THE EFFECT OF PERFORMANCE APPRAISAL PROCESS ON EMPLOYEES WORK ATTITUDE; THE CASE OF KENYA SEED COMPANY LTD

BY

CONSOLATA MUYUKA KHAYINGA

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DECLARATION

I hereby declare that this project is my original work and has not been presented to any institution of higher learning. It is therefore submitted to the School of Business of Kenyatta University, in partial fulfillment of the requirements for the award of Masters Degree in Business Administration Human Resource Management option.

Name: KHAYINGA MUYUKA CONSOLATA
D53/CTY/PT/20713/2010
Sign: 
Date: 19/06/2012

Declaration by the Supervisor
This project has been submitted to Kenyatta University with my approval as the University supervisor.
Name: MR JULIUS MURUNGI
Sign: 
Date: 25/06/2012

For and on behalf of Kenyatta University
Name: MR S. K. BETT
Sign: 
Date: 
Chairperson
Department of Business Administration
School of Business
DEDICATION:
I would like to dedicate this project to my Late Mum Christine Awinja Lubale, My Dear Husband Jairus Mukolwe Kanuli, my beloved son Davin Muhahala Lubale, my daughters, Twins Stacy Awinja & Tracy Induri, and Dorcas Matasi They are my inspiration for going back to school and the reason why I have to keep own working hard.
ACKNOWLEDGMENT

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I take full responsibility for any shortcomings.
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DEFINITION OF TERMS

Appraisal-the classification of someone or something with respect to its worth

Attitude - learned predisposition to respond in consistently favorable or unfavorable manner with respect to a given object

Perception- percept: the representation of what is perceived; basic component in the formation of a concept, it is the process of attaining awareness or understanding of sensory information.

Performance- is getting the job done. Producing the result that you aimed at.

Performance Appraisal – it is a consistent and systematic process that involves communicating to an employee how well he/she is performing a job and establishing a plan for improvement.

Performance Management – Integration of employee development with results based assessment.
ABSTRACT

This project was designed to assess the effect of performance appraisal process on employees work attitude in Kenya Seed Company Limited. Looking at the specific objectives: Participation of employees, Top management involvement, Feedback, Motivation and performance process. A sample of 71 respondents was selected. The respondents were drawn from all the departments at Kenya Seed Company Limited. Questionnaires were administered to the respondents. Primary data was collected which was summarized and analyzed using descriptive statistics and presented in tables, pie charts and bar graphs. The study established whether there is a performance appraisal system in place, it was also faced with various challenges and among the factors that influenced employee perception which include the following: lack of clarity on purpose of staff performance appraisal, no link between performance appraisal results and reward system, lack of communication on problem areas that require improvement and none existence of performance standards among others. The conclusion was reached to establish whether Kenya Seed Company’s performance appraisal process is effective to serve the intended purpose. It gave recommendations on the clarity about the purpose of performance appraisal and reward system be linked to the performance appraisal results.
CHAPTER ONE
INTRODUCTION

1.1 Background
Performance appraisal systems basically aim at improving the performance of employees by enhancing staff participation and their involvement in planning and evaluation of work performance. The importance of people management has an influence on organization productivity, even more than quality, technology, comparative advantage, research and development. Muthaura (2006). Employees’ performance may be viewed as a behavior or activity. Performance is what the workers do and can be observed. Performance involves those actions and behaviors that are relevant to the organizational goals and which can be measured by the individual’s employee contributions. According to Armstrong (2002), performance is a record of specified outputs on specified activity or job function during a specified period of time.

Performance appraisal is a means of evaluating employees’ current past performance standards set by the organization. Appraisal involves the setting of standards, and assessing the employees’ past and current performance in relative to these standards. Cole (2002). Performance appraisals also involve the provision of feedback on employees’ actual work performance in relation to the standard set.

Dessler (2003) states that Performance appraisal Permits for continuous communication between the supervisor and an employee about job performance, as a result this provides appropriate information to the management which can lead to appropriate managerial action for the improvement of the organizational standards. He further suggests that, In most organizations that appraise staff, performance appraisals provide some valuable information to a number of important human resource issues such as: deciding promotions, determining transfers, making terminations, identifying training needs, identifying skill and competency deficits, providing employee feedback and determining reward allocations. Through Performance appraisal organizations can validate and refine organizational actions such as selection, promotion and provide feedback to employees with the intention of improving future performance.
Various methods used to appraise employees include; Essay, Graphic rating scale, forced choice distribution, Management by objectives (MBO), rating and assessment centres and behaviorally anchored rating scales. Graphic rating scale is used to assess employees on quality and quantity of work done. In cases of suspicion of rater bias, then graphic scale and essay approaches are combined which helps each appraiser to appreciate the standard similarities. In forced-choice technique employees are rated and better employees, are those with higher scores while the poor get low scores. Management by objectives (MBO) involves employees helping in setting their own work standards and targets. To rank people working under different supervisors or departments, Alternate ranking and paired ranking techniques are used. In assessment centres, individuals from different departments are brought together to spend days working on individual and group assignments similar to the ones they will handle if they are promoted Armstrong (2002).

Perception varies from person to person and thus we may assign different meanings to what we perceive. The perception of performance appraisal by employees of organization is important, as employees are the driving force behind any successful productivity. The appraiser and appraisee should view performance similarly, so as to lead to increased acceptance of appraisal Nzuve (2007).

According to Nzuve (2007) people's behavior is based on their perception of the reality. If staff perception of what is expected of them is consistent with the actual expectations of the organization, then the result is effective performance. The Authors further notes that if staff perception is distorted or in accurate picture of reality, then the outcome will be inappropriate behavior and ineffective performance. If employees perceive low level of justice, favoritism, nepotism they will change their behavior contrary to what is beneficial to the organization.

1.1.1 Kenya Seed Company Limited
Kenya Seed Company is a state Corporation that produces and markets top quality seeds for the country are farming community with an overall objective of adding value to the
farming business and contributing to food sufficiency in Kenya and beyond. The company has made substantial contribution through the development, production and provision of high quality seeds for various agro-ecological zones.

The Company was incorporated in Kenya in July 1956 to promote the use of improved strains of pasture seed, developed by the National Agricultural Research Station at Kitale. Two years later, the company started an enterprise to produce commercial sunflower for the European bird feed market to sustain its financial needs that had by then expanded. In 1963 the company introduced hybrid seed maize production following the release of the first hybrids by the government Research centre in Kitale. Seed wheat was added to the seed program in 1971 to provide certified seed to farmers who previously depended on low quality farm saved seeds. Later in 1979 the company acquired Simpson and White law, a company trading in horticultural seeds, and introduced the brand name Simlaw Seeds, which has since distinguished itself as a leading brand in the market. In 2002 Simlaw Seeds was registered as a limited liability company and a subsidiary of Kenya Seed Company Ltd. Its core business is selling and marketing of high quality horticultural seeds in Kenya and eastern Africa. It also sells other farm inputs e.g. Pesticides and Fertilizers. In the same year Kenya seed incorporated Kibo and Mt Elgon seed Companies in Tanzania and Uganda respectively as an expansion strategy into the Eastern Africa market. Kenya Seed Journal (2009).

1.2 Statement of the problem

Werther et al (1996) note that in a globally competitive business world, organizations must perform well and at the same time employees need assessment and feedback on their performance as a guide to future behavior. They further note that organizations could be endowed with great resources both physical and human, but work performance depends on the management of the same. Of all the resources available, human resource is the one that may be affected by perception of injustice or fair play in work environment.

Employees give their best if they perceive to be working in an environment which is not contaminated by patronage, maneuvering, when rewards are linked to performance, promotions based on merit and complaints addressed Cole (2002). Perception of fairness
by rates has a bearing on their performance such as low rate of labour turnover, absenteeism and improved future performance Nzuve (2007). Fletcher (1997) notes that positive perception by staff towards performance appraisal is essential as it results in increased acceptance of assessment which leads to less defensiveness and confrontation, but to motivation and improvement in performance.

