

**PERFORMANCE MANAGEMENT PROCESS AND EMPLOYEE PRODUCTIVITY  
IN A DEVELOPMENT FINANCIAL INSTITUTION: A CASE OF SHELTER  
AFRIQUE IN NAIROBI CITY COUNTY, KENYA.**

**KIRUI WENDY CHELANGAT**

**D53/CTY/PT/31835/2015**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN  
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
DEGREE OF MASTER IN BUSINESS ADMINISTRATION (HUMAN RESOURCE)  
OF KENYATTA UNIVERSITY**

**May, 2022**

## DECLARATION

This project is my original work and has not been presented for a degree in any other institution or university.

.....  
**Signature**

.....  
**Date**

**Kirui Wendy Chelangat Reg. No. D53/CTY/PT/31835/2015**

I confirm that the work in this project was done by the candidate under my supervision

.....  
**Signature**

.....  
**Date:**

**Dr. Jedidah Muli**

**Department of Business, School of Business Administration**

**Kenyatta University**

## **DEDICATION**

The outcome of this project has been made possible, not only by the researcher's hard work and commitment; but also, from others as well. Subsequently, special dedication goes to my children, colleagues and friends who offer support and encouragement during the research.

## **ACKNOWLEDGEMENT**

I express my gratefulness to God for the gift of life and strength throughout this course and through the writing of this project.

Secondly, I would like to thank and appreciate my supervisor Dr. Jedidah Muli (Ph.D.) for the mentorship, invaluable support and guidance she offered me during all stages of the research.

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>LIST OF TABLES .....</b>	<b>viii</b>
<b>LIST OF FIGURES .....</b>	<b>ix</b>
<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>x</b>
<b>OPERATIONAL DEFINITION OF TERMS.....</b>	<b>xi</b>
<b>ABSTRACT.....</b>	<b>xii</b>
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.1 Employee Productivity.....	3
1.1.2 Performance Management Process .....	4
1.1.3 Shelter Afrique .....	6
1.2 Statement of Problem.....	7
1.3 Objectives of the Study.....	9
1.3.1 Specific Objectives .....	9
1.4 Research Questions.....	9
1.5 Significance of the Study .....	9
1.6 The Scope of the Study.....	10
1.7 Limitation of the Study .....	10
1.8 Organization of the Study .....	10
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>11</b>
2.1 Introduction.....	11
2.2 Theoretical Framework.....	11
2.2.1 Goal Setting Theory .....	11
2.2.2 Expectant Theory .....	12
2.2.3 Social Cognitive Theory .....	14
2.2.4 Control Theory.....	15
2.3 Empirical Review .....	16
2.3.1 Performance Appraisal and Employee Productivity.....	16
2.3.2 Training and Employee Productivity .....	18
2.3.3 Reward System and Employee Productivity.....	19
2.3.4 Performance Feedback and Employee Productivity .....	21
2.4 Summary of Literature Review and Gaps.....	23
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>28</b>
3.1 Introduction.....	28

3.2 Research Design .....	28
3.3 Target Population.....	28
3.4 Data Collection Instrument.....	29
3.5 Data Collection Procedure .....	29
3.6 Validity and Reliability of Instrument .....	29
3.6.1 Validity Test.....	29
3.6.2 Reliability Test.....	30
3.7 Data Analysis and Presentation .....	31
3.8 Ethical Considerations .....	31
<b>CHAPTER FOUR: RESEARCH FINDINGS .....</b>	<b>32</b>
4.1 Introduction.....	32
4.2 Analysis of the Response Rate and Descriptive Statistics.....	32
4.3 Demographic Information.....	33
4.3.1 Respondents' Gender .....	33
4.3.2 Respondents' Education.....	34
4.3.3 Respondents' Managerial Rank .....	34
4.3.4 Respondents' Departments .....	34
4.3.5 Respondents' Level of Experience .....	35
4.4 Descriptive Analysis .....	35
4.4.1 Effect of Performance Appraisal on Employee Productivity.....	35
4.4.2 Effect of Training on Employee Productivity.....	36
4.4.3 Effect of Reward Systems on Employee Productivity.....	37
4.4.4 Effect of Performance Feedback on Employee Productivity.....	38
4.4.5 Employee Productivity.....	39
4.5 Correlation Analysis .....	40
4.5.1 Effect of Performance Appraisal on Employee Productivity.....	41
4.5.2 Impact of Training on Employee Productivity .....	41
4.5.3 Effect of Performance Feedback on Employee Productivity.....	42
4.5.4 Effect of Reward System on Employee Productivity .....	42
4.6 Inferential Statistics. ....	42
4.6.1 Effect of Performance Appraisal on Employee Productivity.....	44
4.6.2 Impact of Training on Employee Productivity .....	44
4.6.3 Effect of Reward System on Employee Productivity .....	45
4.6.4 Impact of Performance Feedback on Employee Productivity .....	45

<b>CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATION .....</b>	<b>46</b>
5.1 Introduction.....	46
5.2 Summary .....	46
5.3 Conclusion .....	47
5.4 Recommendations.....	48
5.4 Suggestions for Further Research .....	48
<b>REFERENCES.....</b>	<b>49</b>
<b>APPENDICES .....</b>	<b>58</b>
<b>Appendix I: Letter of Introduction.....</b>	<b>58</b>
<b>Appendix II: Questionnaire .....</b>	<b>59</b>
<b>Appendix IV: Research Budget.....</b>	<b>62</b>

## LIST OF TABLES

Table 2.1: Summary of Research Gaps.....	24
Table 3.1: Target Population.....	28
Table 3.2: Cronbach Alpha.....	30
Table 4.1: Demographic Information .....	33
Table 4.2: Effect of Performance Appraisal on Employee Productivity .....	36
Table 4.3: Effect of Training on Employee Productivity .....	37
Table 4.4: Effect of Reward System on Employee Productivity .....	38
Table 4.5: Effect of Performance Feed back on Employee Productivity .....	389
Table 4.6: Employee Productivity .....	40
Table 4.7: Correlation Coefficients.....	41
Table 4.8: Model Summary .....	43
Table 4.9: ANOVA.....	43
Table 4.10: Coefficient Table .....	44



## LIST OF FIGURES

Figure 1.1: A Conceptual Framework .....	27
Figure 4.1: Response Rate of the Respondents.....	32

## **ABBREVIATIONS AND ACRONYMS**

<b>A</b>	-	Agree
<b>AfDB</b>	-	African Development Bank
<b>ANOVA</b>	-	Analysis of Variance
<b>CBK</b>	-	Central Bank of Kenya
<b>D</b>	-	Disagrees
<b>DFI</b>	-	Development Financial Institution
<b>EFA</b>	-	Exploratory Factor Analysis
<b>EP</b>	-	Employee Productivity
<b>GOK</b>	-	Government of Kenya
<b>NCC</b>	-	Nairobi City County
<b>NS</b>	-	Not Sure
<b>PA</b>	-	Performance Appraisal
<b>PM</b>	-	Performance Management
<b>PMP</b>	-	Performance Management Process
<b>PO</b>	-	Performance Outcome
<b>SA</b>	-	Strongly Agree
<b>SCT</b>	-	Social Cognitive Theory
<b>SD</b>	-	Strongly Disagree
<b>SLT</b>	-	Social Learning Theory

## OPERATIONAL DEFINITION OF TERMS

<b>Employee Productivity:</b>	These are objectives and measures used by organizations to evaluate proficiency and quality of task to gauge employee output.
<b>Performance Appraisal:</b>	Performance standards, measures, outcomes, evaluations scores, feedback and set targets used by supervisors to verify and evaluate employees' work.
<b>Performance Feedback:</b>	These means nature of feedback, effectiveness, process and feedback reaction employee receives from the supervisor on evaluation decision regarding the performance.
<b>Performance Management Process:</b>	These are strategies and measures employed by the organization to monitor and review goals to improve employee productivity.
<b>Reward System:</b>	These are financial payments, working conditions, recognition, job satisfaction and fulfilment presumed by the firms to the labourers
<b>Training:</b>	Leaning measures, programs, coaching, instructions and knowledge development given to employee to improve output

## ABSTRACT

Employee productivity is an indispensable aspect for an organization to remain economically viable in contemporary business atmosphere. This is because the success of every institution is predominantly subject to the production of the employees. Thus, employee output has turned out to be a significant objective for business growth and survival. The primary goal of study was to investigate the effect of the performance management process impact productivity of an employee in Development Financial Institutions, a case of Shelter Afrique Nairobi City County, Kenya. The specific objectives of the research were to assess the effect of performance appraisal influences on employee productivity at Shelter Afrique Nairobi City County, Kenya, to explore the effect of training on employee productivity at Shelter Afrique Nairobi City County, Kenya, to establish the effect of how rewarding systems affects on employee productivity at Shelter Afrique Nairobi City County, Kenya and to assess the effect of performance feedback on the employee productivity at Shelter Afrique Nairobi City County, Kenya. The study embraced four theories of performance management such as Goal Setting theory, Expectant theory, Social cognitive theory and control theory. The study also used a descriptive research design, which comprised of different characteristics that were created by collecting, analysing, and presenting the collected data. The study used semi-structured and self-filing questionnaires for collection of primary data. The total population comprised 55 Shelter Afrique employees in Nairobi City County, Kenya. Census study was embraced which studied each element or all population. Population was divided into two strata, senior management and lower management. The study conducted a pilot test that involved 10 respondents which assessed the comprehensiveness, accuracy, precision and clarity of the questionnaire. Validity test was also carried out to capture the comments and suggestions of the respondents and reliability test to examine the stability and uniformity of the data. Cronbach's alpha coefficient 0.7 was applied to ensure the trustworthiness and internal consistency of the data collection tool. Finalised questionnaires were processed and each assigned a serial number. The collected data was edited and entered in the Social Science Statistics Package version 26.0. This is a descriptive statistics package that researcher used to provide detailed information about the data. Descriptive methods and inferential statistics namely the regression analysis which were evaluated to establish the affiliation between the dependent and independent variables and to test the research questions. The final outcomes were presented in charts, tables and using frequencies such as means, percentages, standard deviations and coefficients to test the results. The study contributed in terms of highlighting the significant drivers of employee productivity in a development financial institution in Nairobi City County, Kenya. The results revealed that there is positive correlation between employee productivity and performance appraisal, training and performance feedback. The results further showed that reward system did not have a significant correlation with employee productivity even though the correlation coefficient was positive. This concluded that all the variables have impact on employee productivity apart from reward system. The analysis concluded that there is positive and significant correlation between the four variables performance appraisal, training, reward and performance feedback. The study recommended future research to be carried out in other Development Financial Institution using mixed approach of qualitative and quantitative method to ascertain the effect of performance management process on employee productivity.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

Employee productivity globally is largely determined by the effectiveness of the system and process in place. The worldwide drop in employee productivity reflects several global predispositions which can contribute to cramped productivity. The average global employee productivity rate in 2021 was at 63.72% which makes a 9.66% dropped compared to previous year 73.38%. The study by desk times also pointed out that the most employee productive countries in 2021 was Uruguay with 94.32%, El Salvador 92.99% and Argentina with 84.01% (Latva, 2022). According ILO (2015) employee productivity efficiency of the country is used in an economy to produce goods and services and measure of economic growth, completeness and living standards within a country.

Income growth and poverty reduction depends on sustained growth in employee productivity. This is driven by progress in technology, new investments, resources and structural changes. Similarly, employee productivity development in advanced economies and growing markets in developing economies (EMDEs) has endured several declines in recent decades, usually with economic slowdowns. Annual labor productivity growth in EMDEs rose by at least 3% per cent and declined by nearly 2% in subsequent years (Fernald & Wang, 2016).

Pandey (2017) established that employee productivity is an expensive and serious workplace problem for both employers and employees which apparently unpredictable in nature. According to African Development and Dynamics 2022, the African to Asia labour productivity ratio decreased from 67% in year 2000 to 50% 2019. The report further pointed out that many labour markets in Africa remains subjugated by poorly paid casual employment. In addition, productivity revolution is not taking off, particularly in employment intensive segments when it most needed. This has contributed to African dwindling further behind evolving markets in Asia ( AUC/OECD, 2022).

In Sub-Saharan Africa, countries are far less effective in allocating factors of production such as labour and natural resources contributing to overall low employee productivity and slowing economic recovery. Low labour productivity is of particular significance in the agricultural sector, which employees most of the population (Kray, Jenane, Vasquez & Saghir, 2022). To conquer and withstand competitive advantage, it is paramount for firms to

invest and keep efficient human resources to boost employee productivity (Sunia, 2014). It is said that employee productivity dispenses a simple and a powerful measure of the firms, agency or organization's capability to optimally utilize its assets to boost economic progress (Conference Board, 2015). In addition, advancement in production leads to collective competitive advantage and the long-standing success of the organization. (Hill, Jones & Schilling, 2014)

World Bank Report 2013 further pointed out that the engine of economic growth is employee productivity and it is also indispensable in raising living standards and reducing the level of poverty. Radical change in technology is the prime source of employee productivity, since it directly raises the productivity of innovating firms of which it indirectly affects the economy. Meyer & Zelenyuk (2014) described productivity as the efficiency of production of either goods or services expressed in measure. Measurement of production is generally simplified as a ratio of an aggregate output per unit of input used in the process. In this turbulent economics times, organization success depends largely on the efficiency of its employees (Sharma & Sharma, 2014).

A study by Akhter, Raza, Ahmad, & Aslam (2016) expressed that there are several challenges experienced by working environment to improve employee productivity which are related to staff training, performance appraisal and reward system. Mwema & Gachunga (2014) pointed out that it is imperative to plan performance appraisal process, which can support the achievement of firms' objectives like developing manpower, increasing wages, feedback mechanism and to determine employee training needs.

Sharma & Sharma (2014) further argued that productivity aims at satisfactory economic growth, surplus returns and upgrade social position. Furthermore, productive employees are likely to obtain favorable job opportunities, reasonable earnings and improved working environment. Moreover, improved productivity leans towards maximizing the organization's competitive advantage through maximization of resources and improvement in value of the end product (Hill *et al*, 2014). Generally, productivity is an important measure of goals accomplishment and cutting cost of production in order increases organizational returns (Ugoani, 2020).

### **1.1.1 Employee Productivity**

Employee productivity is defined as an establishment of competence of a person or a group of people. It is also expressed as the determining factor of business' proceeds and development (Sheahan, 2017). Employee productivity is also a measure of employee efficiency covering the inputs and outputs (Gubler, Larkin & Pierce, 2017). Furthermore, employee productivity is described as the capacity of an employee to deliver high standard services while economizing the resources. It is also an element that directly dictates the corporation's gains (Sheahan, 2017). Moreover, to measure employee productivity economically, it is equivalent to the amount of production per unit and a record of net sales as a percentage of total employees (Rohan & MA humita, 2012).

