The objective of this study was to evaluate the factors affecting staff performance appraisals in the hospitality industry with special reference to five star hotels in Nairobi. Five star hotels fall under the larger hospitality industry. In Kenya, the hospitality industry is one of the largest foreign exchange earner employing many Kenyans directly and indirectly. Hence, the importance of the industry in the economic development of this country cannot be underscored. Staff performance appraisals are very important tools of managing employees' job performance in an organization. Effective staff performance appraisals help to cut down on unnecessary costs on human resources management and enable organizations to have a competitive edge in business. There are several factors that affect staff performance appraisals in five star hotels. Among these factors are the performance appraisal tools, the set performance standards, timing, nature and continuity of performance appraisals, communication and feedback with staff on the appraisals and training of appraisers. The conceptual framework of this study was modeled along the above factors. The study targeted the eight (8) five star hotel establishments in Nairobi. It was mainly a survey. The findings of the study are of great significant to managers of five star hotels in particular and those working in the hospitality industry in general. It offers them with knowledge which can help them in carrying out effective staff performance appraisals. The study also leads to additional knowledge to the existing literature on staff performance appraisals. Further, it is of great interest to scholars, researchers and investors who may have an interest in the hospitality industry in general. The study design was a descriptive research which is suitable in social science studies. The targeted population was 256 managers, supervisors and operational staff working in core departments of the five star hotels in Nairobi. The sample design was obtained using a stratified random sampling technique. A sample of 50% of the total population was taken, thus a total of 128 respondents comprising of 16 managers, 32 supervisors and 80 operational staff. The data collection instruments were structured questionnaires administered to respondents through a "drop and pick" method. The data obtained from the questionnaires was analyzed and presented in descriptive statistics in form of frequency tables, mean, pie charts, bar graphs and percentages. A total of 84 respondents participated in the study representing a 65.6% response rate of the targeted sample of 128.

Significant facts have emanated from this study in the light of its objectives and the research questions. The study revealed that all five star hotels conduct formal staff performance appraisals. Most managers, supervisors and operational staff have general information regarding hotel staff performance appraisal systems, but recommendations for improvement of these appraisal systems have been made in this study by the respondents. The study revealed that the staff performance appraisal tools need to be reviewed. Recommendations have been made for improvement of the staff performance appraisal tools by the respondents. These recommendations are contained in this study. It was also found that there is need for involvement of operational staff in the setting of performance standards. Recommendations have therefore, been made by the respondents for improving the setting of performance standards for staff in the study. The timing, nature and continuity of performance appraisal was found to be very necessary for the success of the appraisals. Recommendations have been made by respondents
for improvement in this area. These recommendations are contained in the study. The study also established that communication and feedback with staff on performance appraisals is ineffective in five star hotels. This needs to be improved. Recommendations for improvement on communication and feedback on staff performance appraisal have therefore been made by the respondents. These are also contained in the study. As a way of making the performance appraisals more effective, the training of appraisers was seen as paramount. A good number of managers and supervisors in five star hotels have no training in staff performance appraisals. Recommendations have made on how to improve the training of the appraisers by the respondents. These are contained in the study. The study concludes that proper management of employee performance is absolutely necessary in today's competitive business environment. Effective performance appraisal systems are, therefore, critical for the success of five star hotels. With this conclusion, the study made a number of recommendations for improvement of five star hotels staff performance appraisals. Suggestions for further research have also been made in this study.