Performance improvement in an organization is driven largely by staff improving their performance at all levels. To reinforce performance growth, it is necessary to institute an effective appraisal system. The effectiveness of performance appraisal is largely dependent on staff perception. This will be attained only if performance appraisal system is supported by all staff in the institution. Analysis of staff perception of performance appraisal system is therefore crucial to identify areas that require improvement Armstrong (2001). It is against this backdrop that this rescuer will attempted to establish the effect of performance appraisal process on employees work attitude at Kenya Seed Company

1.3 Objective of the study

1.3.1 General objective
The purpose of the study was to find out the effect of performance appraisal process on employees work attitude.

1.3.2 Specific objectives
The specific objectives of the study were:

i) To determine how the employees viewed the process of performance appraisal.

ii) To determine if the employees participated in the process of performance appraisal

iii) To find out if the employees were motivated after the performance appraisal process

iv) To find out if the top management support the employees during the performance appraisal process
v) To determine if the employees were given the feedback after the performance appraisal process

1.4 Research Questions

The research questions of the study were as follows:

i) What are the views of employees on performance appraisal process?

ii) Are the employees allowed to participate in the formulation of performance appraisal process in the company?

iii) How are the employees motivated after the performance appraisal process?

iv) Does the top management support the employees during the performance appraisal?

v) Are the employees given feedback after the performance appraisal process?

1.5 Significance of the Study

The study will be useful in that the organization will benefit from effective Performance appraisal that will result in enhanced productivity. The study is intended to help management in the formulation of strategic and consistent administrative decisions as regards promotion, salary differentials, staff counseling, discipline and decisions for staff retention. It will assist management to identify its strengths and weakness as well as reveal problems restricting progress and causing inefficient work practices as well as uncover special abilities and potential. To future researchers it will shed light on major issues affecting performance appraisal in the organization. Scholars and future researchers may use the findings of this research as a source of reference, students/academicians and other interested institutions to which knowledge of existence of effective staff performance appraisal system may be imparted.

1.6 Limitations of the study

The limitations of the study were

Some of the information she wanted to get from the employees were confidential and some declined to give it out. And some of the employees were not willing to be
interviewed. due to the fear that some of the information might leak out to the competitors who could capitalize on the same hence it involved persistent request so as to be given the information and the researcher had to assure that the information given was going to be kept in a confidential way. The researcher assumed that Most of the employees in the organization understand why they are being appraised, but their were some of the employees who did not understand it hence limitation of information. And so the researcher had to use the help of the Human Resource Officer. The findings of these study mainly focused on Kenya seed Company limited hence narrowing the proper solution that could address issues of all agricultural sectors and state parastatals at large. The Researcher was a part time student and a full time employee so it was challenging for her to get time to go and carry out the research. The researcher had to take leave from her work place. At the same time the company had to allocate time for the exercise to be carried out in the organization.

1.7) The Scope of the Study
The study focused on Kenya Seed Company Limited Headquarters in Kitale. It analyzed the effect of performance appraisal process on employees work attitude. It targeted all the employees of Kenya Seed Company Limited from Top Management to support staff. And it was carried out in May 2012
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
Performance appraisal as a distinct and formal management procedure used in the evaluation of work performance, appraisal dates from the time of World War II. Performance appraisal systems largely began as a simple method of income justification as they (appraisals) were used as a method of deciding whether or not pay of an employee was justified. The system was therefore linked to material benefits as it was a cut in pay or a rise would provide the required impetus for an employee to either improve or continue performing well. This basic system sometimes succeeded in achieving the designed results, but more often than not failed. Pay rises are important however they are not the only factors that impact on the employee performance. Factors such as esteem, morale and work environment also play major influence on employee performance Dulewicz (1989).

The Author further notes that there is a basic human tendency to make judgment about those one is working with, as well as oneself. Therefore in the absence of a structured employee performance appraisal system, people will make judgment about the work of others – naturally, informally and arbitrarily. This human inclination to judge may create serious motivational, ethical and even legal problems in the work place. Thus without well defined structured performance appraisal system there is no guarantee that judgment made will be fair, lawful and accurate. Dulewicz (1989).

2.2 Theoretical Orientation
This study seeks to establish some of the contributions that have been focused by other researchers, authors and professionals. Staff appraisal is a process of evaluating behavior of employees in work places. It usually includes both qualitative and quantitative aspects of job performance. It is one of the basic human resource management functions often also referred to as performance review, staff evaluation, performance evaluation, merit evaluation and personal rating.
2.2.1 Complexity Theory

Frances Storr, Sheppard Moscow (1956). A central idea of complexity theories is that behaviour is produced by the interconnections and interdependencies of the agents in a system. The dominant practice in performance appraisal is to focus on and attempt to “measure” the individual in isolation. Basing an appraisal process on complexity thinking acknowledges the reality of behaviour as dynamic and contextual and redefines the Nature of performance appraisal in organisations. 360 degree appraisal is common practice nowadays but many organizations have been disappointed by what it has achieved for them and the level of bureaucracy involved. This perhaps partly explains the growing interest in this approach over the last 1-2 years. The businesses in which this approach is being introduced do not all have open supportive cultures which one would consider ideal for this process. What stimulated the introduction in most cases was a need for organizational truth telling. It has been important in each case to define what the purpose is for this organization and then create a climate which makes it safe enough for people to say what they have to say. The process helps to create a more open and honest culture.

2.2.2 Expectancy Theory

Expectancy theory assumes that individuals desire some outcomes over others and that individuals are able to choose their actions. It is a strong departure from behaviorism and hedonism Higgins (1997); Vroom (1964) because it assumes that individuals reflect and select actions not because they are avoiding pain and seeking pleasure, but because they desire different outcomes and make rational choice on the best methods to achieve those outcomes. In a performance appraisal setting, a supervisor must make a cognitive decision on how accurately he or she will complete the performance appraisal process as outlined in the organizations performance appraisal program. The basis for this decision is the level of importance that the supervisor views in the performance appraisal. If the supervisor views the performance appraisal as extremely important it is likely that the supervisor will put forth great effort to complete the performance appraisal accurately. If the supervisor does not value the performance appraisal he or she will likely not put forth much effort in completing the performance appraisal accurately.
2.2.3 Role Theory

Role theory has been used effectively by researchers in psychology, social psychology, sociology, organization behavior, and human resource management since the early 1930s. Multiple researchers from these various fields have concluded that roles play an important part in social structure Mead(1934; Turner (1978), and roles have been recognized as central to understanding employee behavior in organizations Katz et al (1978). In the strictest sense, roles are positions within a social framework Oeser et al (1964); however, they also are defined by the individuals who occupy them Callero, et al (1987); Oeser et al (1964).

According to role theory, individuals' role expectations are influenced by both their personal attributes and the context in which they exist. Thus, role theory suggests that employee performance will be a function of both the individual and the organization. This theory represents a major advance in explaining performance since it combines a psychological (individual contributions) and a sociological (organizational framework) perspective.

An important contribution of role theory to performance management is its ability to provide direction for avoiding measurement errors in performance appraisal tools. Although not using role theory specifically, researchers have suggested using roles as the basis for job descriptions as well as for specifying organizational expectations and performance requirements Ilgen et al (1992); Van Dyne et al (1995).

