 38-42; May: 74-79.

- Cumming, T. and Worley, C. (1993), Organization Development and Change (fifth edition), USA: South West College Publishing.
- Decenzo, D.A. and Robbins's (1995), Personnel: Human Resource Management, Englewood: Prentice –Hall Inc.
- Einstein, W. O., & LeMere-Labonte, J. 1989. Performance appraisal: dilemma or desire? Sam Advanced Management Journal, 54 (2): 26-30.
- Fletcher (1993), Appraisal: Routes to Improved Performance, London: Institute of Personnel Management.
- Fletcher. And Williams. (1985), Performance Appraisal and Career Development, London: Hutchinson.
- Ghimire, R.B. (2008), '360 degree PA: an overview', Nigamati Sewa Patrika, Kathmandu, Nepal: PSC.
- Goel, S.L. (1993), Personnel Administration and Management, New Delhi: Sterling Publisher Private Limited.
- GoN, (2007), The Civil Service Act, 1993 (2nd amendment in 2007) and the Nepal Civil Service Regulation, 1964, (7th amendments in 2007) Kathmandu: Nepal, Ministry of Law and Justice.
- GoN, (2007), The Interim Constitution of Nepal, 2007 Kathmandu, Nepal: Legal Books Management Committee.
- GoN, (2008), Budget Speech (2008-09), Kathmandu, Nepal: MoF
- GoN, (2008), Economic Survey (2008-09), Kathmandu, Nepal: MoF
- GoN, (2008), Performance Appraisal Management, (Nepali version), Kathmandu, Nepal: MoGA.
- GoN, (2008), Performance Evaluation Procedure, Kathmandu, Nepal: MoGA.

- GoN, (2008), Statistical Pocket Book, Central Bureau of Statistics. Kathmandu, Nepal:
- GoN, (2009), Department of Civil Personnel Records, Lalitpur: Nepal.
- Harrison, R. (1995), Employee Development, London: Institute Of personnel and Development.
- Hayes, J. (2007), The Theory and Practice of Change Management (Second edition), New York: Palgrave Macmillan.
- HMG /N, (1983), The Civil Service Act, 1956 and the Nepal Civil Service Regulation, 1964, (Including amendments) Kathmandu, Nepal: Ministry of Law and Justice.
- HMG /N, (1993), The Nepal Civil Service Act, 1993 and the Nepal Civil Service Regulation, 1993, Kathmandu, Nepal: Legal Books Management Committee.
- HMG/N, (1990), The Constitution of the Kingdom of Nepal, 1990, Kathmandu, Nepal: Ministry of Law and Justice and Parliament Affairs.
- HMG/N, Department of Information. (1998), The Organization Chart of His Majesty's Government of Nepal, Kathmandu:
- Hofstede, G. (1991), Cultures and Organizations: Software of Mind, New York: McGraw Hill.
- htm// Reform the Administration.
- <http://www.southasia.com/ktmpst/1998/aug/aug17/editorial>
- Hunt, J. (1986), Managing People at Work: A Managers Guide to Behavior in Organizations, New York: McGraw-Hill Book Company Limited.
- Kalauni, L.D. (2007), A Thesis on Performance Appraisal in Nepalese Civil Service, Unpublished, submitted to Central Department of Public Administration, Tribhuwan University, Kathmandu: Nepal.

- Khadka, M. (1995), 'Civil Service: Necessity of Reform in Promotion' (in Nepali version), Prashasan (The Nepalese Journal of Public Administration), Year 26, No 2, 1995. Lalitpur, Nepal: MoGA, Pp. 59-63.
- King, p. (1989), Performance Planning and Appraisal - A How - to Book for Managers, New York: McGraw-Hill Book Co., Inc.
- Klingner, D.E. and John, N. (1998), Public Personnel Management: Context and Strategies. New Jersey, Prentice Hall.
- Latham, G. P. and Wexely, K. N. (1994), Increasing Productivity Through Performance Appraisal, USA: Addison Wesley Publishing Company
- Lawson, I. (1989), Appraisal and Appraisal Interview, New York: The Industrial Society Press.
- Long, P. (1986), Performance Appraisal Revisited, London: Institute of Personnel Management.
- McGregor, D. (1957), 'An Uneasy Look at Performance Appraisal', Harvard Business Review, Vol. 35, No. 3, May-June, pp. 89-94.
- Megginson, L. C. (1985), Personnel Management: A Human Resource Approach, USA: Irwin Inc.
- Mick, M. and Wilkinson, A. (1996), Core Personnel and Development, London: Institute of Personnel and Development, P. 141.
- Mirza S Saiyadain. (1995), New Delhi: Human resource management, Tata Mc Graw-Hill publishing company Limited.
- Mondy, R.W. and Noe, R.M. (1987), Personnel: The Management of Human Resource, Newton, Massachusetts: Allyn and Bacon Inc.
- Monga, M. L. (1983). Management of Performance Appraisal. Bombay: Himalaya Publishing House.