Employee Productivity is considered as principal mechanism to enhance organization wellbeing and is one of the imperative management subjects that receive central focus. Understanding the focal aspects that stimulate employee productivity is paramount to ensure prolonged organization sustainability of economic growth (Hanaysha, 2016). According to Jafari, & Tehran (2017) factors affecting employee productivity include incentive, knowledge, skills, support from organizational, job, working environmental, leadership style, level of education, organization values and performance appraisal.

Tamara (2021), pointed out that productivity has been viewed as sensitive to framework and its outcomes are affected by several aspects. In addition, Odhiambo (2015) argued that employee productivity is generally affected by performance appraisal, reward system and performance feedback. Hill *et al* (2014) also observed that the main input of production process is employee training as it gives the company competitive advantage especially when learning new system.

Goshu, Kitaw & Matebu (2017) pointed out that productivity measurement topmost goal is definitely productivity improvement, which involves a combination of increased effectiveness and efficiency in utilization of available resources. Sharma & Sharma (2014) expressed that employee productivity is primarily built on the quantity of time that the worker is mentally and physically present on the job or efficiently working.

Employee productivity measures the number of goods or services that workers supply each hour (Bartash, 2020). Down (2019) observed that employee productivity can be measured

through setting of baselines, defining and measuring tasks, setting clear objectives, carrying out survey, placing quality for work and monitoring employee. Paliwal (2017) and further by Universal Class (2013) claimed that the employee productivity is measured by key performing indicators such as setting standards and objectives where employee is given tools and information required to meet the targets and deadlines. Kawara (2014) pointed out that tagging reward to the amount of output and employee job quality is an approved approach used to measure and raise employee productivity.

Feming & Daw, 2017 argued that the indicators of measuring productivity include achievement of objectives, individual growth, learning and timely completion of work. Paliwal, 2017 further duplicated and pointed out that employee productivity is measured by examining the time taken by employee in caring out specific assignment. According to Kluwer (2020), service industries can measure productivity by considering the number of tasks performed, the number of customers attended, customer service standards and meeting deadlines.

### **1.1.2 Performance Management Process**

Performance management process as well-defined system of setting goals, planning, and controlling series of activities involved in determining performance expectation between the individual employee and the supervisor (Performance Management Process Handbook, 2020).

Armstrong & Taylor (2014) pointed out that PMP influences performance by enabling the worker comprehend what satisfactory performance entails and by shedding light on the required essential to improve productivity. Moreover, successful performance management process usually includes goal setting, performance assessment and reward system. Normally, for the process to be successful, training is mandatory throughout the whole process (Madison 2016).

Performance management process comprises three main elements. These are performance planning which involve goals, targets setting and standards establishment, performance monitoring which entails coaching of direct reports and progress reporting through feedback, performance evaluation where yearly performance of worker is assessed against the set



annual targets (Zigarmi, Nimon & Shuck, 2014). Figure 1.0 illustrates the performance management process as follows: -

Study by Gichuhi, Abaja & Ochieng (2013) showed that worker productivity is determined by PMP. Moreover, employee productivity is critical to the organization and the top executive should put in place the favorable performance management procedures including motivational approaches to enhance self-esteem and improve employee productivity (Khan & Gautam, 2014).

Furthermore, Onyije 2015 suggested that performance appraisal, reward system, training, & development are very fundamental devices which organization can use to rectify problems of employee productivity. Islami, Mulolli & Mustafa (2018) indicated that performance appraisal is the main factor affecting performance management process while Rusu, Avassilcai & Hutu (2016) argued that in the modern business environment employee performance appraisal has become main component of the performance management process which the firms can adopt to remain viable.

Anand, Negi & Ganghwa (2020) defined Performance Appraisal as formal, designed structure of measuring and evaluating employee's work behavior and end results. In addition, performance appraisal is defined as prescribed procedure which takes places often and where laborers are assessed by supervisors to determine their performance using key performance indicators, grades or weighted scores of judgements and final results are communicated to the employees through feedback (DeNisi & Murphy, 2017). To be precise, performance appraisal purposes is to identify contemporary skills and performance status of the labourer (Shout & Youssef, 2014).

According to Brin, Page & Schmidt (2016) training is defined as organized systems which alters employee behavior through learning measures, interventions and instructions aimed at improving employee productivity. In addition, Armstrong (2009) further documented that training is the methodical growth of the skills, knowledge and the attitudes of employees necessary to fully perform a given task or job. Training refers to a prearranged activities organized to facilitate knowledge acquisition for employees to acquire key performance requirements that would generally result in upgrading of person's performance and corporate organization. (Hassan, 2016). Krishna & Amutha (2015) expressed that training is a

continuous course that enhance the skills, proficiencies and the knowledge for accomplishing specific job in an organization.

Amstrong (2010)) echoed that reward is all financial, non-financial, and psychological remunerations paid by an organization in exchange for work performed by its employees. There are two categories of rewards, extrinsic rewards which include financial compensation and working conditions that employees receive at work. Intrinsic rewards include job satisfaction gained from real tasks, such as personal achievement and a feeling of contributing to society. Taylor & Alla (2019) also pointed out that reward is made up of extrinsic components like salaries, benefits and incentives. Secondly intrinsic which consists of internal component such as self-assurance, appreciation, and other non-monetary rewards recompensed to staff.

Performance feedback is the information exchange between the supervisee and supervisor. Feedback can either be positive nor negative, whether the worker is performing or needs improvement. In performance feedback, the supervisor conveys required feedback and similarly, the employee also gives feedback regarding job (Chandrasekar, 2011). Davis (2011) further stated that regular feedback allows employees to focus on the assigned tasks and to accomplish the organization overall goals and objectives.

### **1.1.3 Shelter Afrique**

Shelter Afrique Act 1985, defined Shelter Afrique as Pan African Development Financial Institution specifically supporting the development of the housing and real estate segment in Africa. The shareholders involve forty-four (44) African nations, the African Development Bank (AfDB) and the African Reinsurance Company. Shelter Afrique helps to solve the housing shortage by financing and providing technical support for development of urban development. The operations are under the umbrella of the Ministry of Housing (Kenya Gazette Supplement Act ,1985).

Bloomfield Investment Audit and Risk management (2021) pointed out that the main mission of these shareholders is to mobilize resources for housing promotion in Africa. According to agreement which established the African Development Bank (AfDB) in 2016, AfDB main function is to pprovide funding for investment projects and plans related to economic and

social development of its regional members, whereas African Reinsurance Company was jointly established by the member states of the African Union (AU) and the AfDB. It is mandated to regulate the insurance industry and its main goal is to reduce the outflow of foreign currency from the African continent by retaining a large proportion of reinsurance premiums (Shelter Afrique Human Resource and Operations Manual, 2014).

The Kenyan Gazette Supplement Act 1985 further explains that, Shelter Afrique's main activity is to offer construction finance directly to developers and also open lines of credit with local banks and credible financial institutions to enable them fund housing developments in Africa. In Kenya, the main focus has been to finance private housing developers directly funding up to 60% of the total amount of the project (Kenya Gazette Supplement Act, 1985)

According Human Resources and Operation Manual approved by the Shelter Afrique board in 2014, the institution has put in place performance management process to improve employee productivity. These include performance appraisal, reward system, training and development, internal promotion, performance feedback, paid holidays, compensation, allowance and benefits. Similarly, the employees set yearly goals and objectives along with the supervisor which are reviewed on a quarterly basis as per the policy (Shelter Afrique Human Resource and Operation Manual, 2014). Despite the having the human resource and operation manual, productivity has continued to declined which has led to subsequent terminating and replacing of four Chief Executive Officer from the year 2016 – 2021. The organization has also undergone massive termination of employees due to low productivity.

## **1.2 Statement of Problem**

Despite Shelter Afrique implementing performance management process as mentioned above, employee productivity has remained to be low. According to Deloitte (2016), the Audit report evident that although staff have the required qualifications to perform in the job position, the institution experienced low employee productivity. According to the article published by Guguyu (2018), Shelter Afrique was featured terminating contracts for thirteen staff due to low employee productivity. The organization was further highlighted restructuring its business operations to assess past employee productivity (Uwaegbulam, 2018). Therefore, this calls for the study of performance management process applied by Shelter Afrique to monitor employee productivity. The study seeks to examine employee performance appraisal, training, reward system and performance feedback.

Kibichii, Kiptum & Chege (2016) researched on the impact of performance management process on employee productivity in Turkana County commercial bank. The specific goals of the study were to evaluate the effectiveness of the employee performance appraisal, training and development, and to examine how the reward influences employee productivity. Equity Theory and Social Justice Theory were applied to guide the survey. The investigation also used descriptive design, targeted population of 200 employees, the sample size arrived was 133 using Yamane formula. Data collection was done using questionnaires. The study uncovered that appraisal, training and reward system are interconnected and all these variables affect employee productivity.

Kibichii *et al.* (2016), further argued that to have complete facts on this matter, future study should be narrowed-down to the impact of each variable, that is, the impact of appraisal, training and development, and the reward on employee productivity. It is also endorsed that further study should be carried out to test the effects of other variables and arbitrating factor between performance management process and employee productivity.

Salah (2016) studied on how training and development affects the employee's performance and productivity in Jordan, a case study of transport organizations. Qualitative approach was used and structured questionnaires administered to collect data. The research showed that the training and development are interrelated and have valuable relationship on the employee productivity. In addition, the outcomes recommended that forthcoming research should be conducted to include other variables such as competences, participation and others which might influence employee performance and productivity.

While there are immeasurable studies on how the performance management process influence employee productivity, no research has been conducted at Development Financial Institution Shelter Afrique. The study will carry out census study using descriptive Research. The study will embrace Goal Setting Theory, Expectant Theory, Social Cognitive Theory and Control Theory Therefore, the current research aims to fill the research gap by examining the essentials applied at Shelter Afrique's employees NCC in Kenya to boost employee productivity.

### **1.3 Objectives of the Study**

The purpose of the research was to investigate the effect of the performance management process on employee productivity at Development Financial Institution, Shelter Afrique Nairobi City County, Kenya.

#### **1.3.1 Specific Objectives**

The objectives of the study were:

- i. To assess the effect of performance appraisal influences on employee productivity at DFI, Shelter Afrique Nairobi City County, Kenya.
- ii. To assess the effect of training influences employee on productivity at DFI, Shelter Afrique Nairobi City County, Kenya.
- iii. To determine the effect of reward systems influences on employee productivity at DFI, Shelter Afrique Nairobi City County, Kenya.
- iv. To establish the effect of performance feedback influences on employee productivity at DFI, Shelter Afrique Nairobi City County, Kenya.

### **1.4 Research Questions**

The study sought to answer the following questions: -

- i. How does performance appraisal influence employee productivity at DFI, Shelter Afrique NCC Kenya?
- ii. How does training influence employee productivity at DFI, Shelter Afrique NCC Kenya?
- iii. How does rewarding systems influence employee productivity at DFI, Shelter Afrique NCC Kenya?
- iv. How does performance feedback influence employee productivity at DFI, Shelter Afrique NCC Kenya?

### **1.5 Significance of the Study**

Employee productivity is very critical aspect to every organization and the findings of the study is equally vital not to Shelter Afrique only, but to other institution both local and international. Shelter Afrique is the main beneficiary of the outcomes since the research findings provide solutions on how to improve staff productivity and implement effective performance management process in the institution. The outcomes of the study are similarly valuable to Human Resource professionals in knowing performance management process

approaches to use to enhance employee productivity. Additionally, the results would be vital in academic institutions as foundation of reference material for further research on other similar topics.

### **1.6 The Scope of the Study**

The purpose of the research expounds the influence of performance management process on the employee productivity. The research focused on performance appraisal, training, reward systems and performance feedback. Census study was out in carried out at Shelter Afrique headquarters NCC, Kenya in year 2021 which targeted all the population using descriptive research design.

### **1.7 Limitation of the Study**

The researcher encountered difficulties while collecting sensitive information in human resource records and employee productivity reports. The request to access the reports was not positively received by Shelter Afrique even after the researcher guaranteed confidentiality. Secondly, despite the fact that all of the respondents completed the questionnaires, some of them were not authentic enough in providing the correct answers.

### **1.8 Organization of the Study**

Chapter one presented the background the research, research objectives, significance of the study, scope and the limitations encountered during the research. Chapter two provided literature review, that is theoretic framework and empirical review. Chapter three deals with the research methodology applied in the study, findings and the interpretations are presented in chapter four, while chapter five presented summary discussion, conclusion and the recommendation of the research.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This section explores existing studies in relation to performance management process and employee productivity. The chapter also elaborates the theoretical framework, empirical review of various variables relating to Performance management process, summary of literature review and conceptual framework. Saunders & Lewis (2009) claimed that it is necessary to conduct a comprehensive assessment of past literature to help fully comprehend the previous studies in relation to the research questions and goals.

### **2.2 Theoretical Framework**

Theories play a substantial role in expounding, predicting, and allowing researchers to gain broad knowledge on phenomena and deepen understanding of prevailing studies. The theoretical framework introduces and outlines theories that clarify the reasons for the research problems under study cited Tummala & Schoenherr (2011).

#### **2.2.1 Goal Setting Theory**

Goal setting theory was founded by Edwin Locke in 1960 on implications of setting goals on successive performance. It predicts that people will venture for goals, which subsequently affect performance (Locke & Latham, 1990). Edwin Locke's further argued that for a goal to be successful with desired outcomes, they should have the principles of goal setting which are clarity, complexity challenging, feedback and group commitment. Locke and Latham (2006) also expressed that goal setting theory has elements which are specifically fundamental for goal attainment, these are acceptance, commitment, specificity, difficulty and feedback.

In addition, goal setting affects performance by enhancing the motivation to accomplish established goals (Latham, 2004). Furthermore, Locke & Latham (2006) observed that if a person or groups finds that the present performance is unsatisfactory, they are ordinarily motivated to put more efforts or restructure the strategy. The decision to set goals stems from discontentment of the current position of performance. Goal setting involves establishing systems that guide actions and behaviours to improve unsatisfactory performance. Setting goals will change an individual's behaviour in an effort to achieve the set objectives.

