

Effectiveness of the Performance Appraisal System of Nepalese Civil Servants

Krishna Prasad Parajuli¹

Correspondence to: Krishna Prasad Parajuli

Sr. Section Officer, Government of Nepal, Lumbini Province

email: krishnaparajuli57@gmail.com

Abstract

Performance appraisal is one of the central functions of human resource management. Despite several reform initiatives, it is said that the practice of the existing performance appraisal system of Nepalese civil servants suffers from various shortcomings. Thus, this study aimed to assess the effectiveness of the existing performance appraisal system. The study employed a quantitative research approach and used descriptive data analysis. The data were collected through a structured questionnaire survey. 229 data were collected from the civil servants by using a convenient sampling method. The findings from the study revealed that the current PA system suffers from various weaknesses and fails to appraise the PA of civil servants accurately due to its ineffectiveness. It failed to enhance job satisfaction, employee motivation, organizational cooperation, work performance, and public service delivery ($M = 2.42$, $SD = 1.10$). It is imperative to improve this system by developing clear and well-defined performance objectives and indicators, implementing clear legal provisions, aligning performance appraisal with the job descriptions, ensuring fairness and transparency, linking appraisal with recognition, rewards, and training opportunities, providing continuous feedback to employees and incorporating a self-assessment approach.

Keywords: Performance Appraisal, Effectiveness, Civil Servants, Nepalese Civil Service

INTRODUCTION

Bureaucracy is a goal-oriented open system (Meier, 1997), which is run by civil servants based on rules and regulations. It plays a significant role by providing public services, implementing public policies, and enhancing 'regime maintenance' (Meier, 1997). It has also been referred to as the 'Permanent Government'. Acharya (2015) argues that any political discourse or government cannot deliver successfully unless it is supported by a highly efficient, responsive, and accountable bureaucracy that maintains features of continuity while adapting to political fluctuation. Hence, the success or failure of every government mainly depends on the delivery system headed by the bureaucracy (Paudel & Gupta, 2019). Civil servants should prioritize responsiveness, accountability, and service-oriented behavior over personal interest to gain the public trust in bureaucracy and public institutions.

In Nepal, it is accused that public service delivery is not as effective as expected due to the old bureaucratic system, behavior, and structure that have remained unchanged. Bureaucracy reform

faces a variety of obstacles. It lacks the required professionalism and specialization. Bureaucrats are unable to make decisions on time, so they shift their responsibilities as much as possible. Corruption and politicization of civil services are serious issues. The administrative culture is not performance-oriented, with incentives that are limited and not fully integrated into performance, and accountability that is far from optimal (Acharya, 2015; Dahal, 2018; Singh, 2020).

Nepal's bureaucracy is not efficient and result-oriented for several reasons. One of the main contributing factors is the lack of a proper link between the performance of civil servants and their performance appraisal system (PAS).

In the Nepalese civil service (NCS), various efforts have been made to make the PAS more effective and result oriented. The existing Civil Service Act and Rules, 1993, have given high importance to the performance appraisal (PA) of civil servants. However, Acharya (2015) states that the PAS of Nepalese civil servants suffers from various shortcomings such as the lack of objective criteria and indicators, the lack of objective job descriptions, too much promotion-oriented, a lack of transparency, and so on. Pandey (n.d.) adds that the current performance evaluation system is deemed ineffective due to its lack of objectivity and scientific foundation. Therefore, this study aims to examine the effectiveness of the current PAS of Nepalese civil servants.

Objective of the study

The main objective of this study was to examine the effectiveness of the existing performance appraisal system of Nepalese civil servants.

LITERATURE REVIEW

Performance management (PM) and performance appraisal (PA)

PM is an important aspect of human resource management. It is a process that involves both the supervisor and the employee and works jointly to plan, monitor, and review the employee's work performance and overall contribution to the organization (Acharya, 2019). DEB (2008) states that it is a mechanism employed by an organization to optimum use of its human resources to fulfill its objectives. Mathis, Jackson and Valentine (2014) define that "performance management is a series of activities designed to ensure that the organization gets the performance it needs from its employees"

Some people use PM and PA as synonyms. However, Acharya (2019) argues that PM is a broader concept in comparison with PA. He adds that PM includes not only appraisal but also the various schemes, such as setting work standards, assessing performance, and providing feedback to improve employee performance. DEB (2008) states that PM initiates with an organization's goals and objectives. The success of a PM system depends upon the presence of an effective PAS.

The PA is also called performance review, employee appraisal, performance evaluation, employee evaluation, employee rating, merit evaluation, or personnel rating (Rusli & Sopian, 2013) . It is a crucial component of PM. According to Dessler (2000, as cited in DEB 2008), PA is the process of evaluating an employee's current or past performance in relation to established standards. It involves systematically assessing an individual's performance. S. (2016) states that it is a periodic review of the employee's performance with the objective of recognizing their strengths and

weaknesses as well as their developmental goals. PA, according to Hijazi (2021), is an organized formal interaction between employees and their supervisor that takes place annually, biannually, or quarterly, depending on the type and scale of the organization to ensure efficient organizational performance. French (2003) describes that PA has a substantial influence on various human resource processes, including training and development, compensation, and promotion decisions. Agrawal (2009) states that PA provides feedback to the employees about their accomplished work.