- O' Donovan, I. (1994), *Organization Behavioral in Local Government*, Harlow, Essex, England: Longman.
- Oberg, W. (1972). Make performance appraisal relevant. *Harvard Business Review*, January-February 1972: 61-67.
- Ojha, G. (1989), *Personnel Management. (Nepali Version)*, Kathmandu, Nepal: Ratna Pustak Bhandar.
- Pandey, H.D. (1998), *A Thesis on Performance Appraisal and its Implementation in the Nepalese Civil Service submitted to the University of Manchester*, Unpublished, Manchester: The University of Manchester.
- Pandey, H.D. (2002.), 'Theoretical Aspects of Performance Appraisal', *Prashasan, (The Nepalese Journal of Public Administration)* 92 Issue, Nov. 2002, Kathmandu, Nepal: MoGA, p. 142-161.
- Pandey, H.D. (2006.), 'Performance Management and Its Application in Nepal', (*The Nepalese Journal of Public Administration*), 104 Issue, Nov. 2006, Kathmandu, Nepal: MoGA. p. 139-150.
- Pandey, Y. and Adhikari, S. (1996), *New Dimention Of Public Administration (Nepali Version)*, Kathmandu: Bidyarthi Pustak Prakashan.
- Patten, T. H, Jr. (1982), *A Manager's Guide to Performance Appraisal*. London: Free Press.
- Pratt, K. (1985), *Effective Staff Appraisal : A Practical Guide*, Berkshire, UK : Van Nostrad Reinhod Company Ltd.
- Randell, G. (1994), 'Employee Appraisal', in K. sisson (ed.) *Personnel Management: A Comprehensive Guide to Theory and Practice in Britain*, Oxford: Black well, pp. 221-52.

- Randell, G., Packard, P. and Slater, I. (1984), Staff Appraisal : A first Step to Effective Leadership, London : Institute of Personnel Management.
- Rao, T. V. (1985). Performance Appraisal Theory and Practice. New Delhi: Vikas Publishing House.
- Redman, T. and Snape, E. (1992), ‘ Upward and Ownward : Can Staff Appraise Their Managers ?’, Personnel Review, Vol. 21, No. 7, PP. 32-46.
- Reichard, C. (2002), Assessing the Performance – Oriented HRM Activities in Selected OCED Countries, PUMA/ HRM (2002)9.
- Robbins, S. P. (1982), Personnel : The Management of Human Resource (Second edition), New Jersey : Prentice-Hall.
- Schiavo - Campo, S. and Sundaram, P.S.A. (2001), To Serve to Preserve: Improving Public Administration in a Competitive World, Manila: Asian Development Bank, p.663.
- Schuler, R.S. and Huber, V. L. (1990), Personnel and Human Resource Management (4th édition), New York : West Publishing Company.
- Sherman, A. and Bohlander, G. (1992), Managing Human Resources, South Western Publishing Company.
- Stephen E. Condrey (2004), Handbook of Human Ressources Management in Government.
- Stewart, V. and Stewart, A. (1978), Practical Performance Appraisal, Aldershot, England: Gower Publishing Co. Ltd.
- Stewart, V. and Stewart, A. (1985), Managing the Poor Performer, Aldershot, England: Gower Publishing Co. Ltd.
- Subedi, S.L. (1999), 'Performance Appraisal: An Analysis', Prashasan, (The Nepalese Journal of Public Administration) 84th issue, March, Kathmandu, Nepal:

- The Himalayan Times (2008), Nepal: Priminister called a meeting with all top level government officials to issue special directions.
- The Kantipur (Nepal), (1998), “The Promotion System in the Nepalese Civil Service”, 18 May 1998, p.6.
- Torrington, D. and Hall, L. (1995), Personnel Management: A New Approach, Englewood: Prentice- Hall International Limited.
- Townsend, P.L. and Gebhardt, J. (1992), Quality in Action, Canada: John Wesley and Sons.
- Upadhaya, R.C. (1996), ‘Salary Administration in the Nepalese Civil Service’ (in Nepali version), Prashasan (The Nepalese Journal of Public Administration), Year 27, No. 2, 1996. Lalitpur, Nepal: MoGA, Pp. 1 – 17.
- Wagle, B. (1994) ‘Promotion in Civil Service: Analysis of Present Result’ (in Nepali version), Prashasan (The Nepalese Journal of Public Administration), Year 27, No.2, 1994. Lalitpur, Nepal: MoGA, Pp. 27 – 36.
- Walker J, Fletcher C, Williams, R. and Taylor, K. (1977) ‘Performance Appraisal: An Open or Shut Case?’ Personnel Review, Vol. 6, PP. 38-42.
- Ward, P. (1995), ‘Appraisal: A 360- Degree Turn for the Better’, People Management, vol. No. 3, London: Institute of Personnel Management. P. 20– 25.
- William, R. (1981), Career Management and Career Planning: A Study of North American Practice, Norwich, England: HMSO.
- Wilson, J. (1991), ‘Performance Appraisal for Non- Management Staff: Successfully Development and Implementing a System’, Industrial Commercial Training, Vol. 23, No. 4, PP.28.31.

Appendix I
Questionnaire

Performance Appraisal and its implementation in the Nepalese Civil Service

Dear Sir/ Madam,

I would like to request you to kindly fill up the following questionnaire prepared for collection of your views as precious data input for my research work.

This research is conducted for partial fulfillment of the requirement of Masters of Public Policy (MPP) degree. The research is related to title to evaluate of present” PA system and its implementation in the Nepalese civil service” I assure you, your responses and views will be kept completely confidential. Your correct information in this regard will help to explore actual scenario in this context.

So, I cordially request you to kindly answer the questions below.

Thank you.

Ramesh Mainali

Master of Public Policy

Ex student, KDI School of Public Policy and Management, Korea.

Respondent's profile (Personal)

Name (optional) :

Office :

Address :

Designation :

Qualification :

Questionnaire filled date :

Research Questionnaire

Please make circle (O) on the correct box and express your ideas and views where necessary.

1. Do you have provided with a written job description to work accordingly?

- a) Yes.
- b) No, the work is done on the basis of past practice.
- c) No, the work is carried out according to supervisor's directions and instructions.
- d) If any other.....

2. Do you have a clear perception over your role and performance standard that are needed for your jobs?

- a) Obviously clear perception.
- b) Clear perception.
- C) Somehow clear perception.
- d) Partial clear perception
- e) Not clear perception at all.

3. Have you ever discussed with your supervisor about your job description and action plan?

- a) I have had regular discussions in all areas.
- b) I have had regular discussions in some areas.
- C) I have had regular discussions only in some areas.
- d) I never have had any discussion yet.

4. Do you have an up to date annual calendar of operation?

- a) I have an annual calendar of operation with work schedule indicating functions, duties and responsibilities.
- b) I have an annual calendar of operation specifying job volume, cost and time.
- c) I have no work schedule specifying the time.

d) I have no work schedule but the jobs are carried out according to supervisor's direction and instructions.

e) I have no work schedule and non- routine jobs are carried out.

5. Do you always mention all the particulars (the quality, quantity, cost and time) of the jobs performed by you?

a) All the particulars of all jobs.

b) All the particulars of few jobs.

c) Only a few particulars of jobs.

d) Mention only occasionally.

e) No particulars have been mentioned.

6. How do you perceive that your performance appraisers have a clear information on your jobs, performance level, potential, personal quality and conduct?

a) All immediate supervisor, reviewer and members of the reviewing committee have adequate information.

b) Only the supervisor and reviewer have adequate information.

c) The supervisor has adequate information but the reviewer has partial information.

d) Only the supervisor has full and adequate information.

e) All have partial information.