Latham (2004) linked the relationship between goal difficult and task performance as a linear relationship and that a combination of difficult and specific goals can lead to higher productivity. Lunenburg (2011) further described that an effective goal produces energy and excitement in employees. It is dependable with the objectives, values, and premeditated advantages of the organization. Effective goal setting creates unified action in line with organizational vision. When workers come across a challenging task, it pushes them to put more efforts and this will result in improved performance.

Appelbaum, Roy, & Gilliland (2011) argued that there is not much difference in the applicability of Goal-setting theory in large and small organizations. The difference depends on the fact that employees' involvement in goal setting is not always desirable in larger organization and their participation in setting goals is unfeasible because of more complex long-term goals owing to the resource base. In small organizations, employee participation in goal setting makes goals more acceptable which increases the involvement of the employee in attaining the goal, though this is only applicable in short-term goals.

Goal setting works well with performance appraisal and feedback. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. Specific and clear goals also guide and motivate the employee to work harder towards achieving the results which also has an impact on employee productivity and organization general performance

### **2.2.2 Expectant Theory**

Expectant theory was first invented by Vroom 1964 into a theory of motivational process. It inhabits a prominent place in the study of work motivation, and has become a valued source of theoretical motivation in various fields such as the organizational behaviour and also compensation. The expectant theory of the performance management is defined as a procedure that creates a framework for the continuous monitoring and the measurement of activities of the company's individual employees. Similarly, it also measures the performance of the whole organization ability to attain the organizational objectives and long-term goals.



Vroom, (1964) further argued that expectant theory is idealistic since employee perceive higher degree of association between performance and reward. If the task is attainable, the employee will perform in expectation of the bonus. Expectant theory identifies three features that interact with each other in motivation. These aspects are effort performance expectation (EP), refers to the personal observation that effort is positively interconnected with the output. The higher the expectations of EP, the more motivated people are to work hard. The second aspect is the so-called performance outcome (PO) expectation. It states that if individuals' expectation is the pay, performance levels will be closely related and worthy of attention. This influence also positively impacts the motivation to exert the effect. The third factor is called valence, which measures how much an individual bestows on a particular reward. Similarly, like other factors, the higher the factor, the more active the individual (Isaac, 2001).

Parijat & Bagga (2014) further duplicated that Expectancy theory of performance management system states that the motivation of employees and their behavior in the workplace is subject to the key elements: Expectancy, Instrumentality and Valence, Expectancy is a belief for performing a job satisfactorily, instrumentality involves rewards for performances and valence focuses on the value of the positive rewards.

According to Vroom, this relationship indicates that higher the expectancy, instrumentality, and valence, higher are the levels of motivation. In addition, if any of the aforementioned elements are zero then the overall motivation becomes zero. This means the motivation of an employee will turn to be zero if worker achieves rewards of no value even if they expect their effort to result in anticipated performance and rewards. (Chatty, 2018). Expectancy theory aims at current performance and focuses on motivating the employees to perform higher. Therefore, it is important for employees to know about their assessment process in order to examine their capability in performing a task (Lunenburg, 2011).

The theory is relevant to this study because when productivity is linked to reward, the employee is motivated to put more efforts. If the reward is attractive, the employee will be motivated to work hard.

### **2.2.3 Social Cognitive Theory**

Social Cognitive Theory (SCT) started as the Social Learning Theory (SLT) in the 1960s by Albert Bandura. It developed into the SCT in 1986 and postulates that learning occurs in a social context with a self-motivated and mutual interaction of the person in environment, and behavior. The theory is built on the core concept of self-efficacy (Bandura,1986). It states that those who consider themselves exceedingly capable performers tend to accept higher-than-average difficult goals (Bandura, 1994).

To be precise, Social. strong self-efficacy takes into higher-level goal challenges, effort, perseverance, and resilience devoted to the pursuit of established goals (Bandura, 2001). Stankovic & Luthans, (1998) further argued that, people are motivated by the foresight of goals, not just the hindsight of shortfalls. The effort and the resources are prepared founded on anticipatory estimations of what is essential for goal realization.

Social-cognitive theory is grounded by assumptions that people can learn by observing others and Learners can acquire new knowledge and behaviors by simply observing a model. It argues that humans are not passive objects moulded and steered by consequences of an environment. These behaviours rely on self-reflection, self-awareness and self-regulation. Even when people have acquired the information and aptitude to succeed, valued consequences are abandoned if they hesitate their capacity to self-regulate (Stajkovic & Sergent ,2019).

LaMorte, (2019) further argued that there are quite a few limitations of Social Cognitive which should be factor in when using the theory. There are restrictions of the model that assumes that changes in the environment will inevitably lead to changes in the individual, when this may not always be true, the theory is loosely planned and exclusively based on the dynamic interaction between individual, behavior, and setting. The theory heavily emphasizes on processes of learning and does not focus on sentiments, other than through reference of the past experience. The theory can also be wide and this can be difficult to operationalize.

Therefore, the theory is also applicable to the study because people with high self-efficacy will be pushed to take actions, set high objectives and put efforts and accomplish them which translate to high performance and influences employee productivity. If the goal is not

attained, people with high self-efficacy will redouble and change their strategy and put more efforts to ensure the set goals are achieved.

#### **2.2.4 Control Theory**

Control theory focuses attention on feedback as means of shaping behavior. As people receive feedback on the behavior, they appreciate the divergence between what they are doing and what they are expected to do and take corrective action to overcome the inconsistency. The theory helps in sustaining the performance management system by defining forms of control between the organization and the systems within. According to control theory, actions of all systems should be matched to synchronized with the overall goals and objectives of an organization (Barrows & Neely, 2012).

The first step of control is under behaviour control where employer monitor and evaluate the actions of the employees on a regular basis, as per the standards of the organization and then reward accordingly. Secondly is output control, the performance of an employee is controlled with rewards or sanctions after evaluating it on the basis of organizational standards. Lastly is Input control system which seeks to control the selection and training process of an employee. Organizations can use any type of control system or a combination of different models. Selection of the control to be used depends on the structure, norms, policies and administrative information in an organization (Shell, 1992).

Similarly, executives can use Control theory in management of projects to facilitate the continuous flow of feedback between supervisors and employees in an organization to track and evaluate achievements as a team (Pennsylvania State University World Campus, 2016). Though employee behaviour, output, and input cannot be controlled completely, business organizations ensure that employees have the freedom to handle the complexities they are facing. Control theory sounds more mechanical in terms of human behaviour and performance and it can go well with a bureaucratic and strict organisational framework where employee actions are continuously monitored and controlled (Chetty, 2016).

Control theory is relevant to the study as since it focuses on feedback mechanism to improve employee performance which translate to higher productivity. Although the chapter discussed three theories which are pertinent to the research, the goal setting theory is more

appropriate to the study since clear, specific, challenging, employee commitment, feedback and task complexity are factored in when setting targets. This ease fast-tracking, monitoring of milestone, progress and new development on employee productivity.

## **2.3 Empirical Review**

### **2.3.1 Performance Appraisal and Employee Productivity**

Attipoe, Agordozo & Seddon (2021) conducted an assessment on how the performance appraisal effects on employee productivity in Ghana Municipality Secondary School. Descriptive designed was used. The sample size of 108 was obtained from targeted population of 153 which was selected by probability and non-probability sampling. Data collection conducted using interviews and questionnaires. The findings showed that performance appraisal improves employees' job performance. It also helps employees understand their full potential to carry out the company's mission and information essential to make work-related decisions through employee feedback.

Adeyeye (2021) sought to study how performance appraisal is an instrument for improving business 'production and also staff' work performance in insurance companies, Lagos. Sample size was arrived using Yamane Taro's sampling technique, from 6 insurance companies, 105 respondents were randomly selected. The data collection tool used was questionnaire. The findings evident a substantial positive association between the performance evaluation and company output. Additionally, the findings uncovered that there is week connection between organization performance and that of employee performance. The findings further indicated that apart from performance appraisal, there are others factors that determine employee job performance.

Ndago (2020) carried out an investigation on how performance appraisal affects employee productivity in nation of Kenya, Kwale County department of correctional services. The purpose of the research was to observe how self-assessment influence employee productivity, explore how task-based assessment influence employee productivity, investigate ways in which 360 feedback affects the worker output, and to assess the moderating effect of gender on employee yield and lastly was to find out the interrelationship between the employee performance assessment and the employee production. The results of the survey confirmed that the performance review improve the work efficiency of employees.

Ugoani (2020) researched on the performance appraisal on employees' productivity in Charitable Organizations in Nigeria. Qualitative and quantitative techniques research were applied. Research used the judgment sampling to select the sample size of 109 which was determined through sample ratio concept. Questionnaires were administered for gathering of qualitative and quantitative for primary and secondary information. The study highlighted strong correlation between the appraisal and the employee productivity. It was also revealed from the results that performance appraisal is a vital instrument for organizations and should be used to plan training of employees.

Ogohi (2019) carried out a test on management of performance review and the employee's productivity in the North South, Power organization. Questionnaires were administered to the respondents to gather primary data through stratified sampling. The primary purpose of the research was to examine how performance appraisal affects employee performance, to understand whether the use of performance appraisal methods by management can improve employee productivity, and to understand whether feedback obtained from performance appraisal will affect productivity. Research results showed that the performance review, feedback and staff productivity have significant connection. The findings also revealed other related variables which include rewards, training, promotion, feedback, demotions, lay-off, transfer, and redeployment also influence performance appraisal.

Mayaka & Oluoch (2018) studied the influence of appraisal on the employee productivity in Kenya devolved governments. The assessment employed descriptive design and targeted staff from Homabay, Bomet, Kericho, Nyamira and Kisii counties. Stratified sampling was used, random sampling applied and questionnaires used to collect primary data. The findings showed that performance appraisal, feedback, rewarding and training have positive influence on productivity. The study recommended that the county governments leadership should formulate performance appraisals that take best practice into consideration and implement suitable process that is agreeable to majority of the employees.

Zayum & Hangeior (2017) the internal Revenue Service of the Plateau State of Nigeria conducted research on staff appraisal and productivity of the employee. The study focused on the null hypothesis of two goals and two non-significant relationships. The research applied a survey design. The research targeted population consisted of 1580 employees and the research sample size used was 319. The findings concluded that performance appraisal is

highly politicized and if used effectively, it will improve employee productivity and efficiency as well as employee motivation.

### **2.3.2 Training and Employee Productivity**

Alsama & Abunar (2021) carried out the research on how training and development impact worker productivity in private firms in Saudi Arabia. The intentions of the research were to examine how the training and development and employee productivity relate. Qualitative research was used and targeted population of employees working in private companies. The research administered questionnaires to 61 employees to collect data. The findings showed that training and development have huge impact on the staff productivity and concluded that the appraisal should be used to identify employees training needs.

Shuibin, Benjamin & Naam (2020) evaluated the implication of the training and development in Municipality of Ghana educational centre on employee productivity. The study analysed demographic of respondents and the questionnaires was used as data collection tool. The assessment noted a gap in employee training and pointed out that teams were not well acquainted with training policy. Therefore, study recommended that the management of Ghana Educational Services as well as employees should have well defined training policy.

Jayum, Aule & Teslim (2018) conducted research in Benue State Ministry of Agriculture in Nigeria on training and staff productivity. The study carried out survey research and conducted census study. Structured questionnaires were applied to collect data. The results unveiled that compared with training taken within the day-to-day work duties, learning undertaken outside work place has a greater influence on the worker. It was further recommended that management should come up with trainings that teams require to advance their capabilities and nurtures firms productivity.

Eliphas, Mulongo & Razia (2017) carried out a case of Muheza District in Tanzania on influence of appraisal tool on the employee productivity. The interviews and questionnaires were administered to a sample size of 339 respondent who participated. The results emphasized that performance appraisal, gratitude and feedback mechanism are requisite to staff performance and it influence worker productivity. The survey also indicated that promotion, training and development have insignificant consequences on the employee output. The results suggested that to cultivate employee productivity, firms should invest in

promotion, enhancing employee's commitment, learning and development. Furthermore, the researcher discovered that enhancing the employee job satisfaction by recognition should be an instrument for sustaining capable and screen out unproductive employees.

Ilyas, Kadir & Adan (2017) assessed in manufacturing industry the affiliation between the training and employee productivity. A diverse method of quantitative and qualitative was both applied. Main data were gathered by means of questionnaires. Additionally, onsite interviews were also used to gather information. The research results showed that the training of general skills and strategic skills are positively correlated with employee productivity.

Kumar & Anitha (2016) studied in India private insurance industry how training impact employee performance. The research measures the influence of training on staff performance, elements influencing employee productivity and the relationship of other human resource processes on employee performance. The study used 75 sample size and adopted random sampling technique. Raw data was gathered using questionnaires. The findings showed that training improves the performance standard of employee productivity and efficiency in functioning of the industries.

Study by Hanaysha (2016) tested on higher Education Sector in North Malaysia, effects of teamwork, training and empowerment on employee productivity. Online study from sample 242 employees was carried out and data collected were analyzed using the structural equation modelling. The research outcomes showed that training employee has substantial beneficial results on worker productivity. Training helps employees acquire the knowledge, skills, behaviour, and also boost confidence to perform efficiently.

### **2.3.3 Reward System and Employee Productivity**

Afraei (2019) studied on the consequences of reward system on employee's productivity in Dares Salaam higher education students' loans board. The study aimed to investigate the reward system available, examine how the reward system relates to employees' job objectives and to examine how the extrinsic reward system affect employee productivity. The assessment used mixed approach, qualitative and quantitative research, stratified sampling and Radom sampling procedures. Primary information was collected using in-depth questionnaires and the interviews. Secondary data was also collected through the documentary review. The findings showed that both intrinsic and extrinsic rewards such as

salary, bonus, employees' promotion, fringe benefits, training and development affect employee productivity. Similarly, it motivates the employees to timely complete and meet the set targets and goals. The study suggested that the company should invest in both intrinsic and extrinsic reward to boost employee productivity. The research further recommended future studies to use other forms of rewards apart from those used in this study.

Pawirosumarto & Iriani (2018) carried out research on the how work pressure, labour cost, payment and labour related disciplines influence employee productivity in Magister university, Indonesia. The study population was established, random sampling designed used and sample size arrived at was 120 respondents. The research administered questionnaires to collect primary data. The outcome observed that compensation is a very imperative motivator in enhancing employee productivity. It was concluded that employees and the institution recognize the interrelationships in the office and use the compensation to boost the morale, therefore increasing employee productivity.