Effectiveness of performance appraisal (EPA)

Effectiveness is a common term, however, it is not properly defined (Antonov et al., 2020). From a management perspective, effectiveness is accomplishing the correct things at the least cost (Drucker, 2002, as cited in Debrincat, 2014).

Maharvi, Iqbal, and Ullah (2014) emphasize that despite the widespread acknowledgement of the EPA system worldwide, a universal criterion for measuring this effectiveness is still difficult, and organizations are facing numerous difficulties in the effective design and implementation of the appraisal system. According to Debrincat (2014), the three important factors: formal and defined standards of performance, formal appraisal policy, and training for appraisers in performance appraisal administration, can directly lead to an increase in the EPA system. According to Jacobs et al. (1980, as cited in Iqbal, Akbar, & Budhwar, 2015), the concept of EPA consists of categories of measurement criteria: utilization (indicating purposefulness), qualitative criteria (about fairness/justice), and quantitative criteria (focusing on PA accuracy). Vuong and Nguyen (2022) have identified the key elements for employee performance appraisal, including defined goals and objectives, feedback, flexibility, self-evaluation, compensation and rewards, and performance improvement plan. Agrawal (2009) states that the PAS should be fair, equitable, and transparent for its effectiveness. According to DEB (2008), the essential characteristics of an effective PAS includes simple rating system based on job description, training to all employees in the appraisal system, accurate and quantifiable performance, freedom from biases, participation of employees in the appraisal process, reviewing officer with appeal provision, performance counseling and feedback, identification of performance goals, used for employee development purposes, recognizing and rewarding achievements, documented for future reference, identifying improvement areas, and confidence and acceptability of employees.

Performance appraisal system in the Nepalese civil service (NCS)

The practice of evaluating the performance of employees in Nepal began after the promulgation of the Civil Service Act and the Rules in 1956. Paudel (2012) states that after the repeal of the Civil Service Rules in 2013 B.S. and the implementation of the new Civil Service Rules in 2021 B.S., a new system of performance appraisal was introduced. The first amendment to this regulation in 2025 B.S. allocated 100 marks out of 300 marks for promotion based on performance evaluation. The revision of the Civil Service Rules in 2040 B.S. allocated 112 marks, i.e., 37.7% weightage to performance evaluation out of a total of 300 marks for promotion. At that time, performance evaluation was the primary factor for the promotion of employees (Paudel, 2012).

After the restoration of democracy in 1990, the new Civil Service Act, 1993 and the Civil Service Rules 1993 were enacted. Initially, 50 marks out of 100 (50% weightage) were allocated to performance evaluation for the promotion of civil employees. However, the first amendment of the Civil Service Act, 1993, reduced the weightage of PA (40 marks out of 100) in 1998.

After the new constitution was ratified in 2015, the centralized administrative system has been changed into a federal structure. Based on the constitutional provision, existing civil servants have been adjusted at the federal, provincial, and local levels under the Employee Adjustment Act, 2019. The Federal Civil Service Act, which is considered as the parent law for the provincial and local levels, was supposed to be in accordance with the new constitution. However, it has not yet been passed by the legislature. The absence of the federal civil service law has created numerous administrative confusions, such as transfers, promotions, departmental actions, performance appraisal, leave, service facilities, and career development of the employees.

Current provisions

The NCS has a traditional method of PAS. The appraisal is conducted by using the rating scale method at three tiers, including the supervisor, the reviewer, and the review committee. PA for gazetted civil servants is carried out on a semi-annual (half-yearly) and annual basis, while non-gazetted civil servants are evaluated on an annual basis. The uniform PA forms have been used for all services in NCS, except gazetted and non-gazetted civil servants have separate forms.

Each civil servant must fill up three copies of the PA form mentioning at least five main functions performed by him/her during the fiscal year. These forms should be registered with their respective offices and submitted to the supervisor within the seventh day of the month of Shrawan (3rd week of July) after completing the fiscal year. The supervisor must evaluate his/her part and submit it to the reviewer within the last day of the month of Shrawan (Mid-August). The reviewer must review the PA forms received from the supervisor and submit them to the review committee within the fifteenth day of the month of Bhadra (End of August). Similarly, the review committee must review the forms received from the reviewer within the last day of the month of Bhadra (Mid-September). After completing the entire evaluation process, the secretariat of the review committee should publish the details and name list of the civil employees evaluated by the committee on its notice board and website.

In NCS, a total of 40 marks have been allocated for the PA of civil servants. Out of 40 marks, the supervisor may give a maximum of 25 marks, the reviewer can give up to 10 marks and the review committee is allotted only 5 marks.

As mentioned in the Civil Service Act and Rules, 1993, both the supervisor and reviewer assess the performance of employees using the same four criteria: aggregate quantity, cost, time, and quality of job performed. Whereas the review committee evaluates the performance of employees based on their personal qualities and conduct. The appraisee uses a four-point scale to evaluate the performance of employees, consisting of 'most excellent', 'excellent', 'normal', and 'low performance'. If the supervisor, reviewer, and review committee need to grant a PA rating of more than 95% and less than 75% to any civil servants, they must mention the reason clearly in the evaluation forms.