7. Do you feel your education experience, knowledge and skills compatible to your present job?

a) Full compatible.

b) Mostly compatible.

c) Compatible in general.

- d) Less compatible.
- e) No compatible at all.

8. For specifying your satisfaction level with the jobs.

- a) Fully satisfied.
- b) Partial satisfied.
- c) Dissatisfied.
- d) Fully dissatisfied.

9. How do you find the relationship between performance evaluation and reward/punishment system?

- a) Reward/ punishment have been absolutely based on performance evaluation.
- b) Reward/ punishment have been partly based on performance evaluation.
- c) Performance evaluation and reward/punishment have no relationship at all.
- d) There is no basis of performance evaluation on reward/punishment.
- e) Performance evaluation and reward/punishment have a different base.

10. How do you feel after the performance assessment of one fiscal year?

- a) Highly encouraged and motivated on work.
- b) Positively motivated on work.
- C) No effect on motivation.
- d) Less motivated.
- e) Demotivated on work.

11. Does your supervisor provide you feedback, orientation and coach on your job performance and does he/ she recommend for training and study?

(A) Feedback on job performance

- a) Timely, formal and clear feedback.
- b) Feedback for essential areas.

c) Feedback on only a few areas.

d) Feedback occasionally.

e) No feedback at all.

(B) Orientation/Coach on jobs to be performed.

a) Timely orientation and coaching.

b) Occasionally.

c) Never.

(C) Identification and recommendation for training and study (if necessary)

a) Recommends usually.

b) Recommends occasionally.

c) Never recommends.

12. Do you have a clear perception on what behaviors, efficiency and the level of performance derives the sound evaluation and that the evaluation is followed by career development?

(A) Perception of the level of performance

a) Clear perception over the level of performance and standard.

b) Slightly clear on this area.

c) Not clear.

(B) Relation between evaluation and career development

a) Career development is based on evaluation.

b) Career development is occasionally based on evaluation.

c) Other factors rather than evaluation are the bases for career development.

13. How far is the present performance appraisal system successful from the following point of view?

(A) In detecting 'good performers' and 'bad performer'

- a) Fully successful.
- b) Successful to a large extent.
- c) Partially successful.
- d) Unsuccessful to a large extent.
- e) Fully unsuccessful.

(B) In evaluating the potential of employees

- a) Fully successful.
- b) Successful to a large extent.
- c) Partially successful.
- d) Unsuccessful to a large extent.
- e) Fully unsuccessful.

14. How do you specify the role of performance appraisal in promotion decision?

- a) Basic and decisive factor.
- b) Decisive but as a complementary factor.
- c) Has no decisive role though 50% weightage has been accorded to it.
- d) Less decisive role in comparison with other factors on promotion capability.
- e) It has completely no effect on promotion decisions.

15. The present performance appraisal system has three levels of evaluation ratings: immediate supervisor (62.50% marks), reviewer (25%marks) and review committee (12.50 % marks).

- a) It has made the evaluation more rational and objective.

- b) The proposition or allotment of marks is not properly divided. So, the supervisor should be allocated more weightage.
- c) Supervisor has to make all ratings and only the assessment and adjustment be made by other levels.
- d) Only the supervisor and reviewer should be two levels of assessment.
- e) Other comments

16. The performance date is used in the following areas. Please, specify one or more statements that come across to the Nepalese civil service?

- a) Promotion on the basis of performance capability.
- b) Identification of training and development needs.
- c) In grade and salary increment.
- d) Other rewards and incentives.
- e) In providing additional responsibility (job rotation and job enrichment)
- f) Career development
- g) Feedback on performance.
- h) Motivation on work.

17. In order to make the performance appraisal more objective and useful; more emphasis needs to be laid on of the following.

- a) Job description.
- b) Open discussion between supervisor and subordinate on the appraisal process.
- c) Evaluation skills and rationale of appraisers.
- d) Direct and positive link between personal appraisal and reward.
- e) Result oriented performance indicators and comparison evaluation method.
- f) Grading method in the substitution of rating scale method.
- g) Group evaluation.
- h) All of above.

