THE EFFECT OF APPRAISAL SYSTEM ON EMPLOYEE PERFORMANCE IN HORTICULTURAL CROPS DEVELOPMENT AUTHORITY

PRESENTED BY:

ELPHAS K. CHOGE
(REG. NO. D53/6190/2003)

A research project submitted in partial fulfillment of the requirement of the award of Master of Business Administration (Human Resource Management Option)

SCHOOL OF BUSINESS
KENYATTA UNIVERSITY

KENYATTA UNIVERSITY LIBRARY

MAY 2010
Choge, Elphas K.
The effect of appraisal system on
Declaration

This research project is my original work. The project is not similar to work that has previously been submitted to any University for academic fulfillment.

Signature: ___________________________ Date: ___________________________

ELPHAS K. CHOGE

SUPERVISOR
This research project has been submitted for examination with my approval as the University supervisor.

Name: Mr. SHADRACK K. BETT ___________________________ Date: 20.05.2010

Signature

CHAIRMAN'S APPROVAL
This research project has been submitted for examination with my approval as the chairman of the Department.

NAME: MR. DOMINIC NGABA ___________________________ Date

Signature
Dedication

This work is dedicated to my late father Paul M. Choge. Your encouragement and guidance greatly cherished in our family. You are dearly missed and remembered. Your spirit propels us to work tirelessly for the future. May your soul rest in eternal peace.
Acknowledgment

I wish to acknowledge the support of my family while undertaking this project report. Special recognition goes to my wife, Emmy and our four lovely children for their understanding, encouragement, inspiration and support during the entire period. I will forever be indebted to them.

Special thanks go to my supervisor and lecturer Mr. Shadrack K. Bett, whose advice and counsel have been valuable to the completion of this work. I sincerely appreciate his zeal, patience, sacrifice and understanding. To all I wish you God's blessings.
List of Abbreviations

TQM – Total Quality Management
HCDA – Horticultural Crops Development Authority
MOA – Ministry of Agriculture
MBO – Management by Objectives
CPM – Corporate Performance Management
CIPD – Chartered Institute of Personnel and Development.
Definition of Terms

**Corporate** – An entity or a company registered under the law and vested with operational mandate. Referred sometimes as organization.

**Management** – The sharing of power and authority when supervising employees.

**Performance** – The output in terms of improved customer service and productivity of a work.

**Corporate performance management** – An umbrella term that describes all the processes, methodologies, metrics and systems needed to measure and manage the performance of an organization.

**Appraisals** – The systematic description of job relevant, strength and weakness within and between employees.

**Motivation** – Enthusiasm, drive for doing something.

**Competence** – The ability of the employee to exhibit the required skill in a job that can be enhanced by training.

**Standard – setting** – The pre-set objectives to be attained in performance

**Subordinates** – The cadre of employees who report to managers.

**Conceptual framework** – A hypothesis model identifying the concept under study and their relationship. The purpose of the concept is to help the reader to quickly see the proposed relationships.
Abstract

This research paper sought to conceptualize the effect of employee's appraisal on their performance at Horticultural Crops Development Authority. The paper also sought to determine whether employee relations and teamwork, motivation and competence (skill) development and training as affected by employee appraisal, had lead the employees of Horticultural Crops Development Authority to improve their performance at work place. The paper explored the importance of employee appraisal on employee career progression and corporate performance, while addressing the problems and challenges experienced while carrying out employee performance appraisal, in order to provide suggestions on the corrective /improvement steps where necessary.

Descriptive survey was used to carry out the research. A sample size of two hundred and eight (200) employees was used, comprising, the management staff, technical staff, marketing and systems analysts staff, human resource and administration staff and finance staff who were selected using stratified sampling techniques of ration 0.5(50%) across the staff categories of employees who participated in the study. Observation and oral interview of a third (1/3) of each sample category of staff was used as primary source of data. Books, journals, published and unpublished thesis and dissertations, magazines, abstracts, periodicals, computers search and the internet was used by the researcher as secondary data sources. Closed and a few open ended questionnaire was used to collect data.

Descriptive statistics mainly frequency and cross tabulation was used to analyze the data. Statistical package for social sciences (SPSS) was also applied to enhance the data analytical process. Appropriate interpretation, findings and recommendations was later done accordingly.

While carrying out the research, the following limitations were encountered; other respondents failed to respond to the questionnaire on time and the researcher had difficulties in obtaining adequate information from the empirical studies done on the researched area. The output from this research were; improved employee work performance, enhanced employee relations /teamwork, identification of relevant training and development and enhanced staff morale and motivation at HCDA.