Ndichu (2017) studied the impact of incentive and the rewards on the employee productivity in commercial banks of Kenya, an assessment of First Community Bank. The test focussed on how incentives, both financial rewards and non-financial affects employee productivity. The study adopted descriptive survey, population used was staff from Nairobi branch, stratified sampling was employed and data gathered by use of structured questionnaires. The outcomes depicted positive and significant interrelationship in the use of reward scheme on employee productivity. The outcomes also pointed out that bank ought to formulate all round reward plans that would inspire the employee's productivity. These include profit sharing, promotion, career development, participate in policy-making, applause excellent employee, organize team buildings to enhance team spirit, restructure talents and succession planning.

Nabibya, Egessa & Kwendo (2016) researched on the performance reward scheme and employee productivity in the Judiciary branch, Kakamega law-courts in Kenya. Study adopted descriptive research, census study and purposive sampling. Data gathered by means of questionnaires and interviews. The study final results revealed that there are no adequate reward programmes in judiciary. In addition, the survey observed a positive significance connection between the reward scheme and the worker productivity. The study recommended that judiciary law court should implement performance reward strategy to increase employee productivity.



Sinddiqui (2015) studied on impact of reward strategy on the employee productivity. The survey of Orient Energy System, private government sectors in Pershwar. The motivation of the research was to measure the impact of the reward programmes both intrinsic and the extrinsic on the staff productivity, job incentive and the fulfilment on employee performance. The finding showed the positive effect of reward which are very essential and can regenerate the productivity of the employees and also sustain them in employment in this 21<sup>st</sup> century. The research also found out that reward programmes affect employee motivation and performance for a short-term basis i.e., at the beginning, intrinsic and extrinsic rewards strategies are effective but only for a short while. Similarly, most of employees are only motivated by extrinsic rewards.

Adebisi & Oladipo (2015) researched on reward plans as an approach for improving employees' productivity in Nigeria. How the intrinsic and extrinsic reward scheme affects employee's productivity was measured by gathering primary data. The used multistage, stratified, random sampling method to sample the respondents and distributed questionnaires. The findings showed that staff would prefer to be shown gratitude either with the intrinsic and extrinsic reward or both systems combined. It was also found that the level of employee productivity increased with the use of recognition strategies like letters of recommendation, participation in conferences, and the training opportunities. On the other hand, employees will prefer reward systems to be built on the effective promotion rather than financial rewards.

#### **2.3.4 Performance Feedback and Employee Productivity**

Mati (2020) conducted research on the significance of appraisal influence on employee productivity in Meru town, Kenya Commercial bank. The survey evaluated how set targets, reward schemes, feedback communication affects employee productivity. The study used descriptive design, survey design and applied a census study. Primary data was gathered using questionnaires. The results showed that employees of the bank were productive.

Additionally, Mati, (2020) pointed out that performance reward systems, feedback mechanism and communication when measured independently, each has a substantial positive impact and critical factor in influencing employee productivity. The conclusions also pointed out that to promote worker productivity, setting of specific targets is what

matters the most. It was recommended that banks should ensure there is a clear policy on performance reward schemes and also clear communication lines to ensure employees become productive.

Mukuwa (2020) surveyed a case on the impact of appraisal on the employee productivity in Chilanga Town local government. The test concentrated on assessing the interrelationship between performance appraisal and employee output, examine ways in which appraisal influences on employee job and to explore ways in which managers can review past performance and improve existing performance at Chilanga Town Council. The random sampling technique was applied and questionnaires distributed to the respondents.

The results showed that efficient performance appraisal allows the employees to give suggestion and know the expectation for achieving the company's planned objectives. The use of compensation is fundamental factor and the employees should be rewarded to reduce poor performance and meet the target levels. The study further highlighted that the key to successful empowerment and productivity is satisfactory performance feedback between both employee and supervisor. Subsequently appropriate feedback establish accountability since individuals and supervisors contribute to development of objectives, required skills, recognition, career growth and incentive. Effective feedback can result in improved productivity of employees and Likewise employees will know their expectation (Mukuwa, 2020).

Kihama & Wanaina (2019) conducted descriptive research on worker evaluation, feedback and the employee productivity in Kenya Kiambu County, water and Sewerage Company. The research targeted 972 workers; stratified random sampling procedure was employed to establish the sample size of 300 respondents. Structured questionnaires administered to collect data. The findings indicated that it is easier to communicate positive feedback as compared to negative feedback. The study endorsed that organization should have proper channel to be followed when communicating employees' feedback.

Owino, Oluoch & Kimemia (2019) carried out research on influence on the performance review systems on the employee productivity in Kiambu County, Referral Hospital. The research investigated several items such as planning, performance review, feedback response and reward systems. The proportionate-stratified sampling method was employed and

questionnaire as research instrument. The study found out that there is beneficial relationship among the four variables and recommended setting of specific goals and objectives and having regular discussions on performance with employees to improve employee productivity. Similarly, the study suggested that providing regular feedbacks and linking reward system to the results of performance appraisal to enhance employee productivity.

Narine & Illinois (2017) carried out research on Nonprofit Agency on employee's performance feedback and employee productivity. The study was conducted within the United States Agency. There were 100 participants and data were collected using computerized system used to adjudicate claims. The findings showed that giving employees routine feedback on their performance makes them more engaged and increase productivity. Furthermore, the feedbacks supervisor gives to an employee can improve moral and commitment which improves performance. The study also reveals that employees were more productive when they are given measurement standards.

#### **2.4 Summary of Literature Review and Gaps**

The aim of the literature review was to examine performance management process by discussing key variables performance appraisal, training, reward systems and performance feedback influence on the employee productivity. The study also examined gaps in methodology used, empirical gaps and populations gaps. According to literature review, a positive interrelationship amid four variables and the employee productivity was evident. Literature review also established positive interrelationship among the four variables performance appraisal, employee training, reward programmes and performance feedback.

Though the study found some gaps in literature review in methodology used, empirical and populations gaps, it is not clear whether the same apply in development financial institution operating in Kenya such as Shelter Afrique. Table 2.5 presents the summary of the research gaps established.

**Table 2.1: Summary of Research Gaps**

<b>Author's Name of</b>	<b>Focus of the Research / Methodology</b>	<b>Outcomes/Findings</b>	<b>Research gaps</b>	<b>Focus of the current study</b>
Mukuwa (2020)	Impact of performance appraisal on the employee productivity in Chilanga Town local government  Use random sampling technique	Performance appraisal practice allows the employees to express their ideas, and know the expectations. Adequate feedback-built accountability.	Tested only one variable and left out the rest Used random sampling, this research will use Census study	Performance management process and employee productivity at Shelter Afrique focusing on appraisal, training, reward system and feedback
Attipoe, Agordozo & Seddoh (2021)	Performance appraisal effects on employee productivity in Ghana municipality Secondary School. Descriptive designed and non-probability and probability sampling	Performance appraisal raises the work performance of employees It assists employee understand how to potentials carry out the firms' mission	Solely focused on performance appraisal and did not factor other processes which might affect employee productivity Used non - probability and probability sampling while this research will use census study	The study is focusing performance appraisal, training, reward and feedback at Shelter Afrique  Census study will be carried out in Nairobi Kenya
Adeyeye (2021)	Employee appraisal, as a driver for promoting companies' productivity and worker's output in insurance companies in Lagos Sampled 6 insurance companies using Yamane Taro's sampling.	There are other factors that determined employee job performance apart from performance appraisal.	Other factors affecting employee productivity were left out This research will focus of Development Financial Institution and not insurance	The study is focusing on four factors performance appraisal, training, reward and feedback and employee productivity at Shelter Afrique
Kumar & Anitha (2016)	India private insurance industry, the effect of training on employee	Learning improves the performance level and employee productivity;	Tested only one variable; training Used random sampling.	Performance management process and employee

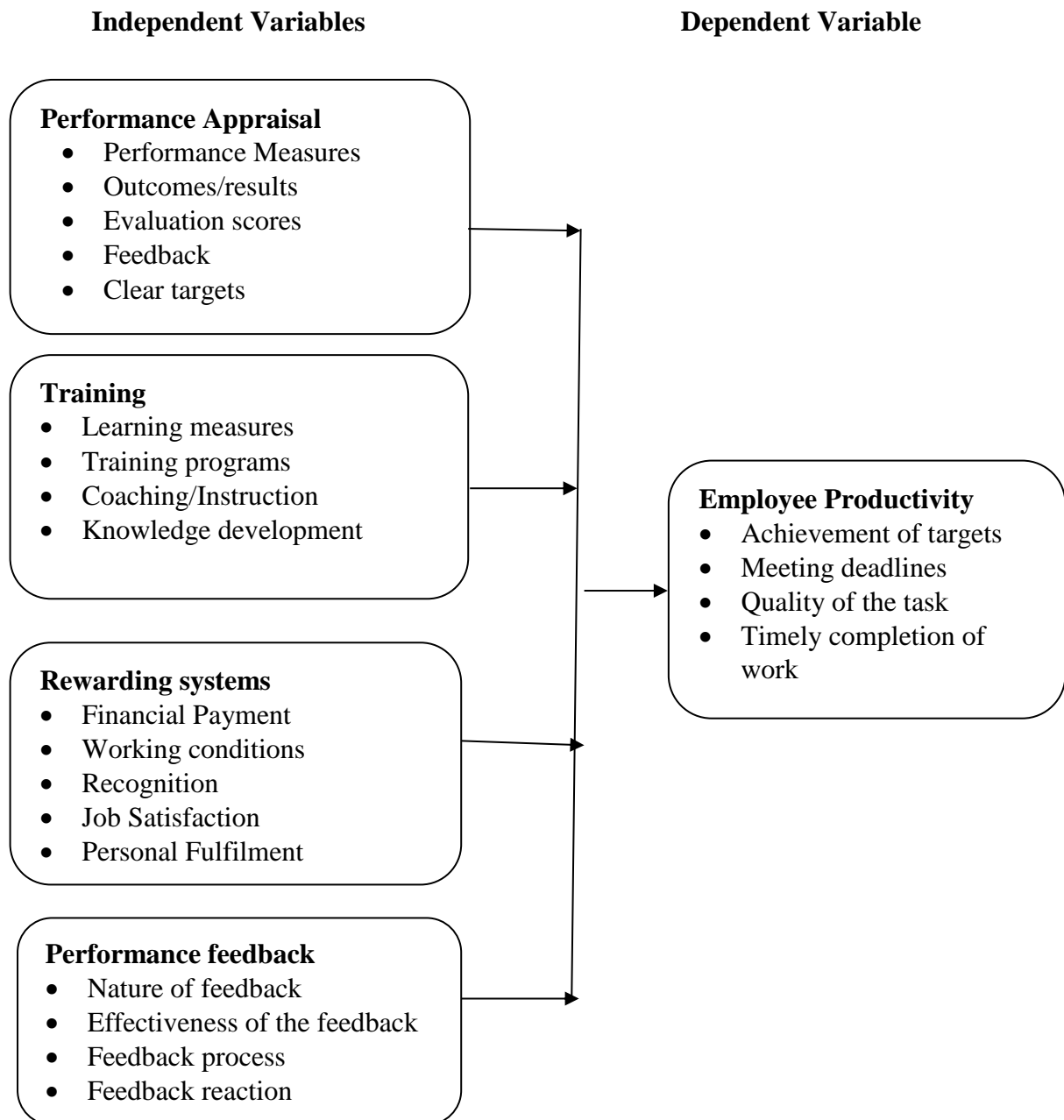
<b>Author's Name of</b>	<b>Focus of the Research / Methodology</b>	<b>Outcomes/Findings</b>	<b>Research gaps</b>	<b>Focus of the current study</b>
	performance Random sampling technique was used data collected using questionnaires.	efficiency and effective functioning in an organization.	The study was in India insurance company while the current study will take place in Kenya in Development Financial Institution	productivity at Shelter Afrique focusing on appraisal, training, reward and feedback
Hanaysha (2016)	Effects of teamwork employee empowerment, and staff training on employee productivity, Education Centre, Northern Malaysia Online sampling was used to sample 242 employees	Training help employees to grasp information, skills and confidence to perform efficiently.	Studied only one variable training in Malaysia and left out the rest This research will carry out Census study of 55 employees in Development Financial Institution in Kenya	Performance management process and employee productivity at Shelter Afrique focusing on appraisal, training, reward system and feedback
Eliphas, Mulongo & Razia (2017)	Influence of performance assessment on employee productivity in Tanzania, a survey of Muheza District Used interviews and questionnaires distributed to sample size of 339	Training helped boost employee's knowledge and skills	Focused only on performance appraisal  The study was carried out in Tanzania while this will take place in Kenya Questionnaires will be distributed to of 55 respondents	Performance management process and employee productivity at Shelter Afrique, Kenya focusing on appraisal, training, reward and feedback
Afraei (2019)	Effects of reward system on employees' productivity in Dar es Salaam students' higher education loans board Used mixed approach qualitative, quantitative,	Both intrinsic and extrinsic reward such as salary, bonus, employee's promotion, fringe benefits, training and development motivate employee and affect employee productivity.	solely studied on reward system and left out other factors which affect employee productivity  This research will carry out census study	Performance management process and employee productivity at Shelter Afrique, Kenya focusing on appraisal, training,

<b>Author's Name of</b>	<b>Focus of the Research / Methodology</b>	<b>Outcomes/Findings</b>	<b>Research gaps</b>	<b>Focus of the current study</b>
	stratified and random sampling			reward and feedback
Pawirosumarto & Iriani (2018)	Effect of work pressure, work cost, reward and employee discipline on employee productivity in University of Mercubuana, Jakarta, Indonesia  Random sampling was used	Compensation is a key motivating factor in supporting employee productivity	Performance appraisal, training and feedback were left out  Census study will be used	Performance management process and employee productivity at Shelter Afrique, Kenya focusing on appraisal, training, reward and feedback
Nabibya, Egessa & Kwendo (2016)	Performance reward and employee productivity in the Kakamega Judiciary law courts, Kenya  Census study was used	Reward system alters the motivation and performance of employee on for a short while	The way of doing business has changed. There is need to study other factors affecting employee productivity apart from reward	Performance management process and employee productivity at Shelter Afrique, Kenya focusing on appraisal, training, reward and feedback
Kihama & Wanaina (2019)	The performance review feedback on employee productivity, Kiambu County water and sewerage company, Kenya  Stratified random sampling was used Questionnaires administered to 3000 respondents	it is easy to share positive appraisal compared feedback to negative feedback.	Left out the other variable  Census study will be used with 55 respondents	Performance management process and employee productivity at Shelter Afrique, Kenya focusing on appraisal, training, reward and feedback

**Source: Research (2021)**

## 2.5 Conceptual Framework

A conceptual framework was used to guides the direction of the study. It applied the previous exploration to conclude a philosophy and procedures for the existing research. (Magher, 2018). Smith (2004) claimed that it is an instrument that explains the affiliation between the dependent and independent variable as shown bellows: -



**Figure 1.1: A Conceptual Framework**

Source: Researcher (2021)

## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

The chapter enlightens the general research design, population and sampling technique used in the research, as well as shading light on research statistics such as data collection procedure used and the reasons for applying specific method as opposed to another research techniques. It illustrates the research procedures, data collection instrument and analysis method.