18. Do you have any comments on the confidential system of performance evaluation?

- a) It should be kept confidential as now.
- b) It should be open.

19. Please, circle any one statement of the following:

- a) The performance forms are filled with in the specific time period.
- b) The performance forms are not filled with in the specific time period.

20. Please, circle any one statement of the following:

- a) Performance appraisal forms are evaluated within the time period only by the supervisor.
- b) Performance appraisal forms are evaluated within the specific time period only by the supervisor and reviewer.
- c) Performance appraisal forms are evaluated within the specific time period by all the levels of evaluation.
- d) Performance appraisal forms are evaluated within the specific time period by none of the levels of evaluation.

Appendix – II

Map of Nepal



Appendix III

Part A

First Half yearly Performance Appraisal Form for Gazetted Civil Employees

Evaluation periodYear Shrawan month to Poush month

Records submitted office.....

Registration No.....

Date.....

Name of the employee

PIS Number.....

Post & level.....

Service.....Group or sub-Group.....

Present working Office:

Appointment date to present post.....

Transferred office of the evaluation period (serial).....

Submitted date to the supervisor.....

To be filled up by the employee					
Works Performed (Target fixed and Unfixed) (1)	Work performance indicator (2)			Progress of performed work according to work performance indicator) (3)	Reason if task could not be completed (4)
	Unit state quantity, cost and time if possible)	Half yearly target	Yearly target		
<u>Job description and tasks according to yearly program:</u> (1) (2) (3) (4) (5) <u>Other tasks done on own initiation</u> (1) (2) (a) (b)					
		100%	100%	Average percentage	

Signature of employee:

Date:

Basis of time scaling of work performance:

Basis of progress scaling of work performance:

- | | |
|--|--|
| 1. If work performed on fixed time or before it- Very good | 1)80 percent to 100 percent - Very good |
| 1. If 15percent of total work performed later than fixed time – Good | 2)65 percent to 79.9 percent - Good |
| 2. If 30 percent of total work performed later than fixed time – Satisfactory | 3) 50 percent to 64.99 percent -Satisfactory |
| 3. If more than 30 percent of total work performed later than fixed time – Low | 4) less than 50 percent - Low |

(A) Evaluation status, feedback and view of related supervisor:

Signature of supervisor:

Name:

Post:

PIS No.:

Date:

(B) View and feedback of related Employee:

Note:

1. For the first half yearly appraisal, the columns 1, 2, 3 and 4 of above format should be filled up factually and submitted to the respective office by the concerned civil personnel within Magh 7 for the sake of presenting to the supervisor.
2. At least five works should be mentioned in the column of performed works.
3. When mentioning the performed works, it should match with objective of organization and job description of the post.
4. In case of difficulty in fixing yearly target, the works performed throughout the year should be considered as yearly target.
5. Supervisor should evaluate the half yearly PA forms submitted to him within 7 days and its one copy should be made available to the concerned civil personnel.
6. If evaluating time is impossible, it should be evaluated also on the basis of total obtained quantity. If particulars do not fit in any column, it should be mentioned on a different page and attached with verification.
7. Marks must be mentioned in figures in the column intended for the purpose of marks in figures and evaluated.

Appendix IV

Second half yearly performance appraisal form for Gazetted Employees

Evaluation periodYear Magh month to..... year Asharh month
 Records submitted office.....
 Registration No.....
 Date.....
 Name of the employee

PIS Number.....
 Post & level.....
 Service.....Group or sub-Group.....
 Present working Office:

Appointment date to present post.....
 Transferred office of the evaluation period (serial).....
 Submitted date to the supervisor.....