METHODS

This study applied the quantitative research approach. Both primary and secondary sources of data were used. Primary data was collected through a structured questionnaire survey via the online method with the civil servants working in the different government offices (federal, provincial and local levels) in the Lumbini Province of Nepal. The Secondary data were accumulated from related literature, journals, articles, books, and relevant government policies, provisions, acts, and regulations through the different government organizations. The questionnaire was developed from an empirical literature review. A convenient sampling technique was used in this study. The survey was conducted from February to March 2024. Out of 350 questionnaires sent, 229 responses were collected, which was a 65.43% response rate. All the responses were completed and usable for data analysis.

RESULTS

Demographic results

Descriptive analysis was carried out to obtain the frequency distributions of the demographic variables of the respondents. The results of this analysis are shown in Table 1.

Table 1: Demographic profile of respondents

Classification	Categories	Frequency	Percentage	Cumulative percentage
Gender	Male	184	80.3	80.3
	Female	45	19.7	100.0
	Total	229	100.0	
Age range	19-28 years	15	6.6	6.6
	29-38 years	118	51.5	58.1
	39-48 years	65	28.4	86.5
	49-58 years	31	13.5	100.0
	Total	229	100.0	
Education	Intermediate (Plus 2)	10	4.4	4.4
	Bachelor	64	27.9	32.3
	Master	155	67.7	100.0
	Total	229	100.0	
Class of civil service	Gazetted (Officer)	156	68.1	68.1
	Non-gazetted (Assistant)	73	31.9	100.0
	Total	229	100.0	

Classification	Categories	Frequency	Percentage	Cumulative percentage
Post of civil service	Administrative	130	56.8	56.8
	Technical	99	43.2	100.0
	Total	229	100.0	
Adjusted levels of government	Federal level	64	27.9	27.9
	Province level	139	60.7	88.6
	Local level	26	11.4	100.0
	Total	229	100.0	
Work experience	0- less than 5 years	18	7.9	7.9
	5- less than 10 years	79	34.5	42.4
	10- less than 15 years	62	27.1	69.4
	15- less than 20 years	23	10.0	79.5
	20 or above 20 years	47	20.5	100.0
	Total	229	100.0	
Experience in the current office	Less than 1 year	68	29.7	29.7
	1- less than 2 years	53	23.1	52.8
	2- less than 3 years	44	19.2	72.1
	3- less than 4 years	15	6.6	78.6
	4 or above 4 years	49	21.4	100.0
	Total	229	100.0	

Source: Author survey (2024)

Most of the respondents were male, i.e. 80.3%, with most falling in the age range of 29–38 years, i.e. 51.5%. Most respondents completed a master's degree, consisting of 67.7%. 68.1% were gazetted class employees, i.e., officers, with 56.8% of respondents belonging to administrative posts of the civil service. The majority of the respondents were working at the provincial level, i.e. 60.7%. Concerning the work experience of the employees, more than 92% of the targeted respondents had more than 5 years of experience in the civil service. In addition, 29.7% of the respondents had been working in the current office for less than one year, and more than 47% (19.2% + 6.6% + 21.4%) of the respondents had been working for more than 2 years in the same office.

General overview of the respondents on the current PAS

For the study purpose, some questions were asked to the respondents regarding the current PAS based on their knowledge and experience. The descriptive results of these responses are given below.

Table 2: Understanding the legal provisions

Category	Frequency	Percent
Yes	223	97.4
No	6	2.6
Total	229	100.0

Source: Author survey (2024)

Table 2 reveals that more than 97% of the respondents were informed about the existing legal provisions of their PAS.

Table 3: Clarity of legal provisions

Category	Frequency	Percent
Yes	108	47.2
No	121	52.8
Total	229	100.0

Source: Author survey (2024)

According to Table 3, more than 50% of the respondents opined that the current legal provisions for PAS are not clear and well-defined.

Table 4: Frequency of the performance evaluation

Category	Frequency	Percent
Monthly	30	13.1
Quarterly	29	12.7
Semi-annually	33	14.4
Annually	39	17.0
Continuous basis	98	42.8
Total	229	100.0

Source: Author survey (2024)

According to Table 4, 42.8% of the respondents suggested that employee PA should be conducted on a continuous basis rather than monthly, quarterly, semi-annually or annually.

Table 5: Having a written job description or not

Category	Frequency	Percent
Yes	110	48.0
No	119	52.0
Total	229	100.0

Source: Author survey (2024)

Table 5 shows that 48% of the respondents received a written job description to do their regular duties, whereas 52% of the employees were working without a job description.

