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**PERFORMANCE APPRAISAL AND EMPLOYEE PERFORMANCE AT KIBABII UNIVERSITY IN BUNGOMA COUNTY, KENYA**

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**ABSTRACT**

Performance appraisal linked to employee performance at Kibabii University is not effectively being used thereby making it a lesser activity of Human Resource Management. The activity is mostly conducted as a mere exercise with no relevance to the journey of individual career growth and improvement. Kibabii University has a weakened system installed to assess and give feedback on employees' performance to inform and guide their future behavior. As a result, the study sought to investigate the influence of performance appraisal on employee performance at Kibabii University in Bungoma County focusing on evaluation, management by objectives, performance appraisal design and 360 degrees' appraisal. The anchoring theories were Organizational Justice, Goal Setting and Expectancy. A case study design was adopted on a target population of 400 employees where stratified random sampling was adopted to sample 200 respondents. A structured questionnaire was used to collect data which was analysed through descriptive, correlation and regression statistics using Statistical Package for Social Sciences. The results indicated a positive and significant influence of evaluation, management by objectives and 360 degrees Appraisal Method on employee performance but positive and not significant influence of performance appraisal design.

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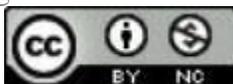
This significance of the results is that an increase in performance evaluation, management by objectives practices, an improvement in performance appraisal design as well as 360 degrees' appraisal methods significantly improves employee performance. The study recommends an improvement in the performance appraisal practices in the institution if there is a need to significantly improve employee performance.

**Key Words:** *Appraisal, Evaluation, MOB, Appraisal Design, Employee Performance*

## **INTRODUCTION**

Saeed (2013) indicated that the use of performance appraisal grew systematically from the USA military in the 19th century where the pressure for promotions in the military ranks was growing. This called for performance appraisal where techniques such as trait rating scales and peer ranking were developed and used. This method was however unpopular until after World War One after which it has assumed an exponential growth in the years to follow (Dessler, 2013). Rollison (2015) argued that sometimes back, performance appraisal was spared for the high reaches only. Bakotic and Babic (2013) contends that the approach was done by inspectorate system. To maintain an organization's vitality, performance appraisal should be approached as a participative method and not command like procedure (Ibeogu & Ozturen, 2015). The African Union (AU) came up with a system called New Partnership for Africa's Development (NEPAD) to be used by the respective governments of the member states to improve their governance through democracy, political, economic and corporate governance. This method was adopted in the year 2003 by Kenya (Wanjiru, Abaja & Ochieng, 2013) and other member states such as Nigeria, Gambia and Ghana are also implementing the method. So has Rwanda adopted the method to streamline the performance of employees in both local and ministerial levels (Mwema & Gachunga, 2014). An interrogation by Owor (2016) demonstrated that in Uganda, there is management of employees in a continuous process which emphasizes collective identification, development and implementation of both individual and team goals. Mwema and Gachunga (2014) on the other hand felt that performance appraisal was not a significant determinant of performance in schools in Kenya. However, inadequacy of instructional materials was.

Nguata (2013) emphasized the importance of having timely and regular feedback so as to enhance corrective action. Despite its importance, performance appraisal as argued by Harvard Business School Press (2013) has been implemented quite differently depending on the purpose, process and effects. Focusing on Kenyan schools, Gichuhi (2008) documented the importance of performance appraisal in ensuring that the teachers performed and met their targets. However, Mwema and Gachunga (2014) felt that there lacks an elaborate performance appraisal system in the Kenyan education sector and in cases where it existed, it had not played a significant role in creating teacher motivation. Kelemba, Chepkilot and Zakayo (2017) observe that performance appraisal especially in the Kenyan education system is not only an expensive exercise but also lacks a clear purpose. Employee performance is a key element of the Social Pillar component of Kenya Vision 2030, the blue print guide to economic growth from 2008 to 2030. Optimal utilization of human resource is crucial in efficiency and effectiveness in quality service delivery to citizens hence, realization of the vision. According to Lee and Chen (2013), limited knowledge and competence building within the workforce compromised quality and limited access to information on program-based budgeting have hindered employee performance in public service leading to poor service delivery.



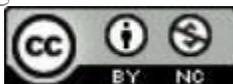
The contribution by these authors although limited to capacity building and budgeting has contributed significantly to the current research. Unfocused leadership, limited funds, poor evaluation and reporting system, lack of employee involvement in decision making and weak legal framework to hinder employee performance. Employee involvement, training on performance contracting, employee participation, autonomy and investment into new technology were proposed as ways of improving employee performance.

### **STATEMENT OF THE PROBLEM**

Systems used to monitor employee performance are not new and hence it is of importance to review how organizations review performance. Among most organizations, the link between human resource functions and performance appraisal system lacks (Karuja & Mukuru, 2013). At Kibabii University, performance appraisal linked to employee performance is not effectively adopted thereby among the less practiced HR functions. The activity is mostly conducted as a mere exercise with no relevance to the journey of individual career growth and improvement as well as reward, training nor job transfer. The increasing higher education demands have placed Kibabii University in a challenging situation with a high number of poorly maintained learning and research facilities. It is reported that Kibabii University has a weakened system installed to assess and give feedback on employees' performance to inform and guide their future behavior. The appraisers lack exposure on the exercise especially in regard to linking it to other HR functions. Basically, this has forced the process to look like a mere normal process in the institution where feedback is hardly considered in decision making. Ngari and Ndirangu (2014) document that performance appraisal should be an ongoing process where the feedback is well utilized in order to realize its benefits.