As a result, performance systems that rely on evaluating only those work behaviors defined by an organization as related to a specific job may exhibit deficiency error. Role theory suggests that, to correct for this measurement error, performance management systems need to account for multiple roles at work. In fact, researchers have begun to recognize the importance of using roles as a way to conceptualize work performance Ilgen et al (1992); Jackson et al (1995). Ilgen et al offered a theoretically based model of work roles that makes a major contribution toward viewing work performance from this perspective. These authors provided a comprehensive argument for the need to incorporate roles in a theory of work performance. Their main claim is that the omission of roles, in any approach to performance, is a deficiency. Ilgen et al (1992)
2.2.4 Identity Theory

According to identity theory, it is not the existence of roles, but their saliency, that affects behavior Burke, (1991); Thoits, (1992). Identity theory suggests a process by which people use an internal control system to filter information. The likelihood that an event or information will trigger behavior is associated with the saliency of a particular role Thoits, (1991, 1992). According to Thoits, "The more salient the role identity, the more meaning, purpose and behavioral guidance the individual should derive from its enactment" (1991: 106). The roles that are most salient to people provide the strongest meaning or purpose. In turn, the more meaning that is derived from a role, the greater the behavioral guidance that ultimately leads to the enactment of behaviors associated with that role. Thus, organizations can affect the behavior of employees at work by influencing the saliency of work-related roles. Firms influence work-related role saliency in many different ways, including rewarding behaviors, requiring behaviors, formally and informally recognizing behaviors, and even punishing employees when behaviors are not enacted. Employees should enact multiple roles beyond that of jobholder (role theory) and, employing identity theory, we suggest that those roles that are considered important from an organizational perspective should be measured through a comprehensive assessment of employee performance. Compensation systems are tools organizations use to communicate their intentions. Therefore, compensation systems provide a clue for uncovering which roles should be measured at work because they are one of the mechanisms by which firms communicate which particular roles are considered important for the firm's success. Using this theoretical and empirical support, the Role-based Performance Scale (RBPS) was developed.

2.3 Empirical review

2.3.1 General Views

According to Graham, et al. (1998) appraisal is the judgement of an employee's performance in his job based on considerations such as job requirements and descriptions. It is a consistent and systematic process that involves communicating to an employee how well he/she is performing a job and establishing a plan for improvement.
According Cole (2004) the expression performance appraisal usually relates to the assessment of staff or managerial performance, and not to that of manual workers. According to Armstrong (2006) performance appraisal can be defined as the formal assessment and rating of individuals by their managers at usually, an annual review meeting. Saleemi N.A (2006) suggests that performance appraisal implies systematic or formal evaluation of the individual with respect to his performance on the job and his potential for development. It is the rational and continuous process of evaluating the performance of employees on a particular job in terms of the job requirements.

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor that usually takes the form of a periodic interview, with a view to identifying weaknesses and strengths as well as opportunities and skill development. Gupta C.B (2001).

In many organizations appraisals are used, either directly or indirectly, to help determine reward outcomes. That is, the appraisal results are used to identify, the better performing employees who get the majority of available merit pay increases, bonuses and promotions. They are also used to identify the poorer performers who may require some form of counseling, or in extreme cases, demotion, dismissal or decreases in pay.

2.3.2 Performance Appraisal

Performance appraisal is a systematic, periodic review and analysis of employee’s performance. The work performance of the subordinates is examined and discussed with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development. In some organizations results are used, either directly or indirectly to help determine reward outcomes. Appraisals are used to identify better performing employees who get the majority available merit pay increases, bonuses and promotions while on the other hand it is used to identify poor performers who may require counseling or in extreme cases, demotions, dismissal or decreases in pay Graham (1998).

According to Sisson (1996) ideally performance appraisal permits management to specify what employees must do and combines feedback and goal setting. All those
involved should therefore recognize that appraisal involves human judgment and information processing and may not be totally objective and infallible. The system should be job related, relevant, sensitive, reliable, acceptable, practical, open, fair and useful and that the employee should participate in the development.

Cleveland, Murphy and Williams (1998) note that performance appraisal of staff are an important and integral part of any organization as they aid organizations to improve and be sufficiently productive. However, Derven (1990) has expressed doubts about the reliability and validity of performance process. Derven, (1990) notes that the process of appraisal is inherently flawed that it may be impossible to perfect. Lawrie (1900) views staff performance appraisal as the most crucial aspect of the organization’s life. Judge and Ferries (1993) agree with this view and add that performance appraisal plays a critical role for decision making on human resources actions and outcomes. They add that performance appraisal is a pre-requisite for other human resource functions such as training, selection and motivation. Lawler (1995) suggests that whatever its practical flaws performance appraisal is the only process available to achieve fair, decent and consistent reward system adding that it is the core of management of an organization as it provides information regarding planning, control and development purposes.

2.3.3 Performance Management

Bandaranayake (2001) views performance management as the development of individuals usually members with competence and commitment, working towards the achievement of shared meaningful objectives within an organization that supports and encourages their achievement. The Author notes that the process of performance management relates to the goals and targets set by organization and subsequent measurement of outputs and outcomes by means of performance indicator. Hackett (1998) states that performance management involves clear definition of goals and objectives for the team or the individual, and performance coaching. Some form of performance review and tracking to chart progress and record achievement are key stages leading to comprehensive performance and development plans. Graham and Bannet (1998) add that performance management involves the integration of employee
development with result based assessment. It encompasses appraisal objective setting, appropriate training programmes and performance related pay. From the foregoing it can be inferred that performance management entails all human managerial activities for initiating and tracking performance of an organization through its staff. Therefore the purpose of performance management is to improve performance by creating accountability to goals and objectives.

According to Williams (1998) performance management is divided into three Perspectives: Systems of managing Organizational performance. System for managing employee performance, and a system of Integrating the management of organizational and employee performance. Williams (1998) further notes that managing of organizational performance, involves planning and reviewing. The use of this model is the determination of and implementation of organization’s strategy through organization’s structure, technology, business Systems procedures among others. As a System for managing employees’ performance, performance management involves planning, managing and appraising. Performance management, seen as integrating the organizational and employee performance, combines the above two perspectives. It recognizes that employee’s performance takes place within the organizational goals and therefore recognizes three levels of performance: Organizational, process/function and team/individual. Hence the aim of performance management, is the development of staff potentials, improves performance through linking employees’ individual objectives to the firm’s strategies.

Armstrong (2001) proposes that performance management could be evaluated using scales which can either be behavioral with examples of good, average or inadequate or graphic which presents points along a continuum. The anchors could be defined alphabetically (a, b, c etc) numerically (1, 2, 3) or by means of initials (ex for excellent etc).
2.3.4 Performance Appraisal System

Longenecker et al (1996) suggest that employees view effective performance appraisal system as having clear job description and responsibilities. Employees will Endeavour to give their best when they are aware of what is expected of them, and when the goals and objectives are clear. Job description explains the duties, working conditions and other aspects of the job. The author’s further note that the employees’ development interests and needs should also be clarified. Identifying the training and development needs of individuals and group and seeking to provide opportunities for job and career discussions and counseling. Typically raters will begin by advising the appraisee and also analyze the type of skills and abilities required to produce a satisfactory outcome. Thus personal plans and aspirations will be reviewed to determine what modifications to the role and the job could be mutually beneficial to the employee and the organization.

Critics to above observation point out that performance appraisal must be with the need to provide efficient service within highly constrained budgets which may itself bring downsizing in staff numbers rather than expansion of opportunities as is currently the case with many public corporations in Kenya. Harris, Swan and Margulies (1988) note that performance objectives and standards should be monitored to ascertain that they are achieved and they should have real bearing on the results which must be agreeable to the job holder. They further note that the purpose for performance appraisal should be properly decided upon, which would include giving employee answers to the following questions: what am I expected to do, how well can I do, what are my strengths and weaknesses and how can I do better. In general it should capture the expectations of the organization and the capability of the employee. Other purposes include providing information on reward allocation, promotion, transfer, layoffs, high performance potential employees, training and development opportunities and how to overcome obstacles.

Mohrman et al (1989) note that appraisal process should be designed in concert with all stakeholders and open to constant interaction with them. Plans which are made jointly by staff and administers have a better chance of working as compared to those made independently by either party. Both raters and ratees must agree on the purpose,
importance, feedback and reward systems, otherwise the system will lead to
defensiveness and confrontations rather that improving productivity and motivating staff.
Longenecker et al (1992) have also noted the essence of perception, effectiveness and
purpose of performance appraisals by raters and ratees is important to both the
organization and individual employees. This therefore calls for the managers to
understand the perceptions of ratees and react to these perceptions. Shared views on the
purpose of appraisal result in the increased acceptance of the assessment process.