Table 6: Overall satisfaction level on the current PAS

Likert scale	Frequency	Percent	Cumulative percent	Mean	SD
Very satisfied	5	2.2	2.2	3.37	0.967
Satisfied	45	19.7	21.9		
Neutral	60	26.2	48.0		
Dissatisfied	99	43.2	91.3		
Very dissatisfied	20	8.7	100		
Total	229	100.0			

Source: Author survey (2024)

Table 6 shows that only 21.9% (19.7% + 2.2%) of the respondents were satisfied or very satisfied with the current PAS, while the majority of the respondents (43.2% + 8.7% = 51.9%) were dissatisfied or very dissatisfied.

Respondents' perception regarding the effectiveness of the current PAS

Five questions based on a five-point Likert scale were asked to respondents to examine the effectiveness of the current PAS in NCS. Frequencies of each response, along with percentage, mean, and standard deviation, are presented in Table 7 below.

Table 7: Respondents' perception regarding the effectiveness of current PAS

Indicators	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
Current PAS enhancing job satisfaction.	47 (20.5%)	87 (38%)	48 (21%)	39 (17%)	8 (3.5%)	2.45	1.102
Current PAS enhancing employee motivation.	55 (24%)	86 (37.6%)	39 (17%)	39 (17%)	10 (4.4%)	2.40	1.153
Current PAS enhancing organizational cooperation.	45 (19.7%)	80 (34.9%)	52 (22.7%)	46 (20.1%)	6 (2.6%)	2.51	1.099
Current PAS enhancing work performance.	54 (23.6%)	86 (37.6%)	46 (20.1%)	37 (16.2%)	6 (2.6%)	2.37	1.091
Current PAS enhancing public service delivery.	47 (20.5%)	94 (41%)	45 (19.7%)	38 (16.6%)	5 (2.2%)	2.39	1.056
Overall Mean and SD	Mean = 2.42, SD = 1.10						

Note: N = 229; Missing value = 0; SD = Strongly disagree; D = Disagree; Ne = Neutral; A = Agree; SA = Strongly agree, SD = standard deviation

Source: Author survey (2024)

Table 7 shows that respondents generally perceived the current PAS as less effective. The overall mean score was 2.42, indicating a tendency toward disagreement. Most respondents disagreed that the current PAS enhances job satisfaction, motivation, cooperation, work performance, and public service delivery.

Respondents' perceptions regarding the different factors of the EPA

Five-point Likert scale questions for eight independent factors (5 questions for each factor) were posed to the respondents to study the various factors that influence the EPA. The frequencies of the responses, along with percentage, mean value, and standard deviation, are shown below in the different Tables.

Table 8: Defined performance goals and objectives

Statements	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
Performance goals and objectives are clear and well-defined.	38 (16.6%)	92 (40.2%)	46 (20.1%)	44 (19.2%)	9 (3.9%)	2.54	1.098
Performance goals and objectives are achievable.	24 (10.5%)	89 (38.9%)	54 (23.6%)	51 (22.3%)	11 (4.8%)	2.72	1.072
Performance goals and objectives are relevant.	34 (14.8%)	82 (35.8%)	53 (23.1%)	48 (21%)	12 (5.2%)	2.66	1.123
Performance goals and objectives are acceptable to employees.	18 (7.9%)	60 (26.2%)	75 (32.8%)	64 (27.9%)	12 (5.2%)	2.97	1.034
Performance goals and objectives are compatible with the overall goals of the organization.	24 (10.5%)	70 (30.6%)	68 (29.7%)	57 (24.9%)	10 (4.4%)	2.82	1.059

Source: Author survey (2024)

Table 8 indicates that performance goals and objectives are perceived as only moderately defined. The mean scores ranged from 2.54 to 2.97, showing that many respondents remained neutral or disagreed. Among the items, employee acceptability of goals had the highest mean, while clarity of goals had the lowest.

Table 9: Clear performance appraisal indicators

Statements	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
PA indicators are clear and well-defined.	44 (19.2%)	83 (36.2%)	54 (23.6%)	35 (15.3%)	13 (5.7%)	2.52	1.134
PA indicators are measurable.	40 (17.5%)	90 (39.3%)	44 (19.2%)	44 (19.2%)	11 (4.8%)	2.55	1.129
PA indicators are realistic.	47 (20.5%)	87 (38%)	52 (22.7%)	34 (14.8%)	9 (3.9%)	2.44	1.093
PA indicators are result-oriented.	51 (22.3 %)	88 (38.4%)	46 (20.1 %)	38 (16.6%)	6 (2.6%)	2.39	1.085
PA indicators can evaluate the actual performance.	57 (24.9%)	98 (42.8%)	37 (16.2%)	31 (13.5%)	6 (2.6%)	2.26	1.060

Source: Author survey (2024)

Table 9 shows that respondents were not fully satisfied with the clarity and usefulness of PA indicators. The mean scores ranged from 2.26 to 2.55, reflecting a generally low level of agreement. The lowest mean was found for whether PA indicators can evaluate actual performance, suggesting weakness in the appraisal indicators.