While this is the case, other interrogations have called for a complete abolishment of performance appraisals system citing shortcomings in the process. Most managers felt that the process was not beneficial to the organization and didn't add any value to it. In as much as it is being adopted by most organizations locally, the assessment of its effectiveness has not been done which motivates this study. Of the studies which have linked it to performance, few have focused on higher learning institutions. Kinyanjui and Juma (2014) interrogated the influence of implementing strategic plans on employee performance but the study was limited to strategic plan implementation; Cheboi (2011) interrogated the perception of management on the importance of performance appraisal system at Kabarak University thus presenting a contextual research gap since it focused on a different context other than this study. This study focused on a public university while Cheboi (2011) focused on a private organization. There were also methodological gaps in other studies such as Matunge (2013) which focused on employee perception on the effectiveness of performance appraisal systems at the Teachers Service Commission which purely adopted a descriptive approach while this study also tested for relationships through inferential statistics of correlation and regression.

The study by Odimo (2006) on the factors necessary for implementation of an effective performance appraisal in private higher learning institutions in Kenya presented a conceptual /empirical research gap since it did not link performance appraisal to employee performance as this study. From the aforementioned studies, it followed that the empirical studies conducted did not address the influence of performance appraisal on employee performance in institutions of higher learning. Therefore, this study sought to fill these gaps by investigating the influence of performance appraisal on employee performance at Kibabii University in Bungoma County.



## OBJECTIVES OF THE STUDY

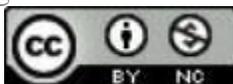
- i. To determine the influence of evaluation on employee performance at Kibabii University in Bungoma county.
- ii. To determine the influence of management by objectives on employee performance at Kibabii University in Bungoma county.
- iii. To determine the influence of performance appraisal design on employee performance at Kibabii University in Bungoma county.
- iv. To determine the influence of 360 degrees' appraisal method on employee performance at Kibabii University in Bungoma county.

## THEORETICAL LITERATURE REVIEW

The study was anchored on Three theories, Organizational justice theory, Goal Setting Theory and Expectancy Theory. The Organizational justice theory was proposed by Greenberg in 1987 to enable a personal evaluation of moral standing regarding managerial conduct. The theory simply argues that the organization also needs to take the perspective of the employee when making justice. The control model posits that employees prefer justice because they are able to control the outcomes which they expect to receive from the organization. Technically, the theory argues that even though we may feel that our personal decisions can go either way, people need certainty regarding their future benefits (Greenberg, 1987). The relevance of this theory is exhibited in the management of human resources. Since human resource management is an important and complex process in Kibabii University, organizational justice theory reinforces performance management systems in terms of retaining the talents within Kibabii University. The theory enables the performance management process of the institution appear more transparent, trustworthy and reliable (Gelens et al, 2014). The theory therefore support management by objectives variable.

The Goal Setting Theory, proposed by Locke in 1960s, argued that human actions are motivated by a goal. The theory argues that reward is the center reason why people would be motivated to act (Edwin Locke, 1960). An efficient goal, according to the theory must have the characteristics of proximity, difficulty, specificity and feedback. A good goal must have a short turnaround time and be moderately difficult so as to make success more possible (Fried & Slowik, 2004). In a nutshell, the theory argues that those that set difficult but clear goals are more likely to achieve them compared to those who set general and easy goals. The theory also demonstrates that goal setting can be a requisite to enable them complete their work quickly and effectively. It also leads to an improvement in performance since it can lead to an increase in motivation and effort. The theory therefore supports MBO variable.

The Expectancy Theory proposed by Vroom in 1964, posits the importance of mental choices touching on choices, expectations and rewards. It presents a connection between the people's wants, behavior expected of them and the organizational goals. The theory separates effort from outcomes and provides a perception about behavior in that it is a result of deliberate move among alternatives to maximize pleasure and minimize pain. The theory presents concepts such as expectancy to mean that when the effort increases, results will also increase, instrumentality to mean that a valued outcome is as a result of better performance and valence to mean that there is a value which has been placed on an outcome. The theory posits that people will always adjust the way they behave in regard to the expected satisfaction of achieving a certain goal. In line with this study, it is considered that people think rationally and as a result, the way they



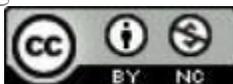
perceive the importance of a performance appraisal system matters. A good performance appraisal system should be based on an entirely rational directive view of the organization which links articulable HR processes to organization's strategic objectives. The theory was anchored on the variable of employee feedback since employee expectations are best influenced by managerial actions and organizational performance.

The Management by Objectives Theory (MBO) proposed by Drucker (1954) on the other hand challenges the previous argument by the Human Relations School of thought that effectiveness was considered natural and was more important than efficiency. The theory was therefore developed to make performance appraisal put more emphasis on understanding of the goals and objectives. In this approach, both the employees and management set targets together, revise them and discuss before they set about implementing them. The approach then emphasizes a comparison of an individual employee's actual performance against their set targets. It is believed that involving employees in setting up of goals plays a crucial role in enabling them to accomplish it thus meeting the expectations. In this theory therefore, performance appraisals demand that both the employees and managers work together in coming up with objectives and targets in a partnership that involves sharing of responsibilities and expectations in equal measure.