### 3.2 Research Design

According to Panneerselvam (2014), research design is the procedure followed by researcher while collecting data and doing the analysis. The descriptive research design encompasses investigations and information-gathering enquiries of different kinds (Smith & Sparkes, 2014). Creswell & Creswell (2017) pointed out that descriptive design is adequate in generating profile of the variables and it also provide clarity on the problem from relevant sources and leads on the research items. The specific independent variables for the study are narrowed to performance appraisals, training, reward system and the performance feedback and the independent variable being employee productivity.

### 3.3 Target Population

Population entails the whole team, elements and individuals that have a mutual and visible distinctive feature (Lewis, 2015). The total population encompassed 55 Shelter Afrique employees in NCC, Kenya. Since the target population was small, census study was carried out to determine the influences of performance management process on the employee productivity

**Table 3.1: Target Population**

<b>Description</b>	<b>Total</b>	<b>Percentage</b>
Senior Management	10	18.2%
Lower management	45	81.8%
<b>Total</b>	<b>55</b>	<b>100%</b>

**Source: HR Records (2021)**



### **3.4 Data Collection Instrument**

The data collection procedure that was used for the research was structured questionnaire. According to Saunders & Lewis (2012), open-ended or unstructured questions allow respondents to provide in-depth answers, while closed-ended or structured questions are simple to use and to analyse. The questionnaires were administered to gather information from respondents, which had mixed questions that was open-ended and closed-ended.

The questionnaire was structured into two parts. Section one for general information and part two related to employee productivity and how it is influenced by performance appraisal, training, reward systems and performance feedback. The research objectives were assessed using the five-point likert scale where 5 = Strongly Agree, 4 = Agree, 3 = Not Sure, 2 = Disagree and 1 = Strongly Disagree) to measure the judgement of respondents on how performance management process influenced employee productivity.

### **3.5 Data Collection Procedure**

The main data collection procedure embraced for the study involved the structured questionnaires which was distributed to the respondents to gather information. The questionnaire had mixed questions of open-ended and closed-ended. The research questionnaires were structured in two sub-section to capture overall information, assessment on the influence of performance appraisal on employee productivity, the impact of training on employee productivity, the effects of reward systems on employee productivity and how performance feedback influence employee productivity. The research license from the National Commission for Science, Technology and Innovation (NACOSTI) was requested as evidence that the study will only be used for purpose of academic research.

### **3.6 Validity and Reliability of Instrument**

#### **3.6.1 Validity Test**

According to Orodho (2009), validity test denotes the range where data analyzed are accurate, honest and denotes the phenomenon being studied. Content validity was performed to gauge the possibility where the data gathered using the research instrument signified the specified domain that the test sought to measure as cited by Cooper & Schindler (2015). As echoed by Mugenda & Mugenda, (2003), pre-testing was carried out to capture the comments

and suggestions presented by respondents which assisted in improving the quality of the questionnaire.

### 3.6.2 Reliability Test

According Kothari (2009), reliability test refers to the statement where measuring tool yields consistency in research results. A preliminary test of 10 respondents was piloted to examine the comprehensiveness, the accurateness and the clearness of questionnaires. According to Flick (2014) a suitable pilot test is composed of 1-10 per cent of the sample size. This confirms the consistency of the data collection tools which was administered. The researcher obtained authorization to embark on the study and clarified the aim of the study. The research assistants assisted in issuing the final questionnaires to the team. This enhanced the swiftness of data gathering. All the fully filled questionnaires were given a sequential number.

The collected data were modified and keyed into the Statistical Package for Social Sciences (SPSS) version 26.0 software and processed. The reliability of the measurement was tested by examining the stability and uniformity of the data. Mugenda & Mugenda (2008) pointed out that the index of reliability acceptable is between 0.7 and above. Therefore, any figure above 0.7 denoted high reliability of the measuring tools. Cronbach's coefficient alpha model was applied to test the reliability of research tools as shown in table 4.1. The indexes for variables were above 0.7. This means the measuring instrument used in the research was reliable.

$\alpha = \frac{k}{k-1} \times [1 - \frac{\sum (S^2)}{\sum S^2 \text{ sum}}]$ , where:  $\alpha$  = Cronbach's alpha,  $k$  = Number of responses,  $\sum (S^2)$  = Variance of Individual items summed up,  $\sum S^2 \text{ sum}$  = Variance of summed up score.

**Table 3.2: Cronbach Alpha**

Aspect	Average interitem covariance:	Number of items in the scale:	Scale reliability coefficient:
Demographic Information	0.206	5	0.740
Performance Appraisal	0.023	5	0.764
Employee Training	0.694	5	0.885
Reward System	0.168	5	0.718
Performance Feedback	0.123	5	0.727
Employee Productivity	0.027	5	0.725

**Source: Research Data (2021)**

### **3.7 Data Analysis and Presentation**

The main data for the study was quantitative. The data collected was from primary sources through structured questionnaires. The data collected was confirmed of accuracy completeness, and any other mistakes. Data was processed using the Statistical Program for Social Sciences (SPSS) version 26.0 and using descriptive statistics like mean, median, minimum and maximum values.

Spearman correlation coefficients was generated from the factors extracted using the Exploratory Factor Analysis (EFA). The factors were further analyzed using regression analysis. Since the dependent and independent variables for the study is in a likert scale form, the ordinal multivariate regression approach was applied which was adopted from Steven (2009) as shown below: -

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where: Y is the dependent variable (Employee productivity,  $\beta_0$  is the regression constant,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  are the coefficients of independent variables,  $X_1$  is performance appraisal,  $X_2$  is training,  $X_3$  is reward system,  $X_4$  performance feedback and  $\varepsilon$  is the error term.

### **3.8 Ethical Considerations**

According to Kerridge & Mitchel (2015), morality is defined as making judgments about correct and incorrect behaviour. The intentions of the research were briefed to the respondents who were also asked to voluntary fill in the questionnaires and their choice to participate in the process was respected. Duly filled questionnaires from targeted population were handled by the researcher.

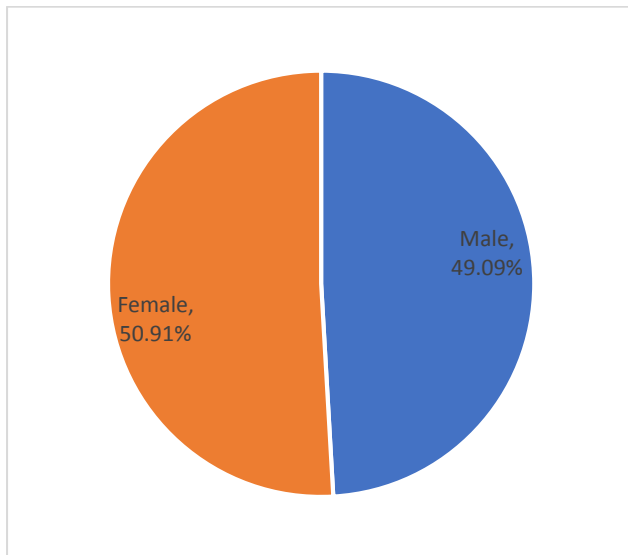
## CHAPTER FOUR: RESEARCH FINDINGS

### 4.1 Introduction

This chapter presents the study findings and data analysis. The outcomes were presented and analyzed as per research questions and study objectives. It comprised of the demographic information of the respondents and descriptive statistics. It was summarized and presented in the form of charts, tables and using frequencies such as, means, percentages, standard deviations, correlation coefficients, regression and narratives.

### 4.2 Analysis of the Response Rate and Descriptive Statistics

The response rate distribution of the respondents was analysed and presented in figure 4.1 below.



**Figure 4.1: Response Rate of the Respondents**

**Source: Research Data (2021)**

The research targeted 55 employees hence a total of 55 questionnaires were distributed to the respondents. There was a 100% response rate and out of these 27 (49.09%) were male respondents and 28 (50.91%) were female respondents. According to the Creswell (2014) it is argued that a response of 50% and above is satisfactory for a study.

### 4.3 Demographic Information

This segment covers outcomes of demographic features of the respondents which include gender, education level, managerial rank, departments and working experience. The summary of the outcomes is tabulated in table 4.1 below.

**Table 4.1: Demographic Information**

Aspect	Description	Number	Percent
Gender	Male	27	49.09%
	Female	28	50.91%
	<b>Total</b>		<b>100.00%</b>
Education	Diploma and below	0	0.00%
	Undergraduate degree	45	81.82%
	Master's degree	10	18.18%
	PhD	0	0.00%
	<b>Total</b>		<b>100.00%</b>
Managerial Rank	Lower-level management	46	83.64%
	Senior management	9	16.36%
	<b>Total</b>		<b>100.00%</b>
Department	Corporate affairs	15	27.27%
	Finance	13	23.64%
	Audit and risk	2	3.64%
	Business development	19	34.55%
	Other	6	10.91%
	<b>Total</b>		<b>100.00%</b>
Experience	0-5 years	12	21.82%
	5-10 years	12	21.82%
	10-15 years	15	27.27%
	Above 15 years	16	29.09%
	<b>Total</b>		<b>100.00%</b>

**Source: Research Data (2021)**

#### 4.3.1 Respondents' Gender

The respondent's gender was assessed and outcomes illustrated in table 4.2. The results showed that 49.09% of the population of study were male while 50.91% are female. The outcomes confirmed that Shelter Afrique embrace equal representation of both gender in the organization. The results also showed that Shelter Afrique practice equal opportunity employment which is in line with the constitution of Kenya employment act Cap 226 (2012) and this also meet the requirement of International and Labor Organization (2018).

### **4.3.2 Respondents' Education**

The task examined the respondents' highest education level. This was assessed in order to find out whether the respondents had the required knowledge to answer the questionnaires and also if the employees meet the applicable qualifications for employment. The findings are tabulated in table 4.2. The outcomes showed that 81.82% have bachelor's degree qualifications while 18.18% had master's degree. There were no staff with PhD and diploma level of qualifications. The verdicts showed that the respondents were knowledgeable and relevant qualifications that meet job requirement. This may also lead to higher employee productivity. The outcomes are in line with Makinde, Folasode & Solomon (2018) who argued that education qualifications have significant positive effect on employee productivity.

### **4.3.3 Respondents' Managerial Rank**

The job ranking the respondents was evaluated and results presented in table 4.2 to ascertain impact of managers on employee productivity in the organization. The outcomes showed that lower-level management comprises 83.64% while senior management is 16.36% of total population. The analysis showed that the organization have clear managerial hierarchy where organizational unit have clear line of authority and supervised by a manager. Foster (2017) argued that managers have the great influence on employees because they carry the responsibility of aligning employee performance and organizational goals to improve productivity.

### **4.3.4 Respondents' Departments**

The respondents' number of staff in department was analyzed and illustrated in table 4.2 to assess departments with more employees and whether the organization provides basis to the top managers to co-ordinate and control the activities of the unit departments. The result revealed that business development department have more staff and leading with 34.55%, followed by corporate affairs with 27.7%, finance department 23.64%, audit and risk 3.64% and others 10.91%. The outcomes unveiled that the departmental units are manageable, promotes work efficiency and specialise in business activities. The analysis is in line with Adeyoyin, Agbeze-Unazi, Oyewunmi, Adegun & Ayodele (2015) who established that specialization allows significant outcomes to build up in a specific task and improve efficiency.

#### **4.3.5 Respondents' Level of Experience**

The working experience of the respondents was scrutinized in order to evaluate the skills and intellectual skills of the respondents as illustrated in table 4.2. The resulted disclosed that majority of staff have over 15 years working experience which symbolize 29.09% followed by those who had 10 – 15 years' working experience which denote 27.27%. The rest of staff had working experience of 5-10 years and 0-5 years and each counted to 21.82%.

The outcomes resolved that most of the employees have pertinent skills, qualifications and knowledge to respond to the questionnaires. This may also be interpreted that experienced employee are more productive and may bring best practices to the organization which leads to improved employee productivity and organization as whole. The analysis concurred with Putri (2020) who discovered that working experience have positive influence on employee work productivity.

#### **4.4 Descriptive Analysis**

According to Kaur, Stoltzfus, &Yellapu (2018) descriptive analysis is used to provide basic information about variables and to highlight possible relationships between variables. The findings of the study were used to analyze the mean and standard deviation in the research study using likert scales of a scale of 1 to 5, where 1 = strongly disagree (SD), 2=disagree (D), 3=note sure (NS), 4=agree (A) and 5=strongly agree (SA). The results of descriptive analysis have been presented per objective in the sub-topics below.

##### **4.4.1 Effect of Performance Appraisal on Employee Productivity**

Likert questions on the effect of performance appraisal on employee productivity were analyzed and presented in table 4.2.

**Table 4.2: Effect of Performance Appraisal on Employee Productivity**

Performance Appraisal	SD	D	NS	A	SA	Mean	Median	Mode	St. Dev.
Performance Appraisal process gives performance measures	0.00	0.00	0.02	0.98	0.00	3.98	4.00	4.00	0.13
Performance Appraisal provides outcomes /results to employees on performance	0.00	0.00	0.00	1.00	0.00	4.00	4.00	4.00	0.00
Supervisors provide feedback on employee evaluation scores	0.00	0.00	0.02	0.98	0.00	3.98	4.00	4.00	0.13
My supervisor provides adequate feedback on my performance	0.11	0.47	0.11	0.31	0.00	2.62	2.00	2.00	1.05
I sit with my supervisor and set performance targets for my job	0.00	0.00	0.00	1.00	0.00	4.00	4.00	4.00	0.00
<b>Average</b>						<b>3.72</b>	<b>3.60</b>	<b>3.60</b>	<b>0.262</b>

**Source: Research (2021)**

The outcomes discovered that performance appraisal system covers performance measures (Mean = 3.98). Performance appraisal process provides outcomes to employees (Mean = 4) and supervisors provides feedback to employees on evaluations scores (Mean = 3.98). It was also affirmed that supervisors sit with employees and set specific targets (M=4.00). Standard deviation of 0.262 indicate a minor variation in responses. The findings resolved that the organization has put in place effective performance appraisal system to improve employee's productivity. The results are in line with Owino, Oluoch & Kimemia (2019) who established that performance appraisal enhance employee productivity.