Table 10: Clear job description and responsibility

Statements	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
Job description is provided with clear tasks and responsibilities.	35 (15.3%)	71 (31%)	59 (25.8%)	54 (23.6%)	10 (4.4%)	2.71	1.119
Knowledge, skills, education, and experience are compatible with roles and responsibilities.	43 (18.8%)	83 (36.2%)	50 (21.8%)	48 (21%)	5 (2.2%)	2.52	1.087
PA is based on the job description.	43 (18.8%)	79 (34.5%)	53 (23.1%)	48 (21%)	6 (2.6%)	2.54	1.098
PA is based on the predetermined performance agreement.	41 (17.9%)	90 (39.3%)	59 (25.8%)	33 (14.4%)	6 (2.6%)	2.45	1.027
Implemented the right person in the right place.	71 (31%)	86 (37.6 %)	44 (19.2%)	21 (9.2%)	7 (3.1%)	2.16	1.060

Source: Author survey (2024)

Table 10 reveals mixed perceptions regarding job descriptions and responsibilities. Although some respondents agreed that job descriptions are provided, the overall mean values were below the neutral level. The lowest mean was observed for placing the right person in the right place, indicating dissatisfaction with role placement.

Table 11: Fairness and transparency

Items	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
The rating system is transparent.	70 (30.6%)	88 (38.4%)	38 (16.6%)	27 (11.8%)	6 (2.6%)	2.17	1.074
Clear demarcation between good performers and poor performers.	90 (39.3%)	86 (37.6%)	37 (16.2%)	11 (4.8%)	5 (2.2%)	1.93	0.971
No nepotism and favouritism in the ratings.	50 (21.8%)	83 (36.2%)	58 (25.3%)	27 (11.8%)	11 (4.8%)	2.41	1.099
The PA system is free from political interference.	40 (17.5%)	63 (27.5%)	64 (27.9%)	44 (19.2%)	18 (7.9%)	2.72	1.188
Training is provided to evaluators to reduce bias.	71 (31%)	80 (34.9%)	51 (22.3%)	22 (9.6%)	5 (2.2%)	2.17	1.044

Source: Author survey (2024)

Table 11 shows that respondents perceived the PA system as weak in fairness and transparency. The mean scores were mostly low, especially for clear demarcation between good and poor performers. This suggests that respondents had concerns about transparency, bias, and evaluator training.

Table 12: Employee involvement in the evaluation process or self-assessment

Items	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
Employees can participate in the process.	59 (25.8%)	86 (37.6%)	39 (17%)	36 (15.7%)	9 (3.9%)	2.34	1.139
KPIs are set in consultation with employees.	83 (36.2%)	79 (34.5%)	44 (19.2%)	17 (7.4%)	6 (2.6%)	2.06	1.043
PA forms are filled out by employees themselves.	10 (4.4%)	19 (8.3%)	17 (7.4%)	91 (39.7%)	92 (40.2%)	4.03	1.098
Employees get an opportunity to show their performed activities.	24 (10.5 %)	41 (17.9%)	47 (20.5%)	79 (34.5%)	38 (16.6%)	3.29	1.237
Employees can correct their performance rating.	51 (22.3%)	64 (27.9%)	65 (28.4%)	42 (18.3%)	7 (3.1%)	2.52	1.118

Source: Author survey (2024)

Table 12 presents mixed findings on employee involvement in the evaluation process. Respondents strongly agreed that PA forms are filled out by employees themselves, with the highest mean of 4.03. However, consultation in setting KPIs and opportunities to correct ratings received low mean scores, showing limited meaningful participation.

Table 13: Performance feedback and communication

Items	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
Taking feedback from employees is in practice.	88 (38.4%)	96 (41.9%)	28 (12.2%)	11 (4.8%)	6 (2.6%)	1.91	0.965
Supervisor interacts with employees and provides feedback.	74 (32.3%)	97 (42.4%)	32 (14%)	20 (8.7%)	6 (2.6%)	2.07	1.024
Organizational decisions are quickly communicated.	63 (27.5%)	90 (39.3%)	47 (20.5%)	24 (10.5%)	5 (2.2%)	2.21	1.029
Performance objectives are well communicated to employees	48 (21%)	100 (43.7%)	39 (17%)	33 (14.4%)	9 (3.9%)	2.37	1.087
Indicators are discussed and communicated before the appraisal.	66 (28.8%)	111 (48.5%)	26 (11.4%)	21 (9.2%)	5 (2.2%)	2.07	0.982

Source: Author survey (2024)

Table 13 indicates weak feedback and communication practices in the current PA system. The mean scores ranged from 1.91 to 2.37, showing that most respondents disagreed with the statements. Taking feedback from employees and discussing indicators before appraisal were perceived as particularly weak areas.

Table 14: Career opportunities and development

Items	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
PA is used primarily for promotion purposes.	11 (4.8%)	19 (8.3%)	16 (7%)	66 (28.8%)	117 (51.1%)	4.13	1.155
Transfer and placement are compatible with PA.	88 (38.4%)	68 (29.7%)	35 (15.3%)	26 (11.4%)	12 (5.2%)	2.15	1.202
Training opportunities are compatible with PA.	79 (34.5%)	79 (34.5%)	28 (12.2%)	31 (13.5%)	12 (5.2%)	2.21	1.202
Best-performing employees have many opportunities.	58 (25.3%)	76 (33.2%)	51 (22.3%)	32 (14%)	12 (5.2%)	2.41	1.161
PA system supports the career development of employees.	42 (18.3%)	60 (26.2%)	62 (27.1%)	54 (23.6%)	11 (4.8%)	2.70	1.158

Source: Author survey (2024)

Table 14 shows that PA is mainly perceived as being used for promotion purposes, with the highest mean score of 4.13. However, respondents disagreed that PA is linked with transfer, training opportunities, and broader career development. This indicates that PA is not sufficiently connected with overall employee development.