## **EMPIRICAL LITERATURE REVIEW**

A study by Ibeogu and Ozturen (2015) indicated two critical roles of evaluation as either for administrative decisions such as promotions and rewarding of employees or for making planning decisions regarding the growth of employees which can involve coaching and career development. Khuong and Tien (2013) highlighted some of the steps in evaluation as measurement of the current performance, collection and analysis of data, interpreting the results of analysis and giving feedback for improvement. Lee and Chen (2013) on the other hand base a good evaluation on three building blocks namely competencies, accurate duty statements and consistency in standards of practice. Mwema and Gachunga (2014) argued that those companies aiming to build employees based on knowledge management can adopt evaluation. Wagacha and Maende (2017) interrogated the impact of performance appraisal systems among commercial banks operating in Nairobi County. It was established that those conducting the appraisal on the employees were from higher positions and that the employees had a positive attitude towards it. In the long run, it improved their satisfaction and organizational output.

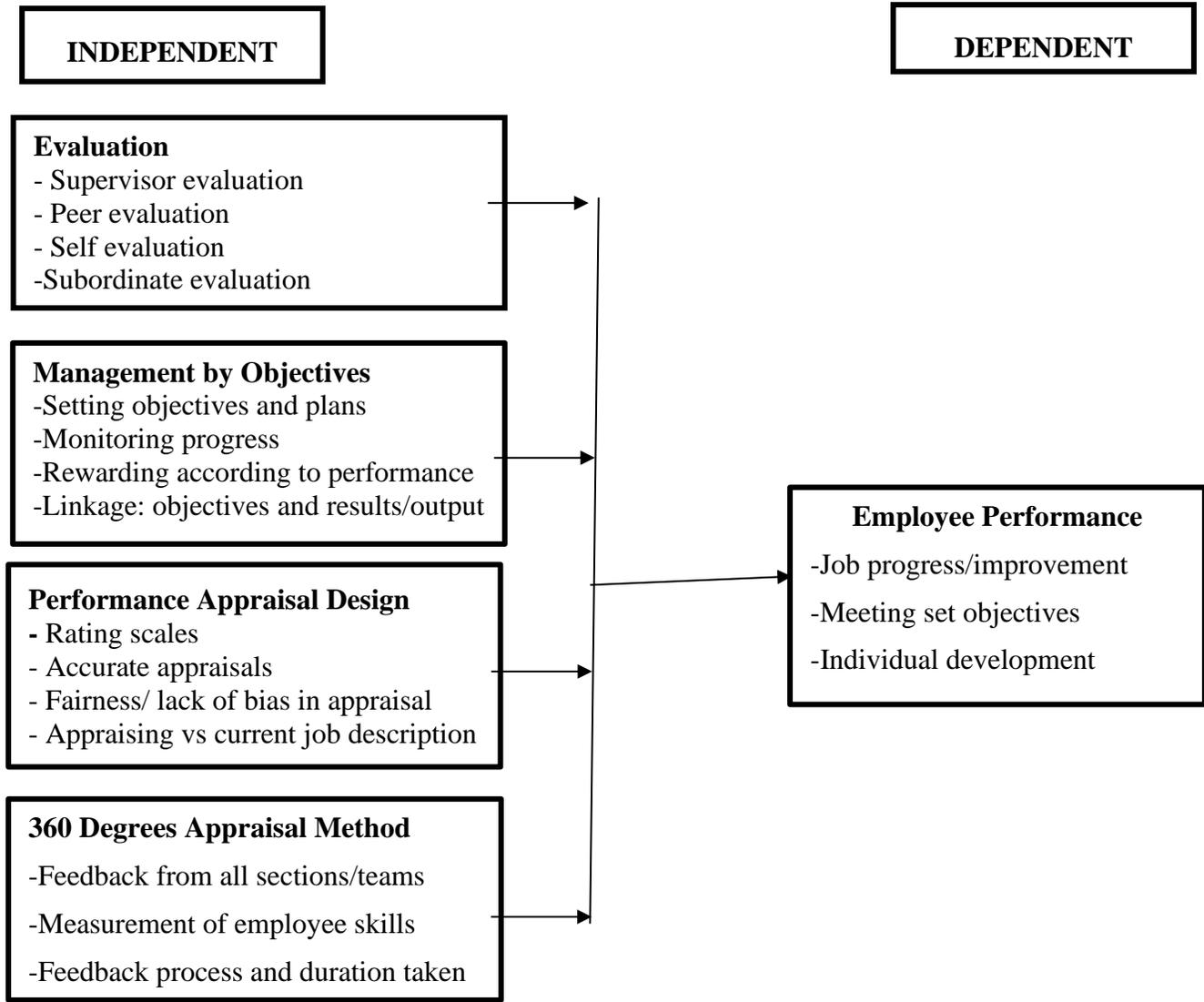
Karimi (2013) on the other hand interrogated the impact of performance appraisal in the public sector in Kenya and revealed that it was an exercise that was conducted seldom because it was considered expensive. The study recommended for more of the same to be conducted so as to establish better ways of compensating the civil servants. A study by Shaout and Yousif (2014) found that management by objectives method was quite effective and beneficial to both the organization and the employees. The method allows for objectivity and encourages improvement in the performance of the employees. Drucker (2013) similarly underscored that the method is good in enhancing fairness and efficiency in that the employees show support to goals which they themselves agree to be achievable and acceptable. Xhavit, Enis & Naim (2018) interrogated whether the MBO method was effective in achieving employee effectiveness. The study which focused on firms in Kosovo, used t-tests and inferential analysis to establish that the method led to enhanced employees' effectiveness. A study by Ofojebe, Olibie, Ifeoma and Nnamdi (2014) interrogated whether the stipulations of MBO could be adopted by the institutions for higher education in the southern region of Nigeria. It was determined through a survey that MBO stipulations could be essential in improving the administrative procedures, curriculum and quality assurances across colleges, polytechnics and universities in the region.