2.3.5 Performance Standards

According to Amstrong (2001), performance standards are a statement of the condition
that exist when a job is being performed effectively. The author add that performance
standards should be quantified for example, level of service or speed of response.
Mamoria et al (2005) state that performance standards should include the following
elements: quality, quantity, timelines, cost- effectiveness and inter- personal impact.
Quality involves the degree to which the process or results of carrying out an activity
approaches perfection. Quantity aspect of performance standards is expressed in
monetary terns, number of units or number of completed activity cycles. Cost
effectiveness relates to the degree an employee can carry out a job without supervisory
assessment. Interpersonal skills play a vital influence in promoting feelings of self
esteem, goodwill and cooperation among employees. Research by Longenecker et al
(1996) shows that employee’s view an effective performance system as having clear
standards against which standards is measured. Employees will give their best
performance when they know what is expected of them; when the goals and objectives
are clear. Phillip (1990) concurs with this position but is of the view that standards
should be monitored to ascertain that they have been achieved. Murphy and Cleveland
(1995) add that the monitoring of the standards should indicate real bearing on the
results and must be agreeable to the job holder. From the foregoing, it is evident that the
setting of standards mitigates against disagreements. On the other hand, Hariot (1989)
notes that it is useless trying to appraise personality as an employee can not change
personality. The author states employee performance appraisal should be based on job
analysis under formal standards which are specific and in line with organizations goals.
2.3.6 Approaches to Performance Appraisal

A number of performance appraisal approaches, have been developed to determine whether individuals and groups are doing what they are expected to do. If the greater majority of the workers or employees are performing as per the expectation of the management (performing effectively) and the work has been given out correctly without overlaps and omissions then the whole would fit together to yield an effective productive organization Miller (1959).

Organizations use various appraisal practices to achieve their goals. These include: Essay, Graphic rating scale, forces choice, Management by objectives, Rating and Assessment centers. The simplest form of the performance appraisals is the Essay appraisal. This technique asks the rater to write about the individuals strengths, weaknesses potential among other qualities. The assumption with this method is that an honest and informed statement from someone who knows the employee is more valid than the more complicated methods of appraisal.

Graphic rating scale approach is used to assess employees on quality and quantity of work, for example outstanding, above average, unsatisfactory, reliability, cooperation and oral communication. Bershire et al (1953) Essay and graphic rating scales are combined where there is suspicion of rater bias. This combined approach is referred to as field view. The approach helps each rater to appreciate the standard the standard similarity as raters meet with members of administrative or personnel section to establish areas of inert rater disagreement. Force-choice technique on the other hand was developed to reduce bias and establish objective standards of comparison among individuals. Though there are many variations to this approach the most commonly used are those which best fit employees being rated, and that which least fit the employee. The statements are scores and the better employees are those with higher scores while the poor get low scores.

Rating of staff has proved to be very traumatizing, people who get honest but negative feedback have not been motivated to improve on their performance, and in fact do worse after performance interviews. In such cases critical incidences approach is used, which involves use of graphic scales which often include rather vague traits such as initiative, cooperative, reliability and even personality which are difficult to discuss with an
employee. The technique requires that supervisors write down incidents on daily basis or at very least on weekly basis Mayer et al (1965).

Organizations are increasingly adopting the technique of management by objectives (MBO), which is aimed at avoiding, or dealing with employees that they are being subjected to high standards. Employees help in setting their own performance standards. However, employees in lower levels may not be willing to participate in own goal setting, resulting in the organizations imposing their objectives and standards Levinsion (1970). This technique of performance appraisal establishes work and staffing targets aimed at improving productivity. Of organizations to be able to compare people working under different supervisors and departments, use of ranking technique which involves the pooling of judgments become appropriate. The most effective and commonly used ranking methods are the Alteration Ranking and paired ranking. Alteration involves the listing of employees’ names and then asking the supervisor to choose the most valuable employee until all employees are picked. This method is appropriate to small numbers as applying it to large numbers may be time consuming and cumbersome. Under paired comparison ranking, employees are compared on whatever criterion chosen, for example present value to organization. Employees with higher scores are most valuable persons to the organization. These two methods when combined are among the best available for generating order-of-merit ranking for salary administration purposes.

Consideration has been centered on past performance leaving out assessment of potential performance. In any placement and even promotion decision, some prediction of future performance is necessary. Prediction could be made most validly and fairly by use of assessment centres. Under this approach, employees from different departments are brought together to spend days working on individual and group assignments similar to the ones they will be handling if they are promoted. The pooled judgment of observers sometimes derived by paired comparison or Alteration ranking leads to an order of merit – ranking for each participant. This approach makes it possible for employees working in departments of low status or visibility in organizations to become more visible. The other effect of this approach is that of equalizing opportunity, improving morale, and enlarging the pool of potential promo table candidates Byham (1970).
2.3.7 Performance Appraisal Process

According to Stalz (1966) the process of performance appraisal follows a set pattern, and starts with the establishment of performance standards. The author states that when designing the job and formulating a job description, performance standards are developed for the job. The set standards should be clear and objective enough to be understood and measured. Mamoria et al (2005), state that standards set should be discussed with the supervisors to establish the factors to be included, weights and points to be assigned to each factor, these then be indicated in the appraisal forms to be used in staff appraisal. The Mamoria et al (2005) further state that the second phase of appraisal process is to inform employees of the standards expected of them. Feedback is then sought to ensure that the information communicated to the employees has been received and understood in the intended way. This stage is followed by the measurement of performance. To determine what actual performance is, it is important to get information about it. The concern here is how to measure and what to measure; four sources provide information on how to measure actual performance. Personal observation, statistical reports, oral reports and written reports. This is followed by comparison of the actual performance and actual standards. Efforts are then made to note deviations between standard performance and actual performance. Mamoria et al (2005) state that appraisal results should be periodically discussed with a view to improve performance. The information an employee gets about his performance appraisal is very important in terms of self esteem and on his/her subsequent performance. Finally, the initiation of corrective action when necessary, can be of two types; immediately which deal with symptoms and the other is basic and delves into the courses. The diagram on the next page shows the performance process.
Figure 2.1  **Performance appraisal process**

- Establish performance standards
- Communicate performance expeditions to employees
- Measure actual performance
- Compare actual performance with standards
- Discuss the appraisals with employees
- If necessary initiate corrective


### 2.3.8 Performance Appraisal Instruments

Anderson (1993) notes that the effectiveness of a performance appraisal system is a function of the instrument used; and that it should provide important information to both employees and management. A number of Organizations adopt a one-size appraisal system which is a standard across all tasks. The assumption is that the approach is cheaper and provides consistency.

The various ways of classifying performance appraisal instruments include: Critical incidents, narratives and pre-determined anchors. Critical incidents involve noting instances where employers reacted well or poorly. For this technique to be effective and accurate Critical incidents need to be written down as they occur and care should be taken so that not only negative work best when raters have skills and take time to provide thorough analytical report while maintaining positive attitude.
Predetermined anchors technique is where raters check for most appropriate answer and can potentially make for more standardized evaluation than either of the other two methods. Anchors based appraisal include factors with numerical scale (e.g. 0 – 3) or with adjective – descriptive scale (e.g. superior, good below average). Latham (1983), Campbell et al (1996) are of the view that performance instrument must be designed to allow analysis of individual’s job, and be contingent to the size of the firm. Steers et al (1983) concur with the argument adding that every rate is different as well as jobs, and therefore, the need for performance appraisal instruments that caters for specific needs of the job and holder and not how well employees perform relative to others.

2.3.9 Perception

Nzuve (2007) defines perception as the process by which individuals organize and interpret their sensory impression in order to give a meaning to their environment. Gray et al (1988) note that people can see the same event but describe it differently. Phodes et al (2000) are of the view that organizational support is largely influenced by perception influenced by perception of fairness. Perception of performance appraisal of employees of an organization is of strategic significance, as employees are the driving force in the firm’s productivity. Therefore, perception influences organizational performance and hence it is important to investigate what influences perception of fairness.