Table 15: Recognition and rewards of performance

Items	SD (%)	D (%)	Ne (%)	A (%)	SA (%)	Mean	SD
Rewards or recognition are based on performance.	64 (27.9%)	79 (34.5%)	45 (19.7%)	28 (12.2%)	13 (5.7%)	2.33	1.171
High-performing employees receive extra allowances and incentives.	88 (38.4%)	89 (38.9%)	31 (13.5%)	10 (4.4%)	11 (4.8%)	1.98	1.064
Work-performance incentive funds are effectively implemented.	85 (37.1%)	74 (32.3%)	47 (20.5%)	13 (5.7%)	10 (4.4%)	2.08	1.093
The Best Civil Servant award is based on the PA.	96 (41.9%)	65 (28.4%)	36 (15.7%)	17 (7.4%)	15 (6.6%)	2.08	1.209
Poor-performing employees are often punished.	96 (41.9%)	80 (34.9%)	27 (11.8%)	15 (6.6%)	11 (4.8%)	1.97	1.112

Source: Author survey (2024)

Table 15 shows a low level of agreement regarding recognition and rewards based on performance. The mean scores were mostly around 2.00, indicating disagreement among respondents. In

particular, extra incentives, effective implementation of performance incentive funds, and punishment of poor performers were perceived as weak.

DISCUSSION

Based on Table 6, result reveals that most of the respondents (more than 78%) expressed their dissatisfaction or neutral perception regarding the overall satisfaction with the existing PAS. The mean value of 3.37 indicates the tendency of respondents toward the dissatisfaction scale, which indicates the ineffectiveness of the current PAS in NCS.

In Table 7, the indicators in the first column measure the effectiveness of the current PAS in the NCS. The result reveals that the majority of the respondents either strongly disagree or disagree with the statements that the current PAS enhances job satisfaction (58.5%), enhances employee motivation (61.6%), organizational cooperation (54.6%), work performance (61.2%), and public service delivery (61.5%). The mean value of all indicators is less than 2.52, and *SD* more than 1 indicates the tendency toward disagreement among the respondents, with notable variation regarding the effectiveness of the current PAS. As indicated by the overall mean value of 2.42, the current PAS in NCS is not effective.

Based on the significant predictors of the EPA system, the study tried to get the views of the respondents on whether the performance goals and objectives of the existing PAS are well-defined or not. The result in Table 8 shows that most of the respondents either strongly disagree, disagree, or have a neutral perception of each statement. They did not believe that the current PA goals and objectives are well-defined ($M = 2.54$, $SD = 1.098$), achievable ($M = 2.72$, $SD = 1.072$), relevant ($M = 2.66$, $SD = 1.123$), acceptable ($M = 2.97$, $SD = 1.034$), and compatible ($M = 2.82$, $SD = 1.059$).

The result from Table 9 indicates the respondent's tendency towards disagreement with the PA indicators. Respondents did not believe that the current PA indicators used in NCS are clear and well-defined ($M = 2.52$, $SD = 1.134$), measurable ($M = 2.55$, $SD = 1.129$), realistic ($M = 2.44$, $SD = 1.093$), result-oriented ($M = 2.39$, $SD = 1.085$), and can evaluate the actual performance of the employees ($M = 2.26$, $SD = 1.060$).

The study sought to get the views of respondents on whether they have a clear job description and responsibilities. Table 10 shows that the mean value for all statements is below the neutral point of 3 (maximum of 2.71 for clear tasks and responsibilities and a minimum score of 2.16 for implementing the right person in the right place), indicating the respondent's tendency towards disagreement. 53.3% (18.8% + 34.5%) of the respondents did not agree that their PA is based on the job description. This result is also supported by Table 5, where the majority of the civil servants did not receive their written job descriptions with clear tasks and responsibilities.

Table 11 indicates that the current PAS is not successful enough to establish fairness and transparency in the appraisal process ($M < 2.73$). Most of the respondents, 69% (30.6% + 38.4%), either strongly disagree or disagree with the statement that the current PA system is transparent. Similarly, 76.9% (39.3% + 37.6%) of respondents have the perception that there is no clear demarcation between good performers and poor performers. Furthermore, 72.9% (17.5% + 27.5% + 27.9%) of them either disagree or neutral with the statement that the PA system is free from political interference.