Kim (2015) through Using the 2005 Merit Principles Survey indicated that the most critical factor for the success of an appraisal system is how the employees views its fairness. Intrinsic motivation of employees was determined more specifically by the perceived fairness of the system and not the system itself. The findings supported the previous interrogation by Fletcher (2010). Mwangi (2013) interrogated the specific performance appraisal systems which had been adopted by firms in the banking sector in Kenya. The study through a survey, established that the frequency of appraisal in this sector was quarterly and its link to productivity was quite insignificant. Nyamboga (2016) took a case study of National bank and interrogated whether the appraisal methods they adopted were quite effective. The study through a survey of the entire workforce in the bank, revealed that the methods applied have so far been a good revelation and have impacted significantly on performance. Kirai and Kisang (2016) taking a case study of Equity bank, interrogated whether employee motivation was determined by the specific appraisals being conducted by the bank. It was determined that indeed it does give the system and the feedback process is objective and positive. In Ireland, Farrell (2013) focused on consumer service companies to determine whether the performance appraisal methods they had put in place were effective. It was determined that the employees were comfortable with the methods adopted and were happy to participate in the process. Munguti and Kanyanjua (2017) established that the method has brought about improved quality, job knowledge and accuracy of work as well as team work. Sigei (2013) similarly interrogated the extent of adoption of 360 degrees method with a bias towards the banking sector in Kenyan context. Through a survey, it was revealed that the method has been adopted and feedback is given by immediate supervisors.



**CONCEPTUAL FRAMEWORK**



**Figure 1 Conceptual Framework**



## RESEARCH METHODOLOGY

The research adopted a case study design of Kibabii University. The targeted population was all the employees of Kibabii University totaling to 400 employees, who are permanent staff and staff on contracts. This group was stratified into senate Committee Members, University Management Board Committees, Administrative staff and other teaching staff in order to have an equal chance of selection. After the stratification, the target sample size was determined randomly. However, to determine the sample size, Yamane (1957) formula was adopted in this study at a confidence level of 95% as shown in the formula:

$$n = \frac{N}{1 + N(e)^2}$$

Where **n** is the sample size, **N** is the population size and **e** is the margin of error.

$$n = \frac{400}{1 + 400(0.05)^2}$$

Using the formula, the sample size was 200 employees out of the 400 who were stratified and then randomly sampled. The study utilized quantitative primary data which was collected using a structured questionnaire. Before the use of the questionnaire, it was pilot tested on 10 participants from Masinde Muliro University of Technology (MMUST) to establish its reliability and validity. While content validity was determined through getting the opinion of the supervisor and other Human Resource practitioners, reliability was established through internal consistency whereby Cronbach Alpha coefficient was determined. The threshold adopted was 0.7 as recommended by Cronbach (1951). The quantitative data was analyzed through quantitative methods which were descriptive and inferential statistics. The tool used was Statistical Package for Social Sciences (SPSS) version 22. The descriptive statistics were frequency, mean and standard deviation. Correlation and regression on the other hand were considered to establish the relationship between the variables. The multiple regression model was as shown below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Y is Employee Performance;  $X_1$  is Evaluation;  $X_2$  is Management by objectives;  $X_3$  is Performance appraisal design;  $X_4$  is 360 degrees' appraisal method and  $\varepsilon$  is error term.

## FINDINGS

### Response Rate

The study targeted 200 employees of Kibabii University from various departments and hence the same number of questionnaires was issued. Out of the number, a total of 136 questionnaires were responded to which gave a response rate of 68% that was considered adequate based on argument by Creswell (2014). The pilot test results indicated that all the variables were reliable since they had Cronbach Alpha values above 0.7 as recommended by Cronbach (1951).



### Respondent’s Demographics Characteristics

This section contains results on demographic characteristics of the respondents which include; gender, age, work experience and highest level of education. It was established that majority of employees at Kibabii University are male at 55 percent, aged above 39 years at 51 percent, with a work experience of between 10 and 15 years and having bachelor’s degrees as their highest level of education. The results showed that there was representativeness in the demographic characteristics of the respondents.

**Table 1 Respondent’s Demographics Characteristics**

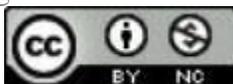
| Factor                            | Category            | Percentage |
|-----------------------------------|---------------------|------------|
| <b>Gender</b>                     | Male                | 55%        |
|                                   | Female              | 45%        |
| <b>Age</b>                        | Below 29 Years      | 17%        |
|                                   | 30 – 39 Years       | 32%        |
|                                   | Above 39 Years      | 51%        |
| <b>Work Experience</b>            | Below 10 Years      | 35%        |
|                                   | 10 – 15 Years       | 48%        |
|                                   | Above 15 Years      | 26%        |
| <b>Highest Level of Education</b> | Secondary and below | 4%         |
|                                   | Bachelor’s Degree   | 37%        |
|                                   | Master’s Degree     | 34%        |
|                                   | PhD                 | 25%        |

### Descriptive Analysis

Descriptive findings were used to establish the mean and standard deviation of the responses on the Likert scales used in the study as presented in the subsections that follow.