The outcomes of this study are widely supported by other empirical and secondary data discussed in the literature review. The study shows that despite of the varied thoughts and opinion by the respondents on the effects of appraisal systems on employee work performance at HCDA there was a general consensus that performance appraisal system though marred with myriad challenges, it remains an important management tool that greatly influence employee work performance. It is on this premise that the researcher recommends further research on performance appraisal systems and especially on the methodology and approaches.
Table of Contents

<table>
<thead>
<tr>
<th>Declaration</th>
<th>Dedication</th>
<th>Acknowledgement</th>
<th>List of abbreviations</th>
<th>Definition of terms</th>
<th>Abstract</th>
<th>Table of Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>i</td>
<td>ii</td>
<td>iii</td>
<td>iv</td>
<td>v</td>
<td>vi</td>
<td>vii</td>
</tr>
</tbody>
</table>

CHAPTER ONE: INTRODUCTION
1.1 Background of the study 1
1.2 Statement of the problem 6
1.3 Objectives of the study 8
1.4 Research questions 8
1.5 Significance of the study 8
1.6 Limitation of the study 9
1.7 Scope of the study 9

CHAPTER TWO: LITERATURE REVIEW
2.1 Introduction 10
2.2 Empirical Studies 10
   2.2.1 Performance appraisal System 12
   2.2.2 Team work and employee relation 14
   2.2.3 Skills and task understanding 15
   2.2.4 Motivation and morale 16
   2.2.5 Training and development 18
2.3 Critical review of major issues 19
CHAPTER ONE: INTRODUCTION

This chapter presents highlights on the topic under investigation. A Global, regional and national overview on the effects of appraisal on corporate performance was reviewed. It lays the foundation of the study by presenting the background and the importance of the study, builds up a case for the problem statement by articulating the problem being resolved and provides evidence of the existence of the problem and the purpose of the study. The chapter further states the objectives of the study, the justification and significance of the study, the scope and limitation of the study and the conceptual framework of the study which highlights relationships between variables in the study.

1.1 Background of the study.

Performance appraisal system is the systematic description of job relevant strength and weakness within and between employees. It has several elements: it needs to satisfy the combined needs of individual subordinates, the manager and corporate-organization. Managerial appraisal has sometimes been referred to as the Achilles heel of managerial staffing, but it is a major key to managing itself.

Performance appraisal as stated by Heinz (2008) is the basis for determining who is promotable to a higher position. It is also important to management development because it is difficult to determine whether development efforts are aimed in the right direction or not if a manager’s strengths and weaknesses are not known. Appraisal is, or should be, an integral part of a system of managing, knowing how well a manager plans, organizes staff, leads and controls is really the only way to ensure that those occupying managerial positions are actually managing effectively. If a business, a government agency, a charitable organization, or even a university is to reach its goals effectively and efficiently, ways of accurately measuring management performance must be found and implemented. To be acceptable, an appraisal program must be reliable and valid. The operating agencies must set vigorous measurable standards. Effective performance appraisal should also recognize the legitimate desire of employees for progress in their professions (career progression). One way to integrate organizational demands and individual needs is through career management, which can be a part of performance appraisal.
In assessing performance, systems of appraising against verifiable pre selected goals have extraordinary value. Given consistent, integrated and understood planning designed to reach specific objectives, probably the best criteria of managerial performance relate to the ability to set goals intelligently, to plan programs that will accomplish those goals, and to succeed in achieving them. Those who have operated under some variation of this system often claim that these criteria are inadequate and that elements of luck or other factors beyond the manager’s control are not excluded when arriving at any appraisal. In many cases, managers who achieve results owing to sheer luck are promoted, and those who do not achieve the expected results because of factors beyond their control are blamed for failures. Thus appraisal against verifiable objectives is by itself inefficient. Therefore when appraising against performance, objectives should be examined.

In his assertion, Beardwell, (2008) suggests that management of employee performance is usually seen as a necessary function of the managerial cadre. Centrally, it links a number of themes, including the extent to which the organization has identified strategic goals reflecting the needs of the business and the degree to which these are communicated to and shared by each employee. We can further note the general definitions suggest that performance management involves a formal and systematic review of the progress towards achieving these goals. In response to the problems this creates, theorists have developed the idea of a performance management cycle within which the elements of the progress can be identified, investigated and implemented by human resource managers in the attempt to create organizational advantage. The cycle consists of five elements which provide a framework within which we can audit the delivery of strategic objectives with a view to developing a continuous improvement. These elements are presented as a common link between organization and individual performance which underlies the development of a committed, motivated loyal workforce. In simple terms, it is suggested that the cycle indicates a system within which performance objectives are set, outcomes are then measured, results are fed back, rewards are linked to outcomes and changes are made before new objectives are set for which the outcome can be measured.