The involvement of employees in the evaluation process or self-assessment is one of the key aspects of EPA. As shown in Table 12, respondents agreed with the statement that PA forms should be filled out by themselves ($M = 4.03$, $SD = 1.098$). It indicates that civil servants can get an opportunity to show their performed activities during their performance appraisal. Similarly, respondents were somewhat satisfied that they got an opportunity to show their performed activities ($M = 3.29$, $SD = 1.237$). However, they did not have a positive perception that they can participate in the PA process ($M = 2.34$, $SD = 1.139$), key performance indicators (KPIs) are set in consultation with them ($M = 2.06$, $SD = 1.043$), and they can correct their performance rating ($M = 2.52$, $SD = 1.118$). The higher value of the SD indicates the diverse opinions among the respondents.

We can conclude from Table 13 that most of the respondents either strongly disagree or disagree with all statements regarding performance feedback and communication, as indicated by a mean value below 2.38. According to the Table, 80.3% (38.4% + 41.9 %) of the respondents believed that there is no practice of taking feedback in the process of their PA ($M = 1.91$, $SD = 0.965$). Similarly, 77.3% (28.8 + 48.5 %) of the respondents did not agree that indicators are discussed and communicated before their appraisal ($M = 2.07$, $SD = 0.982$). These results indicate that performance feedback and communication are not effectively implemented in the current PAS.

According to Table 14, most of the respondents (28.8% + 51.1% = 79.9%) either agree or strongly agree with the statement that PA is used primarily for promotion purposes ($M = 4.13$, $SD = 1.155$). It indicates a strong link between PA and the promotion of civil servants. Additionally, respondents have expressed their tendency towards disagreement with the other four statements that transfer and placement are compatible with PA ($M = 2.15$, $SD = 1.202$), training opportunities are compatible with PA ($M = 2.21$, $SD = 1.202$), best-performing employees have many opportunities ($M = 2.41$, $SD = 1.161$), and PAS supports the career development of employees ($M = 2.70$, $SD = 1.158$). This indicates that the current PAS does not help to provide other career and development opportunities except promotion.

The study aimed to get the views of respondents as to whether there is a linkage of PA to recognition and rewards. The result from Table 15 indicates that recognition and rewards for civil servants are not based on their PA. According to the result, 62.4% (27.9% + 34.5%) of the respondents either strongly disagree or disagree with the statement that rewards or recognition are based on performance ($M = 2.33$, $SD = 1.171$). Similarly, 70.3% (41.9% + 28.4%) of the respondents believed that the Best Civil Servant Award, which is awarded annually, is not based on their PA ($M = 2.08$, $SD = 1.209$). Additionally, 76.8% (41.9% + 34.9%) of the respondents opined that civil servants do not face any punishment even if they have very low performance ($M = 1.97$, $SD = 1.112$). It reveals the poor linkage between civil servants' performance and their PA in the NCS.

CONCLUSIONS

PA is a periodic and systematic judgment of an employee's performance through which an organization identifies employees' strengths, weaknesses, and future potential. An effective PAS enhances employee satisfaction, self-motivation and commitment to their jobs and responsibilities. However, based on the descriptive data analysis, this study concludes that the existing PAS in NCS suffered from various weaknesses and failed to appraise the PA of civil servants accurately due

to its ineffectiveness. It failed to enhance job satisfaction, employee motivation, organizational cooperation, work performance of the employee, and public service delivery ($M = 2.42$, $SD = 1.10$). Therefore, the following recommendations are suggested to make the existing PAS in NCS more effective and result oriented.

- Legal provisions of PAS should be clear, well-defined, acceptable, and well-communicated to the employees.
- It is imperative to develop clear and well-defined performance goals and objectives in organizations. Performance objectives should be specific, measurable, achievable, relevant, and time bound. Moreover, performance objectives must be compatible with the overall objectives of the organization.
- PA indicators must be clear, well-defined, measurable, realistic, and result oriented. Additionally, organizations should develop appraisal indicators that can evaluate the actual performance of the employees. It is also important that appraisal indicators be developed with consultation with the employees.
- Every civil servant must provide written job descriptions with clear tasks and responsibilities. Evaluators should conduct the PA of every civil servant based on the provided written job description.
- The evaluation process must be transparent, fair, neutral, and free from nepotism, favoritism, or political interference. There should be a clear demarcation between good-performing and poor-performing employees.
- Employees should have the opportunity to participate in their PA process, which can be the better way to make this system more effective.
- It is suggested to link the PA of civil servants with recognition, rewards, and punishment rather than promotion purposes only. Transfer, placement and training opportunities should be compatible with PA
- Providing continuous feedback to employees on their performance is a very effective way of appraising, rather than direct evaluation, in annual or semiannual intervals. Additionally, it should be conducted on a continuous basis rather than monthly, quarterly, semi-annually or annually.

Acknowledgement

I would like to express my sincere gratitude to my supervisor and chair of the committee, Professor Tetsuji Umada, Yamaguchi University, Japan for his invaluable patience, constructive and continuous feedback, indispensable advice, and encouragement. Furthermore, I am very much indebted to all the respondent civil servants for their valuable time, willingness to participate, and sharing of experiences. The study would not have been possible without their active participation.

Conflict of Interest

The authors declared no conflict of interest.