#### 4.5.1 Descriptive Analysis of Evaluation

The Likert scale questions on evaluation have been analyzed and presented in this subsection as shown in Table 2. The results indicate that at Kibabii University, employees are asked to share their goals and objectives; which are linked with that of the institutions (M = 3.57), employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve performance (M = 3.60) and are also evaluated on completion of their tasks (M = 3.54). The results also indicate that in the university, employees do self-evaluation to rate themselves based on the extent to which they think they have performed (M = 4.13) and supervisors and senior employees are asked to rate employees based on their own observation (M = 4.06). On average there was an agreement on the statements on evaluation (M = 3.78) with a small standard deviation (1.12) which indicates a small variation in the responses.

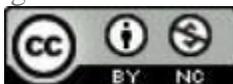


**Table 2 Descriptive Analysis of Evaluation**

| Statement   | Mean        | Std Dev     |
|---|-------------|-------------|
| Employees are asked to share their goals and objectives; which are linked with that of the institutions.  | 3.57        | 1.30        |
| Employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve performance. | 3.60        | 1.34        |
| Employees are evaluated on completion of their tasks.   | 3.54        | 1.48        |
| Employees do self-evaluation to rate themselves based on the extent to which they think they have performed.  | 4.13        | 0.71        |
| Supervisors and senior employees are asked to rate employees based on their own observation.  | 4.06        | 0.75        |
| <b>Average</b>  | <b>3.78</b> | <b>1.12</b> |

**Descriptive Analysis of Management by Objectives**

The Likert scale questions on Management by Objectives have been analyzed and presented in this subsection as shown in Table 3. It was agreed that the institution’s management encourages and guides employees to set clear objectives at the beginning of every year (M = 3.64), the institutions has set a culture where both the management and subordinates participate in employee performance, in order to boost operations (M = 3.54), there is joint goal setting where every employee shares in the goals of the University from time to time (M = 3.94) and the HR department and personnel responsible undertake the normal monitoring of progress of how employees are performing (M = 3.78). The average Mean (3.72) indicated an agreement with the statements on management by objectives. The results also demonstrated a small variation in the responses as shown by a small standard deviation (1.24).



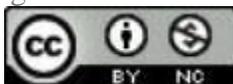
**Table 3 Descriptive Analysis of Management by Objectives**

| Statement   | Mean        | Std Dev     |
|---|-------------|-------------|
| The institution’s management encourages and guides employees to set clear objectives at the beginning of every year.                              | 3.64        | 1.27        |
| The institutions have set a culture where both the management and subordinates participate in employee performance, in order to boost operations. | 3.54        | 1.35        |
| I can confirm that there is joint goal setting where every employee share in the goals of the University from time to time.                       | 3.94        | 1.27        |
| The HR department and personnel responsible undertake the normal monitoring of progress of how employees are performing.                          | 3.78        | 1.06        |
| <b>Average</b>  | <b>3.72</b> | <b>1.24</b> |

**Descriptive Analysis of Performance Appraisal Design**

The Likert scale questions on Performance Appraisal Design have been analyzed and presented in this subsection as shown in Table 4. The respondents agreed that at the end of the appraisal, the immediate supervisor (senior employee) will be involved in obtaining, analyzing and recording information about the relative worth of each employee (3.60), supervisor and senior employees exercise fairness in their rating of junior employees (M = 3.57), there are hardly no cases of bias and favoritism in appraisal system (M = 4.18) and accurate appraisals are crucial for the evaluation of recruitment, selection, and training procedures that lead to improved performance (M = 3.80).

The results indicated that the respondents neither agreed nor disagreed that the design used for appraising employees helps to evaluate the behaviour of employees in the institution (M = 3.38), The performance appraisal design is interested in the quality output of each employee (M = 3.48), the performance appraisal design seeks to measure the quantity produced by each employee (M = 3.14), the immediate supervisor or senior employee administers performance appraisal design forms to junior employees (M = 3.34) as well as whether the performance appraisal design at the institution is meant to guide, foster and manage career development of each employee (M = 3.21). On average, the respondents agreed on statements regarding performance appraisal (M = 3.52) and the standard deviation was small (1.34) which implies a small variation in the responses.