By an organization giving attention to fairness as a criterion, it removes performance appraisal from strictly interpersonal concern to one that address inter-groups and institutional issues Kossek et al (1996). Nzuve (2007) states that the peoples’ behaviour is based on their perception of the reality. Arnold et al (1996) concur, and note that if staff perception.
2.4 Conceptual Framework

Figure 2.2

Independent Variable

- Feedback
- Participation
- Performance process
- Top management support
- Employee Motivation

Dependent variable

- Work Attitude

Source: Author (2012)

2.4.1 Interpretation of conceptual framework

i) Feedback

People need to know how well they are doing at their jobs and where they could improve. It is important to keep in mind that appraisals do not equate to criticism. It may be necessary to explain the importance of completing tasks within timelines or changing the technique of doing a task. Unfortunately, many performance appraisals only frustrate the employee by adding more tasks to what appears to be an already overloaded agenda.

A person appraising performance should be aware of “feedback-seekers, when usually a poor performing employee seeks feedback from his supervisor (future appraiser, actually) in inappropriate moments, when he is not ready or able to give accurate or frank assessment. If that is the case, a supervisor would often provide a few encouraging words of support. The problem arises in appraisal time. The supervisor will find that the
employee recalls every casual word of praise ever spoken. This is a very difficult situation for a supervisor, because he either lied when giving the praise, or least, misled the employee in thinking that his performance was acceptable. Supervisor might feel “caught in a trap” and may actually upgrade the results of performance appraisal. This situation is rather simple to avoid by a manager – he should always tell “feedback-seeker” that he doesn’t have time and ask him or her to see him in the office later

ii) Participation
The employees feel they own the process when they are fully involved in the formulation, this reduces number of obstacles like they don’t understand what they are doing, saves time on explaining and training during the process and the speed up the outcome. They feel the Company appreciates them and they give their best.

iii) Performance process
This follows a set pattern by designing and formulating a job description, the set standards should be clear and objective enough to be measured and understood, they should be discussed with the supervisors to establish the factors to be included.

iv) Top Management support
This helps in avoiding blockages and barrier that can hamper the process, allocating ample time for the process, giving enough resources to enable the process be success and taking necessary measure needed, assuring the employees they are behind them.

v) Motivation
Motivation can be enhanced through training the employees on the effects of the appraisal and show them the importance so that they can understand what it entails. The employees should have the will to keep on working like in case of both extrinsic and intrinsic motivation.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
In this section the researcher highlights the technical aspects of the study, which covers the procedures that was used in identifying the subject the sample, data collection instruments, procedures of collecting data analysis methods. The overall aim was to test the research questions and objectives, which enabled the researcher to come up with appropriate findings of the study.

3.2 Research Design
The research design used in the study was descriptive. The study aimed at collecting information from respondent’s opinion on evaluation of the effectiveness of performance Appraisal and its impact on work performance.

The objective of the design was to portray an accurate profile of person, events or situations Schuler (1984). It further seeks to establish factors associated with certain occurrences, outcomes, conditions or types of behavior Best et al (1992).

According to Mugenda and Mugenda (1990), descriptive statistics are recommended for the purpose of this study. Mugenda views descriptive statistics as indices that describes a given sample and relationships (correlation). The research attempted to assess the impact of performance appraisal systems on staff productivity.

The Target Population
To achieve the objectives of the study, the researcher used both qualitative and quantitative data analysis. The study concentrated on a population of 275 employees. The researcher obtained data from all departments within the organization. The target population of the study was summarized as Research, Production/Processing/Quality Assurance, ICT, Marketing, Human resource, Administration, Procurement, Security and finance/Audit department.

3.3 The Sample Size and Sampling Procedure
The sample consisted of 71 employees (25% of 275), this sample size meets
the minimum requirement of 10% sample, out of the accessible Population as indicated by Mugenda and Mugenda (1999) picked through stratified random sampling procedure as shown on the below. The respondents from various departments were selected randomly.

Table 3.1

<table>
<thead>
<tr>
<th>DEPARTMENT</th>
<th>POPULATION</th>
<th>25% SAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>PRODUCTION/PROCESSING/QTY ASSURANCE</td>
<td>54</td>
<td>14</td>
</tr>
<tr>
<td>MARKETING</td>
<td>94</td>
<td>24</td>
</tr>
<tr>
<td>ICT</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>PROCUREMENT</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>SECURITY</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>HUMAN RESOURCE</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>ADMINISTRATION/CORPORATE COMM</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>FINANCE/AUDIT</td>
<td>50</td>
<td>13</td>
</tr>
<tr>
<td>TOTAL</td>
<td>275</td>
<td>71</td>
</tr>
</tbody>
</table>

(Source author 2012)

3.4 Data Collection Instruments

The researcher used questionnaires that were structured which aimed at generating both qualitative and quantitative data. The questionnaires were based on the research objectives. The questions were simplified that enabled respondents to complete them with ease. Questions were both closed and open ended. The closed questions aimed at seeking specific information while open-ended ones aimed at giving the respondent the freedom to give their opinion.

3.5 Data Collection Procedure

The researcher got clearance from the Human Resource Manager enabled her administer the questionnaires to the employees by given a memorandum to all departments letting them to know what was happening and asking them to corporate. The questionnaires were administered by the researcher personally and by the help of the Human Resource
3.6 Data analysis and Presentation
The questionnaires were collected and analyzed. The data was analyzed both quantitatively and qualitatively. Quantitative data was analyzed using Descriptive statistics which obtain standard mean and frequency that was computed into percentages and presented in form of tables, pie charts and bar graphs. The qualitative data the researcher obtained information then tried to establish pattern and relationships from the information gathered using thematic approach.

3.7 Ethical Issues
The information collected from the research will be protected and will not be exposed to any other unindented peoples without permission; it will be availed to the management of Kenya seed company Limited for future implementation.
CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

In this chapter the researcher has presented the findings of the data collected through Questionnaires. The data collected has been analyzed and interpreted by the use of tables, graphs and pie charts.

4.1 The presentation of Data collected through Questionnaires.

The Questionnaire was divided into two sections ‘A’ and ‘B’. Section ‘A’ contained information of the respondents and section ‘B’ contained information that would help to find out the effect of performance appraisal process on employees work attitude.

The study concentrated on a population of 275 employees and a sample of 71 respondents was drawn from this population. The Questionnaires were administered through drop and pick later method. The questionnaire collected was only 55. The response from the Questionnaire is presented and analyzed below.

i) Age distribution of the respondents

As per the table bellow a large number of employees employed in the organization aged over 42 years, this represented 40% and those aged 24- 29 years are very few, therefore the organization should provide more opportunities to young people who could be more productive.

Table No1. Age distribution of the respondents

<table>
<thead>
<tr>
<th>Age Distribution</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>24-29</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>30-35</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>36-41</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>42 and over</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>55</td>
</tr>
</tbody>
</table>
ii) Gender distribution of the respondents
According to the per graph below it was established that the majority of the respondents were men which represented 67.3% while women were 32.7% this showed unfair distribution of gender within the organization.

Table 4.2 Gender

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>male</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>female</td>
<td>18</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>55</td>
</tr>
</tbody>
</table>

Figure 4.2
iii) Marital Status of the respondents
As per the table below 52 respondents were married and 3 were still single this is 94.5% and 5.5% respectively.

Table 4.3 Marital status

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>52</td>
<td>94.5</td>
</tr>
<tr>
<td>Single</td>
<td>3</td>
<td>5.5</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
</tr>
</tbody>
</table>

iv) Education level of the respondents
From the table below it is evident that most of the respondents have good educational background University graduates were 41.8% College graduates 45.5% and secondary school were 12.7% performance appraisal was encourage to improve the performance of the firm.

Table 4.4 Education level

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>secondary</td>
<td>7</td>
<td>12.7</td>
</tr>
<tr>
<td>college</td>
<td>25</td>
<td>45.5</td>
</tr>
<tr>
<td>university</td>
<td>23</td>
<td>41.8</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
</tr>
</tbody>
</table>
V) Respondents work experience

From the table below it is established that many of the respondents have not worked in the organization for long time, hence their need for a lot of training so as to gain enough experience which helps to increase productivity in the organization.