Funding

None

REFERENCES

- Acharya, B. S. (2019). *Human Resource Management (Emerging Concepts, Cases and Applications)*. Kathmandu, Nepal: Asmita Books Publisher & Distributors.
- Acharya, M. R. (2015). *Business of Bureaucracy* (3rd ed.). Kathmandu, Nepal: Vidyarthi Pustak Bhandar.
- Agrawal, D. G. (2009). *Human Resource Management in Nepal*. Bhotahiti, Kathmandu, Nepal: M.K. Publisher and Distributor.
- Antonov, V. G., Kuptsova, E. V., & Samosudov, M. V. (2020). Effectiveness Management. *115*, pp. 286–293. Springer.
- Bryman, A. (2016). *Social Research Methods* (5th ed.). Oxford, United Kingdom: Oxford University Press.
- Civil Service Act*. (1993). Retrieved from Nepal Law Commission: [https://lawcommission.gov.np/np/Civil Service Rules](https://lawcommission.gov.np/np/CivilServiceRules).
- Civil Service Rules*. (1993). Retrieved from Nepal Law Commission: [https://lawcommission.gov.np/np/Constitution of Nepal](https://lawcommission.gov.np/np/ConstitutionofNepal).
- Constitution of Nepal*. (2015). Retrieved from Nepal Law Commission: <https://lawcommission.gov.np/en/wp-content/uploads/2021/01/Constitution-of-Nepal.pdf>
- Dahal, S. (2018, November 1). Reforming the civil services. *The Kathmandu Post*. Retrieved from <https://kathmandupost.com/opinion/2018/11/01/reforming-the-civil-services>
- DEB, T. (2008). *Performance Appraisal and Management: concepts, antecedents and implications*. New Delhi: Excel Books.
- Debrincat, G. (2014). *The Effectiveness of Performance Appraisal Systems: Employee Relations and Human Resource Management*. Hamburg: Anchor Academic Publishing.
- Fein, E. C., Gilmour, J., Machin, T., & Hendry, A. L. (2022). *Statistics for Research Students*. University of Southern Queensland. Retrieved from <https://doi.org/https://doi.org/10.261>
- French, W. L. (2003). *Human Resources Management, Fifth Edition*. Boston: Houghton Mifflin Company.
- Hijazi, S. T. (2021). *Employee Performance Evaluation*. Independently published, Printed in Japan, Amazon.co.jp.
- Hughes, O. E. (2018). *Public Management and Administration* (Fifth ed.). London, United Kingdom: Red Globe Press.
- Iqbal, M. Z., Akbar, S., & Budhwar, P. (2015). Effectiveness of Performance Appraisal: An Integrated Framework. *International Journal of Management Reviews*, Vol. 17, 510-533.
- Maharvi, M. W., Iqbal, M. Z., & Ullah, M. I. (2014). Effectiveness of Performance Appraisal System: A Proposed Model with Empirical Evidence from the Government of Punjab, Pakistan. *International Conference on Trends in Economics, Humanities and Management (ICTEHM'14)*. Pattaya (Thailand).
- Mainali, R. (2010). Performance Appraisal and Implementation in the Nepalese Civil Service. *KDI Central Archives of Public Policy and Management*. Retrieved from <https://archives.kdischool.ac.kr/handle/11125/30215>
- Mathis, R. L., Jackson, J. H., & Valentine, S. R. (2014). *Human Resource Management, Fourteenth Edition*. Stamford, CT 06902: Cengage Learning.
- Meier, K. J. (1997, May-June). Bureaucracy and Democracy: The Case for More Bureaucracy and Less Democracy. *Public Administration Review*, 57(3), 193-199. Retrieved from <https://www.jstor.org/stable/976648>

- Pandey, B. (n.d.). Performance Appraisal in Civil Service [In Nepali]. *Governance and Administration*, 138-141.
- Paudel, P. P. (2012). Employee Performance Appraisal: Theory and Practice (in Nepali). *Prashasan*, 17-32.
- Paudel, R. C., & Gupta, A. K. (2019). Performance in Nepali Bureaucracy: What Does Matter? *Research Journal of Economics*.
- Pimentel, J. L. (2010). A note on the usage of Likert Scaling for research data analysis. *USMR & D*, 18(2), 109-12.
- Rusli, A., & Sopian, B. (2013, April). Issues and Challenges in the Practice of Performance Appraisal Activities in the 21st Century. *International Journal of Education and Research*, 1(4).
- S., J. (2016, April). 720 Degree Performance Appraisal: An Emerging Technique. *International Journal of Informative & Futuristic Research*, 3(8), 2956-2965. Retrieved from <http://ijifr.com/searchjournal.aspx>
- Singh, S. M. (2020, November 19). Why is the bureaucracy so inept? *The Kathmandu Post*. Retrieved from <https://kathmandupost.com/columns/2020/11/19/why-is-the-bureaucracy-so-inept>
- Vuong, T. D., & Nguyen, L. T. (2022, October 27). The Key Strategies for Measuring Employee Performance in Companies: A Systematic Review. *Sustainability*, 14(21). Retrieved from <https://doi.org/10.3390/su142114017>