The employee performance outcomes are often measured by application of appraisal schemes. The purpose of the performance planning, review and appraisal need to be made clear if employees at all levels in the organization are to play an active part in the process. It is possible that some employees
and a few managers may meet performance appraisal schemes with distrust, suspicion and fear, but
an integrated and effective motivation and improved employee relations that enhances teamwork in
the workplace. It is important for employees to be genuinely involved in the design of an appraisal
scheme, the evaluation of performance, and the objective setting process. An appraisal scheme
should be set up in an atmosphere of openness, with agreement between management, employers
and employee representatives on the design of the scheme, Graysm (2004) suggests that employees
need to have a clear understanding of the purpose of the process (evaluating or developmental).

It can therefore be suggested that the key principles in the design of the performance appraisal
scheme are that it should be congruent with the organization competitive strategy. It needs to provide
direction for continuous improvement activities and identify both tendencies and progress in
performance. Manifestly, it needs to facilitate the understanding of cause and effect relationship
regarding performance while remaining intelligible to those employees to which it applies. It ought
to be dynamic, covering all of the company’s business processes and provide real time information
about all aspects of performance. A scheme that does not include employee’s attitudes is unlikely to
allow performance to be compared against benchmarks because it will not be composed of effective
performance measures. It can be noted that a performance appraisal system should provide a
perspective of past, present, and future performance which is both visible to both employees and
management.

The current trends in performance management as argued by Claydon (2008), indicates that the
interest in appraisals system and other performance based reward systems draws on the long
standing tradition to divide reward packages between base and contingent elements. The changes in
the mechanisms used to identify and quantify elements currently focus on the notion of rewarding
the person rather than the role and links into the notion of new pay which increases the emphasis on
the motivational qualities of performance based reward systems. By linking pay to achievement,
whether such achievement relates to production targets, attainment of competencies or objectives set
within an appraisal meeting, organization are seeking to quantify and reward individual contribution
to the attainment of business goals or strategic aims.
Individuals, whether pay is determined by position on a spine determined by job evaluation or otherwise may receive increments based on length of service alongside performance elements; these ‘service awards’ reward experience and loyalty. However such awards can be withheld where performance fails to meet the desired targets and are useful once poor performance is identified as signal to other workers. Armstrong (2002) list features of performance management which were identified as being used by organization in the 1998 CIPD survey. The results suggest that the most common of these (identified by over 60 percent of the respondents) were objective setting and review, annual appraisal and personal development plans.

A recent study by the consultants Mercer (2003) shows that out of 3500 employees a mere 20 percent believe that their good performance will be rewarded while some 33 per cent feel their organization operates in such away that there is an inadequate link between pay and performance. From these results it is noted that linking pay to performance requires a robust performance appraisals process and the active support of line managers. The results further indicate that many managers lack either the training or the support to conduct the process. The Mercer survey also noted that while firms may be good at appraising individuals, many are weak on providing effective feedback and offer this as a cause of their finding that performance management systems are rarely effective. Their effectiveness rests on two foundation stones, high levels of motivation and a strong psychological contract, however research by CIPD (2003) notes that while most workers are happy in their work, fewer than 30 per cent trust their senior managers to look after their interest, indicating a psychological contract which is far from strong. In order to address these problems and develop high commitment management policies, employers are introducing greater flexibility in terms of the employment relationship.

Employee performance appraisal is an important management tool in an organization since it affects the performance of the employees either positively or negatively. It has to satisfy the combined needs of individual employee, the manager and corporate body. In this respect employee appraisal is valueless unless the general experience of it is satisfying. Appraisal system has to find some value in the appraisal process itself and see tangible outcomes in a follow up. Appraisers have to find the appraisal process not too arduous and have to see constructive responses from appraisees. When general experience of appraisal is satisfactory, it becomes an integral part of managing the
organization and modifies the management process. In his unpublished report on Strategic People Management, Knipe (2008) state that performance appraisal system entails evaluating the quantitative and qualitative aspects of an employee's work performance to identify deficiencies, reinforcing strengths in order to improve performance and is necessary to: evaluate and take stock of institutional human resources, provide information so that strategic decisions can be taken, provide feedback for further development of staff, create opportunity for management to communicate, to clarify expectations and take part in development of each staff member, assist a manager in deciding whether he is suitably placed, assist the manager in deciding what increases of pay shall be given on grounds merit, indicate training and development needs.