Table 4.5 Respondents work experience

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-10</td>
<td>26</td>
<td>47.3</td>
</tr>
<tr>
<td>11-20</td>
<td>11</td>
<td>20.0</td>
</tr>
<tr>
<td>21-30</td>
<td>12</td>
<td>21.8</td>
</tr>
<tr>
<td>over 31</td>
<td>6</td>
<td>10.9</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.2 The effect of performance appraisal process on work Attitude

1- Strongly Agree 2- Agree 3-Neither 4-Disagree 5-Strongly Disagree

Part 1: Performance process

<table>
<thead>
<tr>
<th>Model</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Performance appraisal is carried out as a matter of routine</td>
<td>12.7</td>
<td>41.8</td>
<td>7.3</td>
<td>20</td>
<td>18.2</td>
</tr>
<tr>
<td>2. Performance appraisal is used to improve work performance at Kenya seed Company Ltd</td>
<td>7.3</td>
<td>78.2</td>
<td>5.5</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>3. The purpose of performance appraisal in Kenya Seed is clear To all employees.</td>
<td>45.5</td>
<td>16.4</td>
<td>32.7</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>4. Performance appraisal is used mainly for intended purpose.</td>
<td>5.5</td>
<td>50.9</td>
<td>20</td>
<td>18.2</td>
<td>5.5</td>
</tr>
<tr>
<td>5. Kenya Seed has clear standards against which performance Appraisal is measured.</td>
<td>10.9</td>
<td>47.3</td>
<td>20</td>
<td>16.4</td>
<td>5.5</td>
</tr>
</tbody>
</table>

From the above, the majority feel that Performance appraisal is carried out as a matter of routine, and it is used to improve the work performance in the Company. Though the purpose is very clear to all employees it is used mainly for the intended purpose and the company has set clear standards against which performance appraisal is measured.

Part 2: Top management Support

<table>
<thead>
<tr>
<th>Model</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do you always feel free to speak to anyone in top management</td>
<td>5.5</td>
<td>41.8</td>
<td>5.5</td>
<td>27.3</td>
<td>20</td>
</tr>
<tr>
<td>2. The top management tries to make this Company a good place to work.</td>
<td>5.5</td>
<td>80</td>
<td>5.5</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>3. Top management here does not supply me with the necessary equipment to do a good job.</td>
<td>21.8</td>
<td>29.1</td>
<td>5.5</td>
<td>21.8</td>
<td>21.8</td>
</tr>
<tr>
<td>4. Top management here is not friendly toward the employees</td>
<td>10.9</td>
<td>21.8</td>
<td>16.4</td>
<td>25.5</td>
<td>25.5</td>
</tr>
<tr>
<td>5. Our management keeps us informed about new plans and developments</td>
<td>43.6</td>
<td>18.2</td>
<td>16.4</td>
<td>21.8</td>
<td></td>
</tr>
</tbody>
</table>

The employees are free to talk to top management, the management tries to make the Company a good place to work, though the employees feel that the management does not supply enough nor little as well as being friendly towards the employees but keeps the employees informed about new plans and developments.
Part 3: Feed back

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Performance results are always given to the appraisees.</td>
<td>61.8</td>
<td>10.9</td>
<td>12.7</td>
<td>14.5</td>
<td></td>
</tr>
<tr>
<td>2. Performance results are used throughout Kenya seed to improve service delivery</td>
<td>58.2</td>
<td>10.9</td>
<td>25.5</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>3. Results are useless. They do not affect one’s performance In any way</td>
<td>5.5</td>
<td>12.7</td>
<td>14.5</td>
<td>54.5</td>
<td>12.7</td>
</tr>
<tr>
<td>4. Scores are based on individual supervisor (s) and not actual Performance.</td>
<td>12.7</td>
<td>10.9</td>
<td>20</td>
<td>50.9</td>
<td>5.5</td>
</tr>
<tr>
<td>5. Appraisers communicate problem area (s) to the appraises.</td>
<td>5.5</td>
<td>43.6</td>
<td>10.9</td>
<td>23.6</td>
<td>16.4</td>
</tr>
<tr>
<td>6. Appraisers and appraisees communicate freely</td>
<td>67.3</td>
<td>21.8</td>
<td>10.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The majority of employees said that the results are given to them and are used to improve the service delivery; the scores are based on actual performance. Communication is done freely.

Part 4: participation

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Appraises participate in designing performance appraisal system in Kenya seed</td>
<td>23.6</td>
<td>49.1</td>
<td>10.9</td>
<td>16.4</td>
<td></td>
</tr>
<tr>
<td>1. My co-workers are cooperative and work well together</td>
<td>45.5</td>
<td>12.7</td>
<td>36.4</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>2. We are encouraged to make suggestions for improvements in our work</td>
<td>72.7</td>
<td>7.3</td>
<td>16.4</td>
<td>3.6</td>
<td></td>
</tr>
<tr>
<td>3. We are never informed about changes, even those that affect us personally</td>
<td>3.6</td>
<td>30.9</td>
<td>21.8</td>
<td>43.6</td>
<td></td>
</tr>
<tr>
<td>4. Consideration and attention are shown to me when I use good judgment and initiative</td>
<td>61.8</td>
<td>21.8</td>
<td>16.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The employees are not fully involved in designing the Appraisal Systems, but they cooperate with their co-workers so as to work well. They are informed on the changes and given consideration plus attention is given to them during the judgment.
Part 5: Motivation

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Performance appraisal is linked to the reward system in Kenya Seed</td>
<td>32.7</td>
<td>34.5</td>
<td>23.6</td>
<td>9.1</td>
<td></td>
</tr>
<tr>
<td>2. Good performers are promoted</td>
<td>27.3</td>
<td>18.2</td>
<td>27.3</td>
<td>27.3</td>
<td></td>
</tr>
<tr>
<td>3. Poor Performers are demoted or sacked</td>
<td>10.9</td>
<td>40</td>
<td>43.6</td>
<td>5.5</td>
<td></td>
</tr>
<tr>
<td>4. Promotions and other rewards are not linked to performance But other considerations e.g. ethnicity, politics, patronage Favouritism etc.</td>
<td>14.5</td>
<td>29.1</td>
<td>56.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Kenya seed values your contribution</td>
<td>5.5</td>
<td>50.9</td>
<td>16.4</td>
<td>23.6</td>
<td>3.6</td>
</tr>
</tbody>
</table>

The employees partly feel that reward is linked to performance and hence there is no impact on the whether they perform good or bad as far is motivation is concerned though promotion is not linked to other considerations hence Kenya seed Company open and clear on its system of work.

Part 6: Work attitude

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is the production of the Company Good compared to its Competitors</td>
<td>14.5</td>
<td>80</td>
<td>5.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Are the Customers satisfied with the service they are given</td>
<td>14.5</td>
<td>74.5</td>
<td>10.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Is the quality of your products the best</td>
<td>30.9</td>
<td>69.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Kenya Seed enjoy the largest percentage of the market share</td>
<td>43.6</td>
<td>56.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. The Company is a good place to work</td>
<td>21.8</td>
<td>78.2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the above the employees give their best at work hence production is better than the competitor. Their customers are satisfied with the services given to them, the qualities of their products are good and they feel the company is a good place to work.

6. The employees considered feedback given to them as to improve their performance to be the greatest success of performance appraisal process in Kenya Seed Company Ltd
SECTION C
RECOMMENDATIONS

This Section aims at obtaining suggestions on how to enhance positive employee perception of performance appraisal at Kenya Seed Co. Ltd. Please tick in the bracket to indicate the ones you agree with, if some of the recommendations you would wish to suggest are not below please.

Provide your suggestions in the space for others.

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Employees should be explained what the purpose of performance appraisal is</td>
<td>85.5</td>
<td>14.5</td>
</tr>
<tr>
<td>2. Employees should be explained the use of performance appraisal results</td>
<td>94.5</td>
<td>5.5</td>
</tr>
<tr>
<td>3. Performance appraisal process should be open and carried out regularly</td>
<td>90.9</td>
<td>9.1</td>
</tr>
<tr>
<td>4. Areas where employee(s) requires improvement be pointed out.</td>
<td>89.1</td>
<td>10.9</td>
</tr>
<tr>
<td>5. Employees should be given feedback immediately after appraisal(s)</td>
<td>94.5</td>
<td>5.5</td>
</tr>
<tr>
<td>6. Performance appraisal results be linked to the reward system.</td>
<td>93.8</td>
<td>6.3</td>
</tr>
<tr>
<td>7. Do you think there is need to change the performance appraisal process in Kenya Seed Ltd</td>
<td>67.6</td>
<td>32.4</td>
</tr>
</tbody>
</table>

8. The employees felt that people should be appraised on areas they give full command and balance score cards should used when rating them.