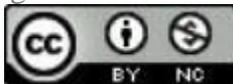


**Table 4 Descriptive Analysis of Performance Appraisal Design**

| Statement   | Mean        | Std Dev     |
|---|-------------|-------------|
| The design used for appraising employees helps to evaluate the behaviour of employees in the institution.   | 3.38        | 1.38        |
| The performance appraisal design is interested in the quality output of each employee.  | 3.48        | 1.40        |
| The performance appraisal design seeks to measure the quantity produced by each employee.   | 3.14        | 1.46        |
| The immediate supervisor or senior employee administers performance appraisal design forms to junior employees.   | 3.34        | 1.39        |
| The performance appraisal design at the institution is meant to guide, foster and manage career development of each employee.   | 3.21        | 1.44        |
| At the end of the appraisal, the immediate supervisor (senior employee) will be involved in obtaining, analysing and recording information about the relative worth of each employee. | 3.60        | 1.33        |
| As an employee, I have witnessed supervisor and senior employees exercising fairness in their rating of junior employees.   | 3.57        | 1.40        |
| I admit that there are hardly no cases of bias and favouritism in appraisal system.   | 4.18        | 0.99        |
| Accurate appraisals are crucial for the evaluation of recruitment, selection, and training procedures that lead to improved performance.  | 3.80        | 1.24        |
| <b>Average</b>  | <b>3.52</b> | <b>1.34</b> |

**Descriptive Analysis of 360 Degrees Appraisal Method**

The Likert scale questions on 360 Degrees Appraisal Method have been analyzed and presented in this subsection as shown in Table 5. It was established that at Kibabii University, feedback is sought from employees to establish their ability to meet schedules (M = 4.18), the university has instituted employee self-evaluations and adopted feedback by immediate supervisor in each department (M = 3.93), there is frequency and regularity in which feedback is done (M = 3.96), employees are highly motivated when using this appraisal tool in their workstations (M = 4.05) and that 360 Degree appraisal has enabled the HR personnel to measure employee inter-personal skills, customer satisfaction and team building skills (M = 3.97). It was also established that in the university, feedback is sought from employees to determine degree of technical knowledge (M = 4.01), feedback is sought from employees to examine their understanding of job processes (M = 3.87), all feedback sought from employees is centered on the current culture in the organization (M = 4.11), senior management always ensures that that unsatisfactory performance is identified and discussed (M = 4.24), the HR Department of the University does not ignore unsatisfactory performance (M = 3.80) and that for feedback to be effective, the HR personnel at Kibabii University always ensure that one-to-one performance discussion have mutual trust (confidentiality, fairness, objectivity) (M = 3.87). On average, the respondents agreed on the statements on 360 Degrees Appraisal Method (M = 4.00). A standard deviation of 1.04 reflected a small variation in the responses.



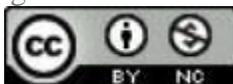
**Table 5 Descriptive Analysis of 360 Degrees Appraisal Method**

| Statement   | Mean        | Std Dev     |
|---|-------------|-------------|
| Feedback is sought from employees to establish their ability to meet schedules.   | 4.18        | 1.05        |
| Kibabii University has instituted employee self-evaluations and adopted feedback by immediate supervisor in each department.  | 3.93        | 1.07        |
| There is frequency and regularity in which feedback is done.  | 3.96        | 1.02        |
| Employees are highly motivated when using this appraisal tool in their workstations.  | 4.05        | 0.97        |
| I think 360 Degree appraisal has enabled the HR personnel to measure employee inter-personal skills, customer satisfaction and team building skills                                   | 3.97        | 1.07        |
| Feedback is sought from employees to determine degree of technical knowledge.   | 4.01        | 0.95        |
| All feedback sought from employees is cantered on the current culture in the organization.  | 4.11        | 0.98        |
| The Kibabii Senior management always ensures that that unsatisfactory performance is identified and discussed.  | 4.24        | 0.95        |
| The HR Department of the University does not ignore unsatisfactory performance.   | 3.80        | 1.23        |
| For feedback to be effective, the HR personnel at Kibabii University always ensure that one-to-one performance discussion have mutual trust (confidentiality, fairness, objectivity). | 3.87        | 1.18        |
| <b>Average</b>  | <b>4.00</b> | <b>1.04</b> |

### Descriptive Analysis of Employee Performance

The Likert scale questions on employee performance are analysed and presented in Table 6. It was agreed that at Kibabii University, performance rating is based on how well employees are doing (M = 4.05), employees are satisfied and motivated with the way appraisal system is used to evaluate my performance (M = 3.99), because of performance appraisal, employees can admit that there are set standards for their job which they have to follow strictly (M = 4.03), every time employees are appraised, they tend to show desirable competence in my work by exceeding job organizational expectations about my work (M = 3.95) and after every appraisal, most employees normally feel that they have achieved something between the last appraisal and the current appraisal (M = 4.03). The respondents also agreed that after every appraisal, they normally feel productive in what they are doing (M = 3.88), they tend to exhibit effectiveness and thoroughness in their work and duties (M = 3.96), they have noted that their clients (who are mainly students) are happy and satisfied with the performance of their peers in every department (M = 3.96) and that the most recent ratings they received are based on many activities they are responsible for at work (M = 3.96).

It was also indicated that the most recent ratings employees received are based on many activities they are responsible for at work (M = 4.13), employees admit that their performance is above average ratings (M = 4.50), the aftermath of performance appraisal is to identify performance problems to improve employee productivity and motivation (M = 4.68),



the performance appraisal system has helped improve the job performance of employees (M = 3.46) and that most employees are satisfied with the way the performance appraisal system is used to set my performance goals for each rating period (M = 3.89). There was an agreement on employee performance statements reflecting better performance (M = 4.03). A standard deviation of 1.01 reflected a small variation in the responses.