#### **4.4.2 Effect of Training on Employee Productivity**

Likert questions on effect of training on employee productivity were analyzed as illustrated in in table 4.3.



**Table 4.3: Effect of Training on Employee Productivity**

Employee Training	SD	D	NS	A	SA	Mean	Median	Mode	St. Dev.
Organization organizes learning events to employees	0.55	0.45	0.00	0.00	<b>0.00</b>	1.45	1.00	1.00	0.50
Employee training programs are put in place by the organization	0.00	0.80	0.20	0.00	0.00	2.20	2.00	2.00	0.40
My supervisor provides coaching and clear instructions	0.40	0.40	0.00	0.20	0.00	2.00	2.00	2.00	1.11
There is policy in the organization on employee training for knowledge development	0.44	0.22	0.15	0.07	0.13	2.24	2.00	1.00	1.41
I am given opportunity to attended training I proposed to my supervisor	0.80	0.00	0.00	0.09	0.11	1.71	1.00	1.00	1.45
<b>Average</b>						<b>1.92</b>	<b>1.60</b>	<b>1.40</b>	<b>0.97</b>

**Source: Research Data (2021)**

The results showed that organization does not organize learning events for employees (Mean =1.45). Employees are also not sure whether training programs are put in place by the organization (Mean = 2.20). Sometimes supervisors provide coaching and instructions on the job (Mean = 2.00). Employees are not sure if there is policy framework on training programs and learning events offered by the organization (Mean = 2.24). The results also revealed that employees are not given opportunity to attended training they proposed to their supervisors (Mean =1.71). Standard deviation of (0.97) signifies the slight variation in the responses. The analysis found out that employees are not well informed on the training programs available in the organization which affects their capabilities. Shubin, Benjamin & Naan (2020) argued that the organizations should have well defined training policy while Ilyas. Kadir & Adan established that training of general’s skills is positively correlated with employee productivity.

#### **4.4.3 Effect of Reward Systems on Employee Productivity**

Likert questions on the effect of reward systems on employee productivity were analyzed and illustrated in table 4.4.

**Table 4.4: Effect of Reward System on Employee Productivity**

Reward system	SD	D	NS	A	SA	Mean	Median	Mode	St. Dev.
I am compensated fairly for my job	0.07	0.13	0.24	0.56	0.00	3.29	4.00	4.00	0.96
My productivity is linked to my compensation	0.05	0.04	0.71	0.20	0.00	3.05	3.00	3.00	0.68
I am satisfied with my job and will grow with the organization.	0.00	0.05	0.82	0.13	0.00	3.07	3.00	3.00	0.42
I receive personal fulfilment and enjoy working for the organization	0.75	0.20	0.05	0.00	0.00	1.31	1.00	1.00	0.57
The institution recognizes and reward my contribution to the organization	0.07	0.71	0.09	0.13	0.00	2.27	2.00	2.00	0.78
<b>Average</b>						<b>2.30</b>	<b>1.8</b>	<b>1.8</b>	<b>0.68</b>

**Source: Research Data (2021)**

It was acknowledged that employees are compensated fairly (Mean=3.29) and employees' productivity is linked to compensation (Mean=3.05). The results further discovered that employees are contented with the job and they will grow with the organization (Mean=3.07). However, most employees do not receive personal fulfilment and do not enjoy working for the institution (Mean=1.31). The employees also agreed that the institutions recognize and reward their contribution to the organization (Mean=2.27). Standard deviation (0.68) denotes slight variation in the responses. The results proved that effective reward structure in organization boost employee job satisfaction and motivate them to improve productivity. These outcomes are in agreement with Pawirosumarto (2018) who discovered that reward system is imperative motivator in enhancing employee productivity.

#### **4.4.4 Effect of Performance Feedback on Employee Productivity**

The likert questions on effect of performance feedback on employee productivity were analyzed and presented in table 4.5.

**Table 4.5: Effect of Performance Feedback on Employee Productivity**

Performance Feedback	SD	D	NS	A	SA	Mean	Median	Mode	St. Dev.
I receive regular feedback from supervisor regarding my performance	0.13	0.75	0.05	0.07	0.00	2.07	2.00	2.00	0.69
The feedback on my performance is effective and fair	0.04	0.89	0.07	0.00	0.00	2.04	2.00	2.00	0.33
I am comfortable with the feedback process employed by organization	0.71	0.29	0.00	0.00	0.00	1.29	1.00	1.00	0.46
I am given opportunity to react to feedback I receive from my supervisor	0.25	0.65	0.04	0.05	0.00	1.89	2.00	2.00	0.71
I received both negative and positive feedback from supervisor	0.33	0.47	0.00	0.20	0.00	2.07	2.00	2.00	1.07
<b>Average</b>						<b>1.87</b>	<b>1.8</b>	<b>1.8</b>	<b>0.65</b>

**Source: Research (2021)**

The results showed that employees received regular feedbacks from the supervisors (Mean=2.07) which is effective and fair (Mean=2.04). However, most of employees disagree with the feedback process (Mean=1.29) and on the other hand they are not given opportunity to react to feedback provided by supervisor (Mean=1.89). The results also evident that employees received both negative and positive feedback from the supervisors. Standard deviation of (0.65) indicate variation in the responses. The overall result observed that the organization embrace performance feedback to improve employee productivity though the feedback procedure is not effect. The outcomes are concurrent with Kihama & Wanaina (2019) who pointed out that proper channel should be followed when communicating employees' feedback.

#### **4.4.5 Employee Productivity**

The likert questions on employee productivity were analyzed and presented in table 4.6.

**Table 4.6: Employee Productivity**

<b>Employee Productivity</b>	<b>SD</b>	<b>D</b>	<b>NS</b>	<b>A</b>	<b>SA</b>	<b>Mean</b>	<b>Median</b>	<b>Mode</b>	<b>St. Dev.</b>
I set and achieve my individual targets	0.00	0.00	0.00	0.00	1.00	5.00	5.00	5.00	0.00
I meet deadlines of all my job/task requirement	0.00	0.00	0.33	0.45	0.22	3.89	4.00	4.00	0.74
I complete my task within the allocated time	0.00	0.00	0.00	0.71	0.29	4.29	4.00	4.00	0.46
I receive no complaints concerning quality of your work?	0.05	0.95	0.00	0.00	0.00	1.95	2.00	2.00	0.23
I meet the customer service standards	0.00	0.00	0.00	1.00	0.00	4.00	4.00	4.00	0.00
<b>Average</b>						<b>3.95</b>	<b>3.8</b>	<b>3.8</b>	<b>1.43</b>

**Source: Research (2021)**

It was strongly agreed that employee set objectives and meet the individual target and objectives (Mean = 5). The results also exhibited that employees meet the deadlines of tasks requirement (Mean = 3.89). Moreover, employees upheld that they complete the tasks within the time allocated to them (Mean=4.29) and they receive no complains concerning their work (M=1.95). Employees also endorsed that they individual meet the customer services standards (M=4.00). Standard deviation of 1.43 reflect a trivial variation in responses. The findings indicated that organization put a lot of emphasize on employee productivity.

#### **4.5 Correlation Analysis**

Hüsser (2017) pointed out that correlation analysis generally describes the affiliation between two variables in a research study. Correlation coefficient of value zero denotes lack of association between the variables, while -1 or 1 means that there is an impeccable negative or positive correlation. The association between the variables were investigated by means of correlation analysis and findings illustrated in Table 4.7.

**Table 4.7: Correlation Coefficients**

Aspect	Employee Productivity	Performance Appraisal	Employee Training	Reward Systems	Performance Feedback
<b>Employee productivity</b>	1				
Observations	64				
p-value					
<b>Performance appraisal</b>	0.59*	1			
Observations	64	64			
p-value	0.00				
<b>Employee training</b>	0.46*	0.72*	1		
Observations	64	64	64		
p-value	0.00	0.00			
<b>Reward systems</b>	0.143	0.482*	0.62*	1	
Observations	64	64	64	64	
p-value	0.26	0.00	0.00		
<b>Performance feedback</b>	0.32*	0.703*	0.57*	0.65*	1
Observations	64	64	64	64	64
p-value	0.01	0.00	0.00	0.00	

\*Significant at the 5% level.

Source: Research Data (2021)

#### 4.5.1 Effect of Performance Appraisal on Employee Productivity

The results in table 4.7 revealed that there is significant and positive correlation between employee productivity and performance appraisal (0.59) at 5% level of significance. This analysis concurred with Ndago (2020), Adeyeye (2021) and Ugoani (2020) who discovered that there is a significance positive relationship between performance appraisal and employee productivity.

#### 4.5.2 Impact of Training on Employee Productivity

The outcomes in table 4.7 discovered that there is significant and positive correlation between employee productivity and training (0.46) at the 5% level of significance. This analysis concurred with Ilyas, Kadir & Adam (2017), Kumar & Anitha (2016), Hanaysha (2016) which affirmed that training improves employee skills and abilities which translate high employee productivity. The findings were further challenged Elphas, Mulongo & Razia (2017) which found out that employee training did not have any positive effect on employee productivity.

#### **4.5.3 Effect of Performance Feedback on Employee Productivity**

The analysis in table 4.7 illustrate that there is significant and positive correlation between employee productivity and performance feedback (0.32) at the 5% level of significance. These outcomes were also observed by Mati (2020) and Mukwa (2020) who discovered that performance feedback have positive significance relationship with employee productivity.

#### **4.5.4 Effect of Reward System on Employee Productivity**

The results in table 4.7 showed that reward system did not have a significant correlation with employee productivity even though the correlation coefficient is positive at 0.143. According to Shiddiqui (2015), reward system affects the motivation but not effective in the long run. These results illustrate that the measured variables have impact on employee productivity apart from reward systems. However, the study by Afraei (2019) and Ndichu (2017) revealed that reward systems have positive significance influence on employee productivity. This indicate that Shelter Afrique should come up with better rewards programs which improve employee's productivity.

The analysis in table 4.7 further depicted that there is positive significance correlation between performance appraisal and training (0.72), reward system (0.482), performance feedback (0.703). Employee training also have significant correlation with reward systems (0.62) and performance feedback at (0.57). Reward system correlate with performance feedback at (0.65). The findings are consistent with study by Mayaka & Oluoch (2018), Owino, Oluoch & Kimemia (2019) and Ogohi (2019), which found out that there are positive corrections between the four variables.

#### **4.6 Inferential Statistics.**

The multivariate regression was used to establish the association between the independent variables performance appraisal, training, reward systems and performance feedback with the dependent variable being employee productivity. According to Hardle (2010), regression analysis is performed to predict the value of the independent variables and to estimate the effect of variables on the dependent variable. The regression model used was as follows:

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

Where: Y is the dependent variable (Employee productivity,  $\beta_0$  is the regression constant,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  and  $\beta_4$  are the coefficients of independent variables,  $X_1$  is performance appraisal,  $X_2$  is training,  $X_3$  is reward system,  $X_4$  performance feedback and  $\varepsilon$  is the error term. The findings

of regression analysis are shown in model Summary table 4.8, ANOVA 4.9 and Coefficient table 4.10

**Table 4.8: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.985 <sup>a</sup>	0.97	0.97	0.19
a. Predictors: (Constant), PerfAppr , EmplTrain, Reward, Perf_Feedback				

According to the Model Summary Table 4.8, the R square was used to establish the power of the study model and results indicated R Square 0.97 meaning that employee productivity is 97% affected by performance appraisal, training, reward and performance feedback. The remaining 3% unexplained variations can be attributed to other factors. Therefore, all the values of R show that the model summary is significant and provide a logical support to the study. The outcomes are consistent with Owino, Oluoch & Kimemia (2019) who discovered that all the four variables have significant and positive effect on employee productivity.

**Table 4.9: ANOVA**

Source	SS	df	MS	F (4, 59)	Prob > F
Model	70.27	4.00	17.57	494.13*	0.00
Residual	2.10	59.00	0.04		
Total	72.37	63.00	1.15		

\*Significant at the 5% level.

**Source: Research Data (2021)**

ANOVA results in table 4.9 was used to establish whether the regression model was a good fit. The regression results showed that the performance appraisal, employee training, reward system and performance feedback are highly significant in employee productivity as shown by the F-statistics of 494.13 which is highly significant at 5% level. This revealed that all the four variables have impact on employee productivity. Hence the model is suitable to predict the outcomes. The results are consistent with study by Mayaka & Oluoch (2018) and Ogohi (2019) who established that there is significance relationship between the four variables performance appraisal, performance feedback, employee training and rewards system.

**Table 4.10: Coefficient Table**

Empl_Prod	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
PerfAppr	1.10*	0.05	20.23	0.00	0.99	1.21
EmplTrain	-0.06	0.06	-1.10	0.28	-0.18	0.05
Reward	0.01	0.09	0.03	0.97	-0.17	0.17
Perf_Feedback	-0.14	0.11	-1.27	0.21	-0.36	0.08
_cons	0.11	0.08	1.35	0.18	-0.05	0.27
F( 4, 59)	494.13					
Prob > F	0.00					
R-squared	0.97					
Adj R-squared	0.97					
Root MSE	0.19					
Number of obs	64.00					

\*Significant at the 5% level.

**Source: Research Data (2021)**

#### **4.6.1 Effect of Performance Appraisal on Employee Productivity**

The regression coefficient was analysed and presented in table 4.10 above. According to the results, a 1% change in performance appraisal increase employee productivity by 1.10. This result is highly significant at the 5% level ( $p\text{-value} < 0.00$ ). According to the adjusted R Squared of 0.97, the model's explanatory power is of a suitable for the study. This signifies that, when all the four factors are considered only the performance appraisal improves employee productivity. This is in consistent with study by Rusu, Avassilcai & Hutu (2016) who discovered that in the modem business environment, employee performance appraisal is the main element of the performance management process that the firms can adopt to remain viable and improve productivity.

#### **4.6.2 Impact of Training on Employee Productivity**

The regression analysis outcomes in table 4.11 showed negative relationship between employee training (-0.06) and employee productivity, although the coefficient is not significant at 5% level with ( $p\text{-value} < 0.28$ ). According to the adjusted R Squared of 0.97, the model's explanatory power is of a good fit. This implies that employee training does not



improve employee productivity. Eliphas, Mulongo & Razia (2017) also found out that training did not have significant effect on employee productivity.