It is therefore the policy of the Authority that a yearly employee performance appraisal should be conducted with the purpose of improving performance and to yield maximum motivation of the individual employee and that all the employees learn to work and grow as a team for higher and better levels of performance in the work place. The Authority's policy on staff training and development further state that staff annual increments, promotion, merit awards training and development including other personal action should be based on periodic employee appraisal. However despite carrying out its annual employee appraisal as specified in the Terms and Condition of Service, the Authority has experienced several problems and challenges while carrying out the exercise (Staff Advisory Committee report, 2008). It is therefore important that the Authority should continuously review its appraisal system in order to address the problems associated with the exercise and define new approaches to address them. It is also important that a performance appraisal system should include: performance planning (linkage with the organization strategic objectives and standards), on going organizational performance communication, performance data gathering, observation and documentation, performance appraisal meetings and performance diagnosis, barrier identification and further planning actions for improvement, (that is training interventions) to meet the objectives of performance appraisal systems which include: administrative that involves the means of providing an orderly way of determining promotions, transfers and salary increases, informative which involves; supplying data to supervisors on performance of staff and their strengths and weakness, and motivational which involves; creating learning experience that motivates staff to develop themselves and improve their performance.
1.2 Statement of the problem

This research project was proposed to investigate the effects of appraisal system on employee work performance in HCDA. The implementation of an effective appraisal system is the biggest challenge that most organizations face. Following the introduction of performance contract (Public sector reforms and performance contracting, session paper, 2003), in the public service, it became apparent that staff of public institution including HCDA had to improve their performance. An evaluation of the “Results for Kenya”. The programme was started in 2003 and completed in 2009 by local and foreign consultants; Messrs Africa Development Professional Group Limited and the institute of Public Administration of Canada. On performance contracts the interim report of the consultants had the following acknowledgement, “from a baseline of extremely poor performance management in the Public Service before 2003, performance represented a significant paradigm shift and is widely credited with beginning a cultural transformation within the public service. Performance contracts signed by the chief executive officer (CEO) of each public institution are now being used to cascade organizational targets to departmental work plan and into individual objectives. Most public service managers now have performance contracts and performance appraisal system which set out their priorities and goals for the upcoming year and reports are generated quarterly against the preset targets in their understanding that individual performance ratings will be based on. Knipe (2008) argues that the setting of Performance contracting and the eventual appraisal of staff in the public service lead to increase in their productivity and overall commitment to work. It uses role profiles which isolate performance themes and related competences so that the individual has a clear performance template against which to direct his or her efforts. It is important for employees to increase their performance because this will affect the bottom line of a firm in terms of returns, and also, performance appraisal of employee do lead to identification of skill gaps, improved working relationship (team working) , motivation and commitment of staff among other factors which can directly impact overall performance. It is against this background that the purpose of this study was to find out the effect of performance appraisal system on employee performance at HCDA, and how the system can be improved to impact positively to the performance of employees by enabling high participation and involvement in planning, delivery and evaluation of individual work performance. The effectiveness of employee appraisal system will be greater if all involved are clear about what the system is for. The human resource manager and the senior managers need to work out what they want the appraisal system to achieve and how it fits in with the other human
resource activities that feed into it and are feed by it, such as career planning, training and human resource planning. It is also important that those who have to operate the system also have to appreciate its objectives. Finally those whose performance is to be appraised will answer questions and contribute ideas with much greater constructive ardour if they understand and behave in the purposes of the appraisal and its effect on their work performance.

The Authority encourages involvement of both appraisers and appraisees in the identification of appraisal criteria. The Authority’s code of regulations (2003) notes that these criteria must be genuinely related to success or failure in the job and amenable to objective rather than subjective judgment that fosters integrity and fairness in the appraisal outcome. Whatever approach used to performance appraisal, there will be issues and concerns. To assess the employee’s work performance involves some form of assessment against predetermined standards or behaviors. In both situations there will be an element of human judgment which suffers from problems of reliability, validity and bias. Kinnie and Lowe (2001) state that ‘appraisers’ may find it difficult to identify and measure the distinct contribution of each individual, since the appraiser does not really know the appraisee or because as suggested by Howell and Cameron (2006) employees are constantly moving from one project to another. The study is therefore aimed at conceptualizing the importance of employee appraisal system and its effect on their performance in Horticultural Crops Development Authority (HCDA) and to indicate and suggest tenable steps that can be taken for its improvement and generally to recommend on how the identified factors can be controlled to impact positively on employee work performance.
1.3 Objectives of the study

General Objective
The general objective of the study was to investigate the effects of performance appraisal system on performance of staff of Horticultural Crops Development Authority.