9. They felt that external appraisers should used during the process to avoid biasness, employees should appraise themselves first before they are appraised, The Company should set clear objectives and key performance indicators should be used.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter presents summary, conclusion on the results obtained in line with the objectives of the study. The main purpose of the study was to find out the effect of performance appraisal process on employees work attitude at Kenya Seed Company Limited. In summary the study shows employees, perception of staff performance appraisal process at Kenya seed Company Limited.

5.2 Summary
The study shows that the appraisees do not have a clear understanding of staff performance appraisal process and what it is used for. This is an indication that the purpose of performance appraisal exercise in Kenya Seed Company has not been clearly articulated by the management.

The respondents indicated that performance appraisal is not measured on clear standards nor are Kenya Seed goals and objectives clear to the appraisees. The respondents were of the view that apart from being allowed to participate in setting performance targets, performance appraisals standards to be clear and a timeframe for accomplishing the targets be indicated. Staff performance appraisal process can be successful only when there are clear objectives, work standards and understandable work targets.

There was evidence from the results of the study that employees are not involved in the designing and development of performance appraisal instruments, and that they (instruments) are not tailored for each work category. Shared views on the design and development of performance appraisal tools results in an increased acceptance of the assessment process. Both management and employees develop a shared partnership of the appraisal process. It is evident from the responses received during the study that, the appraisal instrument does not give room for explanation about performance appraisal. Free communications during performance appraisal exercise facilitate discussion on job performance and general productivity of the organization.
The study showed that performance appraisal results are relayed to the appraisees immediately the exercise is over which is commendable, however respondents indicated that the feedback was not used throughout Kenya Seed to improve work performance. Problem areas are not pointed out to appraisees in the feedback for corrective action, and therefore the work culture at Kenya Seed does not place much premium on the appraisal process.

The study further indicates that the results of staff performance appraisal are not linked to rewards such as promotions, training and punishments such as sackings and demotions. The respondents believed that promotions or other rewards were not based on other considerations such as ethnicity favouritism, political patronage among others, They felt that performance appraisal process should be linked to it and they commended the management for being fair not being biased.

5.3 Conclusion

Based on the results from the data analysis and findings of the research from chapter four, one can safely conclude the following:-

First, the purpose of performance appraisal process at Kenya seed is not clearly articulated by the management and as a result the system is in effective and negatively perceived by the employees.

Secondly, efforts were made to find out whether performance appraisal instruments and standards were clear to the majority of employees. The results of the study indicated that the various performance appraisal instruments are easily understood by employees and that they do not experience problems filling them (instruments). However, performance standards were found not to be clear to most employees. Evidence indicate that in the absence of clearly predetermined standards, objectives and goals of the organization, performance results may not be used to identify training needs, skill gaps, improvement in work performance and service delivery.
Thirdly, it was clear from the study that performance appraisal instruments are not tailored to specific job categories. This might lead to the assessment of aspects of the job(s) which are not relevant to some individual employees. The performance appraisal instruments also do not give room to explanations about performance appraisal process. This is because after the performance appraisal exercise the information in the instrument is treated confidentially by the supervisors.

Fourthly, it was evident from the study that feedback to appraisees is given promptly after performance appraisal exercise. This is commendable as it motivates employees to effectively perform their work. However, evidence also indicated that specific areas that require improvement are not pointed out to the appraisees. This is a problem which is likely to be sorted out if the appraisal system is reviewed periodically to address the changing needs by various stake-holders of Kenya Seed Company.

Fifth, there were indications from the study that employees do not participate in designing and developing performance appraisal instruments. Through the practice of evaluating staff performance has not been at Kenya Seed Company for long, the continued exclusion of members of staff in designing and development of performance appraisal instruments could lead to a apathy and hence lack of interest in the whole process.

Finally, as far as the rewards are concerned, the study revealed that they are not linked to performance appraisal process. Rewards on other hand are not influenced by ethnic, political patronage, favouritism among other considerations. This lack of linkage between the performance appraisal process and Kenya Seed reward system is a fertile ground for breeding negative perception of the performance appraisal process.

5.4 Recommendations
The following recommendations are worth making in order to enhance positive employee perception of performance appraisal.
Many employees of Kenya Seed Company do not have clear knowledge about the purpose of performance appraisal process. For it to be effective, employees should be explained what the purpose of performance appraisal is, and use of the results obtained from the exercise. The training of both the appraisees and praisers on the importance of staff performance appraisal process is necessary so that both groups know what to expect of the performance appraisal process. The training of staff would also impact the right attitude towards the process.

Performance appraisal standards are not clear to most employees. Performance appraisal standards should be clearly set out so that the appraisees will know the standards against which they are being rated, and equally the appraisers will know the standards they are using to appraise staff. The management or, supervisors should set targets, and activities that need to be carried out so as to achieve the stated targets and the timeframe for accomplishing them (targets).

Kenya Seed goals and objectives are not clearly articulated to staff. The goals and objectives be made clear to all employees of Kenya seed so that targets are set in line with the mission and vision of the organization.

Kenya Seed Company operates in a changing environment which calls for constant change in its mode of delivery of goods and services to its many stakeholders. The performance appraisal instruments used by Kenya Seed should therefore be revised with a view to tailoring each instrument to specific job categories. Those used be reviewed periodically, say after every three years in line with changing organizational culture, technology, competition in the market among others.

The results of performance appraisal are not linked to Kenya Seed reward system. The appraisal performance process be linked to Kenya Seed reward system. And that areas where employees require improvement be pointed out by the management. This would lead to enhanced productivity and positivity and positive perception of performance appraisal process at Kenya Seed.
Finally, feedback be given promptly as is currently the case so as to develop trust positive perception and also reduce anxiety among employees during the exercise. Feedback further be used to improve communication, identify problems areas, training needs and career development of the appraisees for effective performance and organizational development.

5.5 Suggestions for further research

The study dealt with the problem of employee perception of performance appraisal. This study being exploratory in nature has provided insights of factors influencing employee perception of performance appraisal.

The results of the study having been a case study can not be fully conclusive to all other organizations operating in Kenyan economy, because of the different organizational culture that could be influencing employee perceptions of performance appraisal. Further study on organizations different sectors of the economy would shade light as whether employees in other sectors have different perception of performance appraisal.
REFERENCES


Cleveland, J. N. Murphy K.K., and William R. (1998), Understanding Performance Appraisal; Social; Social, Organization and Goal Based Perspectives. California; Sage Based Publications.


Mamoria, C. B. and Gaukar, S. V. (2005), *Personnel management* 22nd Ed. Text and cases. New Delhi; Himalaya publishing house,

Miller, R. V.(1959), Merit rating in Industry; ‘A Survey of current practices and problems’ *ILR Research*.


Moorman (1991), ‘Relationship between Organizational Justice and organizational Citizenship Behaviours;’


TO WHOM IT MAY CONCERN:

RE: CONSOLATA MUYUKA KHAYINGA - D53/CTY/PT/20713/2010

This is to confirm that the above named is a Master of Business Administration MBA (HRM) option Student in the School of Business, Kenyatta University.

She is through with course work and has successfully defended her Masters Degree proposal (The Effect of Performance Appraisal Process on Employees Work Attitude. The Case of Kenya Seed Company Limited) and has done all the corrections that were pointed out by the examiners during the defense. She is now embarking on data collection.

Any assistance accorded her will be much appreciated by this office.

Thank you.