**Table 6 Descriptive Analysis of Employee Performance**

| Statement   | Mean        | Std Dev     |
|---|-------------|-------------|
| My performance rating is based on how well I am doing.  | 4.05        | 1.04        |
| I am satisfied and motivated with the way appraisal system is used to evaluate my performance.  | 3.99        | 1.08        |
| Because of performance appraisal, I can admit that there are set standards for my job which I have to follow strictly.                                      | 4.03        | 1.05        |
| Any time I am appraised, I tend to show desirable competence in my work by exceeding job organizational expectations about my work.                         | 3.95        | 1.14        |
| After every appraisal, I normally feel that I have achieved something between the last appraisal and the current appraisal.                                 | 4.03        | 0.98        |
| After every appraisal, I normally feel productive in what I am doing.   | 3.88        | 1.13        |
| After every appraisal, I tend to exhibit effectiveness and thoroughness in my work and duties.  | 3.96        | 1.15        |
| After each appraisal, I have noted that our clients (who are mainly students) are happy and satisfied with the performance of my peers in every department. | 3.96        | 1.16        |
| Employee performance is easy to measure.  | 3.96        | 1.09        |
| The most recent ratings I received are based on many activities I am responsible for at work.   | 4.13        | 0.80        |
| I admit that my performance is above average ratings.   | 4.50        | 0.50        |
| I feel that the aftermath of performance appraisal is to identify performance problems to improve employee productivity and motivation.                     | 4.68        | 0.56        |
| The performance appraisal system has helped improve my job performance.   | 3.46        | 1.48        |
| I am satisfied with the way the performance appraisal system is used to set my performance goals for each rating period.                                    | 3.89        | 1.02        |
| <b>Average</b>  | <b>4.03</b> | <b>1.01</b> |

**Correlation Analysis**

The correlation results in Table 7 indicated that evaluation is positively and significantly related with employee performance (r = 0.762; P-Value < 0.05). This implies that an increase in evaluation such as supervisor evaluation, peer evaluation, self-evaluation, subordinate evaluation, customer evaluation and trainers’ evaluation significantly improve employee performance. The results are consistent with Wagacha and Maende (2017) who indicated that in the long run, performance appraisal (evaluation) improved employee satisfaction and organizational output. It was also indicated that



Management by objectives is positively and significantly related with employee performance ( $r = 0.726$ ;  $P\text{-Value} < 0.05$ ). The results imply that an increase in Management by objectives practices such as setting objectives and plans, monitoring progress, rewarding according to performance, linkage: objectives and results/output and stakeholder participation significantly improves employee performance. The results are consistent with Xhavit, Enis & Naim (2018) who revealed that MBO method led to enhanced employees' effectiveness.

The results indicate that performance appraisal design is positively and significantly related with employee performance ( $r = 0.757$ ;  $P\text{-Value} < 0.05$ ). This implies that an improvement in performance appraisal design such as rating scales, accurate appraisals, fairness/ lack of bias in appraisal, appraising vs current job description, goal-oriented appraisal and regularity of conducting appraisals significantly improves employee performance. Nyamboga (2016) also indicated that performance appraisal design impact significantly on performance. Lastly, it was indicated that 360 degrees' appraisal method is positively and significantly related with employee performance ( $r = 0.664$ ;  $P\text{-Value} < 0.05$ ). This implies that an improvement in 360 degrees' appraisal methods such as feedback from all sections/teams, measurement of employee skills and feedback process and duration taken significantly improves employee performance. The findings are consistent with Munguti and Kanyanjua (2017) who indicated that the method has brought about improved quality, job knowledge and accuracy of work as well as team work.

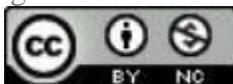
**Table 7 Correlation analysis**

|                              |                     | Evaluation | MBO    | Performance Appraisal Design | 360 Degrees Appraisal Method | Employee Performance |
|------------------------------|---------------------|------------|--------|------------------------------|------------------------------|----------------------|
| Evaluation                   | Pearson Correlation | 1          |        |                              |                              |                      |
| MBO                          | Pearson Correlation | .677**     | 1      |                              |                              |                      |
| Performance Appraisal Design | Pearson Correlation | .845**     | .765** | 1                            |                              |                      |
| 360 Degrees Appraisal Method | Pearson Correlation | .526**     | .544** | .629**                       | 1                            |                      |
| Employee Performance         | Pearson Correlation | .762**     | .726** | .757**                       | .664**                       | 1                    |
|                              | Sig. (2-tailed)     | 0.000      | 0.000  | 0.000                        | 0.000                        |                      |
|                              | N                   | 136        | 136    | 136                          | 136                          | 136                  |

\*\* Correlation is significant at the 0.01 level (2-tailed).

**Regression Analysis**

A multivariate regression analysis was conducted to achieve the study objectives as shown in Table 8, 9 and 10. The model summary results in Table 8 indicate that performance appraisal (360 degrees Appraisal Method, Evaluation, MBO and Performance Appraisal Design) explain up to 71.7% of the variation in employee performance at Kibabii University. The remaining percentage, 27.3%, of the variation in employee performance in the university can be attributed to other factors.



**Table 8 Model Summary**

| R   | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|----------|-------------------|----------------------------|
| .847  | 0.717    | 0.708             | 0.2436                     |
| Predictors: (Constant), 360 degrees Appraisal Method, Evaluation, MBO, Performance Appraisal Design |          |                   |                            |

Source: Research Data (2020)

ANOVA was used to establish whether the regression model was a good fit. As shown in Table 9, the regression model linking performance appraisal to employee performance was a good fit ( $F = 82.938$ ;  $P\text{-value} < 0.05$ ). The model was hence suitable to predict the outcomes.