To be filled up by the employee					
Works Performed (Target fixed and Unfixed) (1)	Work performance indicator (2)			Progress of performed work according to work performance indicator) (3)	Reason if task could not be completed (4)
	Unit (Also state quantity, cost and time if possible)	Half yearly target	Yearly target		
<u>Job description and tasks according to yearly program:</u> (1) (2) (3) (4) (5)					
<u>Other tasks done on own initiation</u> (1) (2)		100%	100%	Average percentage	

Signature of employee:

Date:

Basis of time scaling of work performance:

1. If work performed on fixed time or before it- Very good
2. If 15 percent of total work performed later than fixed time – Good
3. If 30 percent of total work performed later than fixed time – Satisfactory
4. If more than 30 percent of total work performed later than fixed time – Low

Basis of progress scaling of work performance:

- 1)80 percent to 100 percent - Very good
- 2)65 percent to 79.9 percent - Good
- 3) 50 percent to 64.99 percent - Satisfactory
- 4) less than 50 percent - Low

(A) Evaluation status, feedback and view of related supervisor:

Signature of supervisor:

Name:

Post:

PIS No.:

Date:

(B) View and feedback of related Employee:

Note:

1. For the second half yearly appraisal, the columns 1, 2, 3 and 4 of above format should be filled up factually and submitted to the respective office by the concerned civil personnel within Shrawan 7 for the sake of presenting to the supervisor.
2. At least five works should be mentioned in the column of performed works.
3. When mentioning the performed works, it should match with objective of organization and job description of the post.
4. In case of difficulty in fixing yearly target, the works performed throughout the year should be considered as yearly target.
5. Supervisor should evaluate the half yearly PA forms submitted to him within 7 days and its one copy should be made available to the concerned civil personnel.
6. If evaluating time is impossible, it should be evaluated also on the basis of total obtained quantity. If particulars do not fit in any column, it should be mentioned on a different page and attached with verification.
7. Marks must be mentioned in figures in the column intended for the purpose of marks in figures and evaluated.

Appendix V

Part B

Yearly Performance Appraisal Form for Gazetted Civil Employee

Evaluation period: Fiscal year Year Shrawan month toYear Asharh month

Records submitted office.....

Registration No.....

Date.....

Name of the employee

PIS Number.....

Post & level.....

Service.....Group or sub-Group.....

Present working Office

Appointment date to present post.....

Transferred office of the evaluation period (serial).....

Submitted date to the supervisor.....

To be filled up by the employee					
Works Performed (Target fixed and Unfixed) (1)	Work performance indicator (2)			Progress of performed work according to work performance indicator) (3)	Reason if task could not be completed (4)
	Unit	(Also state quantity, cost and time if possible)	Half yearly target		
<u>Job description and tasks according to yearly program:</u> (1) (2) (3) (4) (5)					
<u>Other tasks done on own initiation</u> (1) (2)			100%	100%	Average percentage

Signature of employee:

Date:

Basis of time scaling of work performance:

Basis of progress scaling of work performance:

- | | |
|--|---|
| 1. If work performed on fixed time or before it- Very good | 1)80 percent to 100 percent - Very good |
| 2. If 15 percent of total work performed later than fixed time – Good | 2)65 percent to 79.9 percent - Good |
| 3. If 30 percent of total work performed fixed time – Satisfactory | 3) 50 percent to 64.99 percent - Satisfactory |
| 4. If more than 30 percent of total work Performed later than fixed time – Low | 4) less than 50 percent - Low |

Note:

- For the yearly appraisal, the columns 1, 2, 3 and 4 of above format should be filled up factually and submitted to the respective office by the concerned civil personnel within Shrawan 7 for the sake of presenting to the supervisor.
- At least five works should be mentioned in the column of performed works.
- When mentioning the performed works, it should match with objective of organization, job description of the post and yearly action plan.
- In case of difficulty in fixing yearly target, the works performed throughout the year should be considered as yearly target.

Evaluation of Supervisor and Reviewer

Date of submission to the Supervisor:

Date of submission to the Reviewer:

Level of Performance (on the basis of job description)	Supervisor's evaluation					Reviewer's evaluation			
	Level	v good	good	satisfactory	low	v good	good	satisfactory	low
	Marks	25	25	25	25	5		5	
i. Aggregate quantity of performed jobs									
ii. Aggregate cost of performed jobs									
iii. Aggregate time of performed jobs									
iv. Aggregate quality of performed jobs									
Total marks (in figure and words)									
	Full marks 25 Total obtained marks in figures and words:					Full marks 10 Total obtained marks in figures and words:			
Reasons to be stated if given more than 95percent and less than 75 percent marks.	Name of Supervisor: Post: PIS No.: Signature: Date:					Name of Reviewer: Post: PIS No.: Signature: Date:			

Note:

1. On the basis of Half Yearly Performance Appraisal form (PAF) filled up by the employee, the Supervisor should evaluate and submit the Form of gazetted civil personnel's yearly PAF to Reviewer within end of the Shrawan month.
2. The Reviewer should submit the obtained Yearly Performance Appraisal Form to the Reviewer committee so that it gets the form within Bhadra 15.
3. For the yearly working evaluation, if supervisor or reviewer gives more than 95 percent and less than 75 percent marks, the reason should be stated clearly and should inform to the concerned employee and mention his reaction incase giving marks less than 75 percent and it should be submitted to the supervisor committee.