#### **4.6.3 Effect of Reward System on Employee Productivity**

The results in table 4.11 revealed a positive relationship between reward system (0.01) and employee productivity which was not significant at 5% level ( $p\text{-value} < 0.97$ ). According to the adjusted R Squared of 0.97, the model's explanatory power is of a good fit. This infers that an improvement in reward system leads to improvement in employee productivity. The outcomes concurred with Sinddiqui (2015) who established that there is a positive effect of reward system which increases employee productivity.

#### **4.6.4 Impact of Performance Feedback on Employee Productivity**

The results in table 4.11 depicted that there is a negative relationship between performance appraisal (-0.14) and employee productivity which was not significant at 5% level ( $p\text{-value} < 0.21$ ). According to the adjusted R Squared of 0.97, the model's explanatory power is of a good fit. The results disclosed that weak performance feedback have negative impact on employee productivity. The results are consistent with Mati (2020) who established that although performance feedback and communication are vital in influencing employee productivity, it is the target setting which matters.

According to the qualitative comments, it was proposed that the management should organize quarterly leadership trainings, improve communication and allow free interaction between management and staff will aid in improving employee's productivity.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION**

### **5.1 Introduction**

This chapter presents the summary of the findings, discussions and conclusion of the research project based on research objectives and thereafter recommendations of the study and suggestions for further research.

### **5.2 Summary**

The key objective was to find out how performance management process influence employee productivity at Development Financial Institution Shelter Afrique, Nairobi City County Kenya. The research was guided by four main research objectives. The first was to assess the effect of performance appraisal influences on employee productivity at DFI, Shelter Afrique, NCC, Kenya, to investigate the effect of training influences on employee productivity at DFI, Shelter Afrique, NCC, Kenya, to determine the effect of reward systems influences on employee productivity at DFI, Shelter Afrique, NCC, Kenya and the last objective was to examine the impact of performance feedback influences on employee productivity at DFI, Shelter Afrique NCC, Kenya.

The study employed a descriptive research design and carried out census study. Pilot study was carried out and questionnaires circulated to 55 Shelter Afrique employees both senior and lower management whose response rate was a hundred per cent. Data collected were analyzed using descriptive statistics and the findings were presented in form of charts, tables, using frequencies such as means, percentages, standard deviations, coefficients and narratives.

The result of the study showed that performance appraisal reviews have significant impact on employee productivity. The findings also revealed that though the organization have training policy, employees are not well informed. Furthermore, employees acknowledge existence of fair reward system and job satisfaction in place, though lack of job fulfilment was evident. The existence of performance feedback in organization was also accredited but there was a problem with feedback process.

Descriptive analysis of the study revealed that performance appraisal, training and performance feedback are significant drivers of employee's productivity. However, the

results showed that reward system has no impact on employee productivity. The results further revealed that all the variables performance appraisal, employee training, reward system and feedback have positive and significant correlation.

### **5.3 Conclusion**

The purpose of the research was to investigate the influence of performance management process and employee productivity in a development financial institution, a case of Shelter Afrique in Nairobi City County. The study examined performance appraisal, employee training, reward system and performance feedback. The research study depicted most significant conclusions from the outcomes and objective of the research.

It was evident from the outcomes that performance appraisal has great influence on employee productivity and it is the most significant driver of employee productivity as compared to the other variables. Since performance appraisal has positive significance and correlation with other variables training, reward and performance feedback, the organization should capitalize on setting measurable clear goals and objectives and use the outcomes of the evaluation to determine training needs, reward structure and feedback process to enhance employee productivity.

There is a reason to believe that training affects employee productivity across the board. Training improves skills and capabilities for both executive and subordinates' staff. The outcomes of the study concluded that learning new skills through training has positive impact on employee productivity. According to the results it is important that the organization plan and tailor training needs in consultation with employees to suit employee requirements and considering the gaps identified in employee performance reviews. Regular feedback on training taken by the employees and creating awareness on training policy is paramount.

It is definite that if employees are well rewarded, there will be increase in motivation and commitment hence increase in productivity. Organization should therefore come up with strategic rewards which increase employee productivity. However, according to the study, reward system did not show any impact on employee productivity. Therefore, coming up with an appropriate reward strategy and programs improve employee commitments and motivation to put more efforts hence increase productivity.

Based on the outcomes, it is apparent that performance feedback has positive influence on employee productivity. Since the outcomes showed that there is significant and positive correlation between employee productivity and performance feedback, enabling proper feedback process and effective communication channels will bring positive results on employee productivity.

The study resolved that all the experimented variables have positive impact on employee productivity apart from reward system. The analysis further concluded that there is positive and significant correlation between the four variables performance appraisal, training, reward and performance feedback of which all have influence on employee productivity.

#### **5.4 Recommendations**

It is suggested that based on the research outcomes and evaluation and, it is recommended that the organization should put in place well-structured training framework in consultation with employees. It is also recommended that organization should put in place a procedure for effective feedback process. This will help employee interact freely with the senior management and also improve communication process which in the long run will improve employee productivity. The organization should further explore other ways of rewarding employees which can enhance employee productivity. It is recommended that Human Resources department should often carry out employee surveys in other related organization to determine the rewards system appropriate which can improve employee productivity.

#### **5.4 Suggestions for Further Research**

The research applied a case study and quantitative research of development financial institution, Shelter Afrique. Other researchers can conduct research and focus on other development financial institution operating in Kenya using mixed approach of both qualitative and quantitative research method.

## REFERENCES

- Adebisi, S. A. & Oladipo A. O. (2015). Reward System as Strategy for Improving Employee Productivity in Nigeria. *ISSN 1984-3372*
- Adeyeye, A. V. (2021). Performance Appraisal, a Strategic Tool for Enhancing Firms' Productivity and Employees' Job Performance. *Hallmark University, 226, 202.*
- Adeyoyin, S. O., Agbeze-Unazi, F., Oyewunmi, O. O., Adegun & Ayodele, R. O. (2015). Effect of Job Specialization and Departmentalization on Job Satisfaction among the Staff of a Nigerian University.
- Afraei, D. N. (2019). The Effects of Reward System on Employee's Productivity. A Case Study of Higher Education Loans Board, Dar Es Salaam.
- Agreement Establishing African Development Bank, (2016). *www.afdb.org*
- Akhter, N., Raza, H., Ahmad, A. & Aslam, N. (2016). Impact of Training and Development, Performance Appraisal, and Reward System on Job Satisfaction. *International Review of Management and Business Research.*
- Alsama, O. & Abunar, M. (2021). Impact of Training and Development on Employee Productivity: Private Companies in Saudia Arabia. *Palarch's Journal of Archaeology of Egypt/ Egyptology 18 (14), 711-720. 2021.*
- Amstrong, M. (2009). Armstrong's Handbook of Human Resource Management Practice. 11th Edition, Kogan Page Limited, London.
- Amstrong, M. (2010). Armstrong's Handbook of Reward Management Practice. *Improving performance through reward 3<sup>rd</sup> Ed.*
- Anand, A., Negi, Y. S. & Gangwar, V. (2020). Appraisal System on Organizational Commitment and Employee Productivity and its Linkage to Periodical Performance Review: A study of Tehri Hydro Power Project. *Vol.17. No.7 (2020)*
- Appelbaum, S. H., Roy, M. and Gilliland, T. (2011). Globalization of Performance Appraisals: *Theory and Applications', in Management Decision. Emerald Group Publishing Limited*
- Armstrong, M. and Taylor, S. (2014). Armstrong's Handbook of Human Resource Management Practice. *13th ed. London: Kogan Page*
- Attipoe, E. W., Agordozo, G. K. & Seddoh, J. E. (2021). Effect of Performance Appraisal System on Employee Productivity in Public Senior High School, Municipality of Ghana

- AUC/OECD (2022). African Development and Dynamics 2022. Regional Value Chains for Sustainable Recovery. AUC, Addis Ababa/OECD Publishing, Paris. <https://doi.org/10.1787/2e3b97fd-en>.
- Bandura, A. (2001). Social Cognitive Theory: An Agentic Perspective. *Annu. Rev. Psychol.*
- Barrows, E., & Neely, A. (2012). Managing Performance in Turbulent Times: Analytics and Insight – Ed Barrows, Andy Neely. New Jersey: John Wiley & Son Inc.
- Bloomfield Investment, (2021). Audit and Risk Management August 2020 – July 2021. [www.shelterafrique.org](http://www.shelterafrique.org)
- Brin, S., Page L. & Schmidt, E. (2016). Learning and Development. *Management of human Capital part 4 Comparison. Gütersloh: Bertelsmann Stiftung.*
- Burns, R. (2000). Introduction to Research Methods.
- Calderon & Gonzales, 2012. Method of Research and Thesis
- Chandrasekar, K. (2011). Workplace Environment and Its Impact on Organizational Performance in Public Sector Organizational. *International Journal of Enterprise Computing and Business Systems.*
- Chetty, P. (2016). *Control theory of performance management system.* [online] Project Guru. Available at: <https://www.projectguru.in/control-theory-performance-management-system/> Accessed 17 Apr. 2022.
- Chetty, P. (2018). *Expectancy theory and performance management system.* [online] Project Guru. Available at: <https://www.projectguru.in/expectancy-theory-performance-management-2/> Accessed 18 Apr. 2022.
- Chetty, P. (2019). *Goal-setting theory and performance management system.* [online] Project Guru. Available at: <https://www.projectguru.in/goal-setting-theory-performance-management-system-2/> Accessed 17 Apr. 2022.
- Conference Board, (2015). Productivity Brief 2015. Global Productivity Growth Stuck in the Slow Lane with no Signs of Recovery in Sight.
- Cooper, D. R., & Schindler, P. S. (2015). Business Research Methods. (8th ed.). *New Delhi: Tata McGraw Hill.*
- Creswell, J. W., & Creswell, J. D. (2017). Research Design: Qualitative, Quantitative, and Mixed Methods Approaches. Sage Publications
- Creswell, R. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods*
- Davis, T. & Landa, M. (2011). A Contrary Look at Performance Appraisal. *Canadian Manager Canadian* 3(2), 18-28
- Deloitte Consulting Limited (2016). *Shelter Afrique Audit and Risk Report*

- DeNisi, A. S. & Murphy, K. R. (2017). Performance Appraisal and Performance Management: *100 years progress Journal of Applied Sociology*, 102(3), 421-433.
- Down, R. (2019). How to Measure Employee Productivity. *Why productivity and employee engagement matters*.
- Eliphas, M. R, Mulongo, L. S. & Razia, M. (2017). The Influence of Performance Appraisal Practices on Employee Productivity: A case of Muheza District, Tanzania. *Issues in Business Management and Economics Vol.5 (4)*, pp. 45-59.
- Expectations. *International Journal of Business Administration*, 15(1), 1–6.
- Fernald, J. & Wang J.W. (2016). Why has the Cyclicity of Productivity Changed? What does it mean? *Working paper series 2016-7, Federal Reserve Bank San Francisco*
- Fleming, S. M. & Daw, N. D. (2017). Self-evaluation of decision-making. A General Bayesian Framework for Metacognitive Computation. *Psychological Review*, 124(1), 9.
- Flick, U. (2014). *An Introduction to Qualitative Research*. Sage.
- Foster, J. (2017). The Impact of Managers on Work Place Engagement and Productivity.
- Gangapur, Z., & Najmolhoda, F. S. (2013). Contemporary theories of Motivation in Organizational Leadership and Behavior. *International Journal of Applied and Basic Sciences: [http://www.irjabs.com/files\\_site/paperlist/r\\_](http://www.irjabs.com/files_site/paperlist/r_)*.
- Gichuhi, A. W., Abaja, P. O. & Ochieng, I. (2013). Effect of Performance Appraisal on Employee Productivity; A Case Study of Supermarkets in Nakuru Town, Kenya.
- Goshu, Y., Kitaw, D. & Matebu, A. (2017). Development of Productivity Measurement and Analysis Framework for Manufacturing Companies.
- Government of Kenya. (2012). *Employment Act*, Cap. 226. Nairobi: Kenya Government Printer.
- Gubler, T., Larkin, L., & Pierce, L. (2018). The Impact of Corporate wellness Programs on employee productivity. *Management Science*, 64(11), 4967-4987.
- Guguyu, O. (2018). Shelter Afrique Sends Home Two More Bosses.
- Hanaysha, J. (2016). Improving Employee Productivity through Work Engagement: Evidence from Higher Education Sector: *Management Science Letter* 6(1):61-70
- Hardle, W. K. (2010). *Applied Multivariate Statistical Analysis*.
- Hassan, S. (2016). Impact of HRM Practices on Employee's Performance. *Int J Acad Res Account, Finance Manag Sci*, 6, 15-22.
- Hill, C. W. L., Jones, G, R. & Schilling, A. M. (2014). *Strategic Management Theory: 11<sup>th</sup> Ed.*

- Huang, J. L, Liu, Z., Zhu, H., &Islami, X., Mulolli, E. & Mustafa, N. (2018). Using Management by Objectives as a Performance Appraisal Tool for Employee Satisfaction: *Future Business Journal*,
- Hüsser, P. (2017). Correlation Analysis: <https://doi.org/10.1002/9781118901731.iecrm0048>
- Ilyas, M., Kadir, K. A. & Adan, Z. (2017). Relationship between Training and Employee Productivity in Organization: A Partial least Square (PLS-SEM) Approach. *Information And Knowledge Management (7) (3) 53-60, 2017.*
- International Labour Organization. (2018). *World employment social outlook: Trends 2018.* Geneva.
- International Labour Organization, (2015). Key Indicators of Labour Market/*global statics and database/*
- Isaac, R. G., Zerbe, W.J., & Pitt, D. C. (2001). Leadership and Motivation: The effective Application of Expectancy Theory. *Journal of Managerial Issues, 13(2), 212-226.*
- Jafari, A. & Tehran, G. M. (2017). Identification of Effective Factors on Employee Productivity in a Military Health Organization. *Journal Mil Med 19 (3),234-244,2017.*
- Jayum, J., & Aule, O. & Teslim, A. K. (2018). Training and Employee Productivity in Benue State Ministry of Agriculture, Nigeria. *British Journal of Multidisciplinary and Advanced Studies 2 (1), 1-10, 2018*
- Kaur P., Stoltzfus, J., Yellapu V. (2018). Biostatistics. *Vol: 4, Issue: 1Page: 60-63*
- Kawara, P. (2014). Effects of Reward System on Employee Productivity in Catholic University of Eastern Africa. *International Journal of Research in commence Economics and management, 1(2), 1-4.*
- Kenya Gazette Supplement Act, (1985). Kenya Gazette Supplement No. 90 (Act No. 12). *Nairobi 27<sup>th</sup> December 1985. <https://gazettes.africa/gazettes/ke-government-gazette-dated-1985-12-27-no-54>*
- Kerridge, I. H., Myser, C. & Mitchell, K. R. (2015). Ethical Reasoning and Decision Making in the Clinical Setting: Assessing the Process. *Medical Education, 29(1), 29-33.*
- Khan, Z., Karim, N. & Jan, S. U. (2014). The Role of Performance-Based Reward System in Improving Employee's Productivity and Job Satisfaction. Analysis of Government and Private Sectors in Peshawar. *Journal 4 (1), 80-87, 2014.*
- Kibichii, K. E., Kiptum, K. G., & Chege, K. (2016). Effects of Performance Management Process on Employee Productivity: A survey of Commercial Banks in Turkana County.