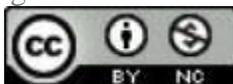
**Table 9 ANOVA**

|   | Sum of Squares | df  | Mean Square | F      | Sig. |
|---|----------------|-----|-------------|--------|------|
| Regression  | 19.679         | 4   | 4.92        | 82.938 | .000 |
| Residual  | 7.771          | 131 | 0.059       |        |      |
| Total   | 27.449         | 135 |             |        |      |
| Dependent Variable: Employee Performance  |                |     |             |        |      |
| Predictors: (Constant), 360 degrees Appraisal Method, Evaluation, MBO, Performance Appraisal Design |                |     |             |        |      |

Source: Research Data (2020)

The regression model coefficients were also established and indicated in Table 10. It was revealed that evaluation has a positive and significant influence on employee performance ( $\beta = 0.218$ ;  $P\text{-Value} < 0.05$ ). This implies that an increase in evaluation leads to a significant increase in employee performance. The findings are consistent with Mwema and Gachunga (2014) who argued that those companies aiming to build employees based on knowledge management can adopt evaluation. The results also indicated that MBO has a positive and significant influence on employee performance ( $\beta = 0.164$ ;  $P\text{-Value} < 0.05$ ). This implies that an increase in MBO practices leads to a significant increase in employee performance. Shaout and Yousif (2014) also found the method quite effective and beneficial to both the organization and the employees allowing for objectivity and encourages improvement in the performance of the employees.

The regression results showed that performance appraisal design has a positive but not significant influence on employee performance ( $\beta = 0.011$ ;  $P\text{-Value} > 0.05$ ). This implies that an improvement in performance appraisal design would lead to an insignificant increase in employee performance. Mwangi (2013) also revealed that the link between performance appraisal design and productivity was quite insignificant. It was also established that 360 degrees Appraisal Method has a positive and significant influence on employee performance ( $\beta = 0.172$ ;  $P\text{-Value} < 0.05$ ). This implies that an improvement in 360 degrees Appraisal Method leads to a significant increase in employee performance. The findings are consistent with Sigei (2013) who established that 360 degrees Appraisal Method can be used to realize an improvement in employee performance.



**Table 10 Regression Coefficients**

|  | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig.  |
|--|-----------------------------|------------|---------------------------|--------|-------|
|  | B                           | Std. Error | Beta                      |        |       |
| (Constant)                               | 1.863                       | 0.139      |                           | 13.388 | 0.000 |
| Evaluation                               | 0.218                       | 0.047      | 0.400                     | 4.586  | 0.000 |
| MBO                                      | 0.164                       | 0.043      | 0.281                     | 3.844  | 0.000 |
| Performance Appraisal Design             | 0.011                       | 0.049      | 0.025                     | 0.236  | 0.814 |
| 360 degrees Appraisal Method             | 0.172                       | 0.036      | 0.285                     | 4.726  | 0.000 |
| Dependent Variable: Employee Performance |                             |            |                           |        |       |

**CONCLUSIONS**

Based on the findings, the study concludes that an increase in evaluation such as supervisor evaluation, peer evaluation, self-evaluation, subordinate evaluation, customer evaluation and trainers’ evaluation significantly improve employee performance. The study also concludes that an increase in Management by objectives practices such as setting objectives and plans, monitoring progress, rewarding according to performance, linkage: objectives and results/output and stakeholder participation significantly improves employee performance. Another conclusion is that an improvement in performance appraisal design such as rating scales, accurate appraisals, fairness/ lack of bias in appraisal, appraising vs current job description, goal-oriented appraisal and regularity of conducting appraisals significantly improves employee performance. The study also concludes that an improvement in 360 degrees’ appraisal methods such as feedback from all sections/teams, measurement of employee skills and feedback process and duration taken significantly improves employee performance.

**RECOMMENDATIONS**

Based on the findings that evaluation has a positive and significant influence on employee performance, the study recommends that the HR department of Kibabii University and other institutions to implement more evaluations such as supervisor evaluation, peer evaluation, self-evaluation, subordinate evaluation, customer evaluation and trainers’ evaluation in order to improve employee performance. Since it was established that management by objectives have a positive and significant influence on employee performance, the study recommends that the HR department of Kibabii University and other institutions to focus on implementing the management by objectives practices such as setting objectives and plans, monitoring progress, rewarding according to performance, linkage: objectives and results/output and stakeholder participation in order to improve employee performance.

Based on the findings that 360 degrees’ appraisal method has a positive and significant influence on employee performance, the study recommends that the HR department of Kibabii University and other institutions to enhance adoption of this method in their appraisal. This can be done by improving 360 degrees’ appraisal methods such as feedback from all sections/teams, measurement of employee skills and feedback process and duration taken. Since it was revealed that performance appraisal design has a positive but not significant influence on employee performance, there



is a need for the HR department of Kibabii University and other institutions to enhance adoption of this method in their appraisal in order to realise a significant influence on employee performance. This can be achieved by improving performance appraisal design such as rating scales, accurate appraisals, fairness/ lack of bias in appraisal, appraising vs current job description, goal-oriented appraisal and regularity of conducting appraisals.

### **CONFLICT OF INTEREST**

No potential conflict of interest was recorded by the Authors.

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