MUATHE SMA (PhD)
DOCTORAL AND MBA PROGRAMME COORDINATOR

SMA/nt
MEMORANDUM

FROM: Ag. H.R. & Admin. Manager
REF: KSC/HR/RES./12

TO: All Staff
DATE: 30th May, 2012

DATA COLLECTION – CONSOLATA M. KHAYINGA

The above-named who is a student at Kenyatta University has been allowed to undertake a research on The effect of Performance Appraisal process on employees work attitude. The case of Kenya Seed Company Limited.

Accord her your co-operation.

K.S. Malakwen

cc. Managing Director
DOP/DMD
HOD's
Letter to Respondents

Dear Respondent,

This study seeks to investigate the effect of performance appraisal process on work attitude. The research intends to recommend the most appropriate remedial factors to arrest work attitudes which would enhance and sustain organization productivity. Given the significance of the study in enhancing the productivity of the Company, reflected in the performance of employees in the Organization, you are an important part in the study. Please spare some of your precious time to provide information relating to the questions that follow. Each response will be confidential and used for academic research only. Thank you for your co-operation.

Sincerely,

Consolata M Khayinga
APPENDIX I:
RESPONDENT QUESTIONNAIRE

Questionnaire on Employee perception of performance appraisal and its effect on work performance.

INSTRUCTIONS

This questionnaire is divided into three sections ‘A’, ‘B’ and ‘C’. Section ‘A’ contains information of the respondent and Section ‘B’ contains information on the effect of performance appraisal process on work Attitude. While Section ‘C’ aims at obtaining suggestions on how to enhance positive employee perception of performance appraisal. Please complete the following items by ticking where appropriate.

SECTION A - Biodata

1. Indicate your Age bracket
   - 18 - 23
   - 24 - 29
   - 30 - 35
   - 36 - 41
   - 42 and over

2. Indicate your gender:
   - Male
   - Female

3. Indicate your marital status:
   - Married
   - Single

4. What is your job designation? __________________________

5. Indicate your education level
   - Primary
   - Secondary
   - College
   - University
   - Others

6. For how long have you been working for your organization?
   - 1 – 10yrs
   - 11 – 20 yrs
   - 21 – 30yrs
   - Over 31yrs

7. State your Department of work _________________________

8. State your section of work ____________________________

SECTION B:

This section will seek to find the factors that influence performance Appraisal process in Kenya Seed Company Limited.

indicate either 1- Strongly Agree 2-Agree 3-Neither 4-Disagree 5-Strongly Disagree

43
### Part 1: Performance process

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Performance appraisal is carried out as a matter of routine</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Performance appraisal is used to improve work performance at Kenya seed Company Ltd</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The purpose of performance appraisal in Kenya Seed is clear to all employees.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Performance appraisal is used mainly for intended purpose.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Kenya Seed has clear standards against which performance Appraisal is measured.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part 2: Top management Support

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you always feel free to speak to anyone in top management</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>The top management tries to make this Company a good place to work.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Top management here does not supply me with the necessary equipment to do a good job.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Top management here is not friendly toward the employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Our management keeps us informed about new plans and developments</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part 3: Feedback

1. Performance results are always given to the appraisees.
   
   |   |   |   |   |   |
   | Strongly agree | Agree | Neither | Disagree | Strongly Disagree |

2. Performance results are used throughout Kenya seed to improve service delivery.
   
   |   |   |   |   |   |
   | Strongly agree | Agree | Neither | Disagree | Strongly Disagree |

3. Results are useless. They do not affect one’s performance in any way.
   
   |   |   |   |   |   |
   | Strongly agree | Agree | Neither | Disagree | Strongly Disagree |
4. Scores are based on individual supervisor (s) and not actual Performance.

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

5. Appraisers communicate problem area (s) to the appraises.

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

6. Appraisers and appraisees communicate freely

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

Part 4: participation

1. Appraisees participate in designing performance appraisal System in Kenya seed

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

2. My co-workers are cooperative and work well together

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

3. We are encouraged to make suggestions for improvements in our work

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

4. We are never informed about changes, even those that affect us personally

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree

5. Consideration and attention are shown to me when I use good judgment and initiative

   □    □    □    □    □    □
Strongly agree  Agree  Neither  Disagree  Strongly Disagree
Part 5: Motivation

1. Performance appraisal is linked to the reward system in Kenya Seed
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

2. Good performers are promoted
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

3. Poor Performers are demoted or sacked
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

4. Promotions and other rewards are not linked to performance. But other considerations e.g. ethnicity, politics, patronage Favouritism etc.
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

5. Kenya Seed values your contribution
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

Part 6: Work attitude

1. Is the production of the Company Good compared to its Competitors
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

2. Are the Customers satisfied with the service they are given
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

3. Is the quality of your products the best
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree

4. Kenya Seed enjoy the largest percentage of the market share
   - Strongly agree
   - Agree
   - Neither
   - Disagree
   - Strongly Disagree
5. The Company is a good place to work

Strongly agree  Agree  Neither  Disagree  Strongly Disagree

6. What do you consider to be the greatest success of performance appraisal process in Kenya Seed Company Ltd

SECTION C
RECOMMENDATIONS

This Section aims at obtaining suggestions on how to enhance positive employee perception of performance appraisal at Kenya Seed Co. Ltd. Please tick in the bracket to indicate the ones you agree with, if some of the recommendations you would wish to suggest are not below please.

Provide your suggestions in the space for others.

1. Employees should be explained what the purpose of performance appraisal is. ( )
2. Employees should be explained the use of performance appraisal results ( )
3. Performance appraisal process should be open and carried out regularly ( )
4. Areas where employee (s) requires improvement be pointed out. ( )
5. Employees should be given feedback immediately after appraisal (s) ( )
6. Performance appraisal results be linked to the reward system. ( )
7. Others (Specify).

8. Do you think there is need to change the performance appraisal process in Kenya Seed Ltd? Yes ( ) No ( )

What suggestions do you recommend

9. How do you think the effectiveness of performance appraisal process can be improved at Kenya seed company Ltd? Please list below:
# APPENDIX II
## WORK PLAN FOR THE PROJECT

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date (2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correction of Proposal</td>
<td>16&lt;sup&gt;th&lt;/sup&gt; – 18&lt;sup&gt;th&lt;/sup&gt; May</td>
</tr>
<tr>
<td>Data Collection</td>
<td>30&lt;sup&gt;th&lt;/sup&gt; – 31&lt;sup&gt;st&lt;/sup&gt; May</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>9&lt;sup&gt;th&lt;/sup&gt; June – 12&lt;sup&gt;th&lt;/sup&gt; June</td>
</tr>
<tr>
<td>Writing the report</td>
<td>13&lt;sup&gt;th&lt;/sup&gt; - 16&lt;sup&gt;th&lt;/sup&gt; June</td>
</tr>
<tr>
<td>Submission of report to the supervisor</td>
<td>19&lt;sup&gt;th&lt;/sup&gt; June</td>
</tr>
<tr>
<td>Submission of final research project</td>
<td>21&lt;sup&gt;st&lt;/sup&gt; June</td>
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</table>
# Appendix III
## Budget

<table>
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<tr>
<th>Item</th>
<th>Quantity</th>
<th>Amount (KShs)</th>
<th>Total</th>
</tr>
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<tr>
<td>Printing papers</td>
<td>6 Reams</td>
<td>500</td>
<td>3,000</td>
</tr>
<tr>
<td>Flash disk</td>
<td>1gb flash disk</td>
<td>1,500</td>
<td>1,500</td>
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<tr>
<td>Printing the proposal</td>
<td>6 proposals</td>
<td>500</td>
<td>3,000</td>
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<tr>
<td>Binding</td>
<td>6 proposals</td>
<td>100</td>
<td>600</td>
</tr>
<tr>
<td>Typing the proposals</td>
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<td>6,000</td>
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<tr>
<td>Transport</td>
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<tr>
<td>Data analysis</td>
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<td></td>
<td>5,000</td>
</tr>
<tr>
<td>Printing the final document</td>
<td>7 documents</td>
<td>600</td>
<td>4,200</td>
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<tr>
<td>Binding</td>
<td>7 Final document</td>
<td>300</td>
<td>2,100</td>
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<td><strong>Total</strong></td>
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<td></td>
<td><strong>32,400</strong></td>
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