- Kihama, J. W. & Wanaina, L. (2019). Performance Appraisal Feedback and Employee Productivity in Water and Sewerage Companies in Kiambu County, Kenya.
- Kluwer, W. (2020). Measuring Employee productivity. *Wolterskluwer.com*
- Kothari, C.R. (2014). Research Methodology: Methods and Techniques. 4th Edition, *New Age International Publishers, New Delhi*
- Kumar, M. A. & Anitha. R. (2016). Impact Of Training on Employee Performance in Private Insurance Sector, Coimbatore District. *International Journal of Management Research and Review* 6 (8), 1079, 2016.
- LaMorte, W., W (2019). The Social Cognitive Theory: <https://sphweb.bumc.bu.edu/otlt/mph-modules/sb/behavioralchangetheories/behavioralchangetheories>.
- Latham, G. P., & Locke, E. A. (2004). Enhancing the Benefits and Overcoming the Pitfalls of Goal Setting. *Organizational Dynamics*, 35(4), 332-340.
- Lewis, S. (2015). Qualitative Inquiry and Research Design: Choosing Among Five Approaches. *Health promotion practice*, 16(4), 473-475.
- Locke, E. A., & Latham, G. P. (1990). A Theory of Goal Setting and Task Performance. *Englewood Cliffs, NJ: Prentice-Hall*.
- Locke, E. A., & Latham, G. P. (2006). New Directions in Goal-Setting Theory. *Current Directions in Psychological Science*, 15(5), 265-268.
- Islami, X., Mulolli, E. & Mustafa, N. (2014). Using Management by Objectives as a Performance Appraisal Tool for Employee Satisfaction.
- Lunenburg, F. C. (2011) 'Goal-Setting Theory of Motivation', *International Journal of Management*,
- Lunenburg, F. C. (2011). Expectancy Theory of Motivation: Motivating by Altering
- Madison, J. (2016). Performance Management Revolution. *Harvard Business Review*: October 2016 Issue.
- Magher, M. (2018). Meaning of Conceptual Framework in Research. A class Room, Leaf Group Limited. Retrieved from *conceptual-framework-research-*
- Makinde, G., Folasode, O. & Solomon, O. T. (2018). The Effect of Employee Engagement and Educational Qualification on Employee Productivity in Nigerian Banking Industry
- Mati, T. A. (2020). The Role of Performance Appraisal in Influencing Employee Productivity in Commercial Banks in Meru County, Kenya.

- Mayaka, C. B. & Oluoch, O. (2018). Influence of Appraisals on Employee Productivity among County Government of Kenya. *International Journal of Social Science*.
- Meyer, A. & Zelenyuk, V. (2014). Aggration of Malmquist Productivity Index Allowing for Reallocations of Resources. *European Journals of Operational Research. Elsevier Vol. 238*.
- Mugenda, A. & Mugenda, O. (2008). Social Science Research: Theory and Principles. *Nairobi, Kenya: Acts Press*.
- Mugenda, O. & Mugenda, A. (2003). Quantitative And Qualitative Approaches. *Nairobi Africa Centre for Technical Studies*.
- Mukuwa, S. (2020). Assessment on Impact of Performance Appraisal on Employee Productivity in Local Government- A Case of Chilanga Town Council. *155.0.3.194*
- Mwema, N. W., & Gachunga, H. G. (2014). The Influence of Performance Appraisal on Employee Productivity in Organizations: A Case Study of Selected WHO Offices in East Africa. *International Journal of Social Sciences and Entrepreneurship, 1 (11), 324-337*
- Nabibya, M. L., Egessa, R. & Kwendo, E. (2016). Performance Reward and Employee Productivity in the Judiciary in Kakamega Law Courts, Kenya. *International Journal of Multidisciplinary and Current Research. ISSN 2321-3124*.
- Narine, M. & Illinois N. (2017). Nonprofit Agency Employees and Performance. *An Exploration into Annual Employee Productivity*.
- Ndago, E. D. (2020). The Relationship between Performance Appraisal and Employee Productivity in the State Department gor Correctional Services in Kwale County, Kenya.
- Ndichu, J. N. (2017). Effects Of Incentives and Rewards on Employee Productivity in Small Banks in Kenya. A Case of First Community Bank.
- Neill J. (2013) Exploratory Factor Analysis: <http://www.slideshare.net/jtneill/exploratory-factor-analysis>
- Odhiambo, E. O. (2015). The Effect of Performance Management Practices on Employee Productivity. *A Case Study of Schindler Limited*
- Ogohi, C. K., (2019). Influence of Performance Appraisal Management on Employee Productivity. *Global Scientific Journal Vol.7, Issue 3*
- Onyije, O.C. (2015). Effect of Performance Appraisal on Employee Productivity in a Nigerian University. *Journal of Economics and Business Research, 21(2), 65-81*

- Orodho, A. J. (2009). Techniques of Data Analysis Using Statistical Package for Social Sciences (SPSS) Computer Package. *Maseno, Kenya: Kanezja Publishers.*
- Owino, C. A., Oluoch, M. & Kimemia, F. (2019). Influence of Performance Management System on Employee Productivity in County Referral Hospital of Kiambu County. *International Journal of academic research in business & social sciences. ISSN: 2222-6990*
- Paliwal, L. R (2017). A Study on Motivation and Methods for Accurately Measuring Employee Productivity. *Inspira-Journal of Commerce, Economics & Computer Science (JCECS) 212 ISSN: 2395-7069 General Impact Factor: 2.0546, Vol. 03, No. 04, pp. 212-216*
- Pandey P. (201). The Impact of Work Environment on Employees' Productivity
- Panneerselvam, R. (2014). Research Methodology. PHI Learning Pvt. Ltd.
- Pawirosumarto, S. & Iriani D. (2018). The Influence of Work Stress, Working Cost, Compensation and Work Discipline on Employee Productivity in Magister Management, Universitas Mercubuana, Jakarta, Indonesia Erlbaum Associates.
- Pranav Parijat, P. & Bagga, S. (2014). Victor Vroom's Expectancy Theory of Motivation – An evaluation: *international Research Journal of Business and Management: irjbm.org*
- Purti, I. J. (2020). The Effect of Work Experience and Characteristics of Jobs on Employee Work Achievement in Shipping Company.
- Rohan, S. & Madhumita, M. (2012). Impact of Training Practices on Employee Productivity: A Comparative Study. *Inter Science Management Review*
- Rusu G., Avassilcai, S. & Hutu A.C. (2016). Employee performance Appraisal 'conceptual framework
- Salah, M. R. (2016). The impact of training and development on employee's performance and productivity. A case study of Jordanian Private Sector transportation companies located in the Southern region of Jordan.
- Saunders, M. L., & Lewis, P. & Thornhill, A. (2012). Research Methods for Business Students. Pearson Education Ltd., Harlow
- Shaout, A. & Yousif, M. K. (2014). Performance Evaluation Methods & Techniques survey: *International Journal of Computer and Information Technology, 3 (05) (2014)*
- Sharma, M. S. & Sharma, M. V. (2014). Employee Engagement to Enhance Productivity in Current Small Business Performance: An Examinations of the Impact of HRM

- Intensity on the Productivity. *South African Journal of Information Management*, 11(1), 1-11.
- Sheahan, K. (2017). Employee Productivity. Career Trend. <https://careertrend.com/facts-6767583-define-employee-productivity.html>
- Shelter Afrique Human Resources and Operations Manual, (2014). [www.shelterafrique.org](http://www.shelterafrique.org)
- Shuibin, G., Benjamin T. & Naam Y. D. (2020). An Assessment on the Impact of Training and Development on Employee Productivity in Ghana Educational Services, WA. *International Journal of information, Business and management* 12 (1), 42-70, 2020.
- Sinddiqui, M. A. (2015). Impact of Reward System on Employee Productivity. The case of Orient Energy System. *RADS Vol.2, No.2, June 2015*, 27-32.
- Sparkes, A. C. & Smith, B., (2014). Qualitative Research Methods in Sport, Exercise and Health. 1<sup>st</sup> Ed.
- Stajkovic, A. & Sergent, K. (2019). Social Cognitive Theory; <https://www.oxfordbibliographies.com/view/document/obo-9780199846740/obo-9780199846740-0169.xml>
- Stevens, J. P. (2009). Applied Multivariate Statistics for The Social Sciences (5 the ed.) *New York: Routledge*.
- Tamara, K. (2021). Public Sector and Productivity. Governance at the right scale, *OECD-EC high-level expert workshop*
- Taylor, A. & Alla, S. (2019). Influence of Reward System on Motivation-Pros and Cons Based on Current Literature. *Proceeding of the American Society for Engineering Management 2018. International Annual Conference E-H. Ng. B. Nepal, E. Schott, and H. Keathley eds*.
- Ugoani, J. (2020). Performance Appraisal and its Effect on Employees' Productivity in Charitable Organization. *Business Management and Economic Research* 6 (12), 166-175, 2020.
- Universal Class, (2013). The Top 8 Methods for Accurately Measuring Employee Productivity. Diciembre, 1, 2017, web : <https://www.universalclass.com>.
- Uwaegbulam, C. (2018). Shelter Afrique Five-year New Strategy, Plans sacked of Workers. [www.shelterafrique.org](http://www.shelterafrique.org)
- Vroom, V. (1964). Work and Motivation. New York, NY: Wiley. Workers in the 21st Century. *Human Resource Planning*, 27(3), 12-25.
- World Bank, (2013). World Development Report 2013. Jobs. Washington, DC: World Bank.

Zayum, A. A. & Hangeior, S. S. (2017). Performance Appraisal and Employee Productivity in Plateau State Internal Revenue Services, Nigeria. *Journal for Public Administration and Governance* 7 (4), 24, 2017.

Zigarmi, D., Nimon, K. and Shuck, B. (2014). Employee Engagement: *Job Attitude or Mediator*.

## APPENDICES

### Appendix: I: Letter of Introduction

Kenyatta University  
School of Business  
Nairobi, Kenya

6<sup>th</sup> October 2021

Dear Respondent,

#### RE: REQUEST FOR DATA COLLECTION

My name is Wendy Chelangat. I am carrying out a survey on how **Performance Management Process Influence Employee Productivity in a Development Financial Institution, a case of Shelter Afrique in Nairobi City County, Kenya**. Part of the research entails data collection from your institution, Shelter Afrique. This is a kind request to assist in filling out the attached questionnaire as fully as possible. This should take you no more than 15 minutes.

Your answers will be treated with strict discretion and your identity shall not be revealed during the reporting of the findings. Should you require additional explanations, kindly contact me on 0722 266 502 or [wenchelangat@gmail.com](mailto:wenchelangat@gmail.com).

Your sincerely,

Wendy Chelangat

## Appendix II: Questionnaire

### SECTION A (please tick where applicable)

**1. Gender**

Male  Female

**2. Level of education:**

Diploma and below  Degree  Master's Degree  Ph.D.

**3. Rank**

Lower-Level Management  Senior Level Management

**4. Department**

Corporate affairs  Finance  Audit and risk  Business  
Development  Other, please specify

**5. Experience (in terms of years)**

0 - 5  5 - 10  10- 15  15 and above

### SECTION B

Please tick and indicate your suggestion on the current performance management process. Use the 5-point Likert scale where; 5=*Strongly Agree*; 4=*Agree*; 3= *Not Sure*; 2= *Disagree* and 1= *Strongly Disagree*

a)	Performance Appraisal	5	4	3	2	1
6.	Performance Appraisal process gives performance measures					
7.	Performance Appraisal provides outcomes/results to employees on performance					
8.	Supervisors provide feedback on employee evaluation scores					
9.	My supervisor provides adequate feedback on my performance					
10.	I sit with my supervisor and set performance targets for my job					
b)	Employee Training	5	4	3	2	1
11.	Organization organizes learning events to employees					
12.	Employee training programs are put in place by the organization					
13.	My supervisor provides coaching and clear instructions					
14.	There is policy in the organization on employee training for knowledge development					
15.	I am given opportunity to attended training I proposed to my supervisor					

<b>c) Reward system</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
16. I am compensated fairly for my job					
17. My productivity is linked to my compensation					
18. I am satisfied with my job and will grow with the organization.					
19. I receive personal fulfilment and enjoy working for the organization					
20. The institution recognizes and reward my contribution to the organization					
<b>d) Performance feed back</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
21. I receive regular feedback from supervisor regarding my performance					
22. The feedback on my performance is effective and fair					
23. I am comfortable with the feedback process employed by organization					
24. I am given opportunity to react to feedback I receive from my supervisor					
25. I received both negative and positive feedback from supervisor					
<b>e) Employee Productivity</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
26. I set and achieve my individual objectives/targets					
27. I meet deadlines of all my job/task requirement					
28. I complete my task within the allocated time					
29. I receive no complaints concerning quality of your work?					
30. I meet the customer services standards when attending to customers					

e) What else do you propose management should do to enhance employee productivity at Shelter Afrique?

---



---



---

f) List any performance management process that you think it will improve your productivity

---



---



---

Thank you for the collaboration and responses.



### Appendix III: Work Plan

Time Frame; September 2019 - September 2021

Description	Duration																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Project Writing	█	█	█	█	█	█	█													
Project Defense							█													
Data Collection								█	█	█	█									
Coding and data analysis								█	█	█	█	█	█	█						
Project Finalizing															█	█	█	█		
Submission of project																			█	█

#### Appendix IV: Research Budget

No.	Item	Quantity	Cost per Unit (Ksh.)	Total Kshs.
1	Memory stick	1	3,000	3,000
2	Communication	1	4,000	4,000
3	Data Collection	1	1,500	1,500
4	Data Analysis & writing Report	1	10,000	10,000
5	Research fees	1	50,000	50,000
6	Research Assistant	1	2,000	2,000
7	Various cost	1	3,000	3,000
<b>Grand Total</b>			<b>Kshs:72,000.00</b>	