Part C: Evaluation by Review Committee

Name of the employee:

Personal Qualities and Conduct	Level	Very good	Good	Satisfactory	Low
	Marks	1	0.75	0.50	0.25
a. For Gazetted Class One Employees					
1. Ability of analyzing policy					
2. Capability of discussion and negotiation					
3. Use of wisdom and ability on decision-making and evaluation					
4. Leadership and organizing capability					
5. Professional sensitivity (honesty, secrecy, etc.)					
Full Marks: Total secured marks: (In figures and words.....)					
b. For Gazetted Class Two Employees Marks		0.50	0.375	0.25	0.125
1. Knowledge and skill on subject					
2. Use of wisdom and decision-making ability					
3. Work-load bearing capacity					
4. Creativity and initiative					
5. Effective use of resources					
Full marks: Total secured marks: (In figures and words.....)					
c. For Gazetted Class Three Employees Marks		0.50	0.375	0.25	0.125
1. Knowledge and skill on subject matter					
2. Use of wisdom and decision-making ability					
3. Work-load bearing capacity					
4. Creativity and initiative					
5. Professional sensitivity (secrecy and courtesy)					
Full marks: Total secured marks: (In figures and words.....)					

Members of review committee's

Name	Post	PIS No.	Signature.	Total marks obtained.
------	------	---------	------------	-----------------------

In number:
In words:

- 1
- 2.
- 3.

Note:

1. The Reviewer Committee should evaluate and send the performance appraisal form thus obtained within the end of the bhadra month to Public Service Commission and Secretariat of the Promotion Committee

2. If reviewer committee gives more than 95 percent and less than 75 percent marks as PA to any civil personnel, the reason should be stated clearly. The evaluator using tipex in the obtained marks will be penalized by concerned authority.

Appendix VI

Annual Performance Appraisal Form for Non-Gazetted and Unclassified Employee's.

Office the form is to be submitted:

Registration No.:

Date:

Name of the employee:

Evaluation Period: From

to

1. Post :

2. Class:

3. Service:

4. Group:

5. Sub-group:

6. Name of the office:

7. Appointment date to present post:

8. Transfers to different offices during the evaluation period (mention in order)

9. Date of submission to the supervisor:

Part A: Statement of Performed Jobs

Target and Fixed Jobs	Fixed and Unfixed Jobs	Particulars completed by personnel	to be by	Quantity	Cost	Time	Quality
i.							
ii.							
iii.							
iv.							
v.							
Jobs done by own initiation							
i.							
ii.							

Statement of the reasons for not accomplished jobs			Note of the supervisor
Jobs	Reasons	Efforts made to solve problems	Rationale of reasons: Right/wrong Efforts made to solve the problems: Right/wrong
a.	a.	a.	
b.	b.	b.	
c.	c.	c.	
d.	d.	d.	
Signature of the employee : Date :			Signature of the supervisor: Date :

Note:

- For target-fixed jobs, allotted basis (Quantity, cost, time and quality) should be filled up as far as possible.

b. For Unclassified Employees	1	0.75	0.50	0.25
Marks				
1. Knowledge and skill on subject				
2. Ability of working according to direction				
3. Enthusiasm on work				
4. Obedience and discipline				
5. Awareness and quickness				
Full marks: 5 Total secured marks:				

Members of review committee's

Name	Post	PIS No.	Signature.	Total marks obtained.
				In number:
				In words:
1				
2.				
3.				

Note:

1. According to civil service act article 24 a. sub - article (7) reasons should be mentioned by review committee In case where giving marks more than 95 percent and less than 75 percent.