Specific Objectives
1. To establish if employee performance appraisal system has improved employee relations and teamwork in the Authority.
2. To determine if employee performance appraisal system has enhanced skills and task understanding in the Authority.
3. To determine whether employee performance appraisal system has affected employee motivation and morale in the Authority.
4. To find out if performance appraisal system has led to proper identification of employee training and development needs in the Authority.

1.4 Research questions

The research sought to answer the following questions:-
1. To what extent has performance appraisal system influenced teamwork and employee relation in HCDA?
2. What extent has performance appraisal system had on employee skills and task understanding?
3. How has performance appraisal system affected employee motivation and morale?
4. What effect has the performance appraisal system had on employee training and development needs?

1.5 Significance of the Study

This study was of significance in many ways to the employer (HCDA), the government through its agencies such as the Ministry of Labor and Manpower, Ministry of Agriculture, Directorate of Personnel Management, Public Sector Reforms and performance contracting, other researchers who may wish to undertake further research on performance appraisal system, the human resource
practitioners and the researcher himself. In particular the research findings will enable the employer
draw parallel on the strengths and weaknesses of its performance appraisal system to ascertain the
factors to be controlled in order to improve its content for the enhancement of employee work
performance.

1.6 Limitations of the study
The following were the limitations encountered by the researcher while carrying out this study:
logistics problems were encountered by the researcher while distributing and conducting the
questionnaires and interview sessions respectively outside HCDA head office especially in the
stations and depots located outside Nairobi. In addition, since most of the employees at these stations
and depots often carry out field assignments with the farmers groups, the researcher encountered
difficulty in meeting all the respondents at the same time in their respective duty stations. Other
respondents also failed to answer all the questions in the distributed questionnaires, hence inadequate
response was received on other inquiries. Similarly, lack of cooperation among some respondents
led to the delay in receiving back the posted questionnaires while other respondents failed to
cooperate completely by not returning their questionnaires.

1.7 Scope of the Study
The scope of the study was all staff of Horticultural Crops Development Authority. The Authority
has a staff establishment of 200 employees (staff establishment record, 2009). The focus of the study
was on the sampled size of 100 staff across the five clustered staff category, namely: the senior
management staff, Technical staff, Marketing staff, Human Resource and Administration staff and
Finance and Audit staff stationed at the head office and at the existing seven depots.
2.1 Introduction
The appraisal which aims at facilitating employee development has the following purposes: To provide feedback and guidance, to set performance goals as per the organization strategic plan and performance contract, to identify training needs of individual employees, to provide inputs of pay administration rewards and promotion and to provide management with data which they can use to determine future job assignments and compensation, to provide feedback and guidance, to set performance goals, to identify training needs, to provide inputs of pay administration, rewards and promotion and to provide management with data which they can use to determine future job assignments and compensation.

2.2 Empirical studies
There are three dimensions to consider while carrying out an appraisal: what you achieve, how you achieve it, the extent to which you have completed the whole task and the expectation for internal and external stakeholders. In view of the aforementioned, the study seeks to investigate the effect of appraisal system on employee work performance and whether the above dimensions are being considered in the Authority.

Organization’s performance refers to organization accomplishment of its mandate. This refers to outputs and outcomes as well as results achieved by the organization towards realization of its objectives. Performance could therefore be regarded as behavior, the way in which organizations, teams and individuals get work done. Torrington et al. (2008) believes that performance is behavior and should be distinguished from the outcomes because they can be distinguished by systems factors and that a comprehensive view of performance may be achieved if it is defined as embracing both behavior and outcomes. Work performance therefore means both behavior and results, behaviors emanate from the performer from abstraction to action. Not just the instruments for the results, behaviors are also outcomes in their own right. It has been further pointed out by Torrington et al. that performance is a multi dimensional construct, the measurement of which varies depending on a variety of factors. They also state that it is important to determine whether the measurement objectives are to assess performance outcomes or behavior. There are different views on what
performance is. It can be regarded as simply as the record outcomes achieved. On an individual basis, it is a record of a person’s accomplishment, Kane (1996) argues that performance is something that the person leaves behind and that exists apart from the purpose. Barenham (1995) is concerned that performance should be defined as the outcomes of work because they provide the strongest linkage to the strategic goals of the organization, customer satisfaction and economic contributions.

Probably the most significant development likely to influence the nature of performance appraisal in the future is the shift away from the conventional appraisals, undertaken typically by line managers towards the future appraisals concepts. In addition to the emergence of new techniques for appraising employee performance and potential there have been a number of changes in the goals and content of the appraisal process over the last two decades. The appraisals process therefore needs to reflect the culture and climate of the organization for it to be effective Pryor (1985) recommends that organizations should aim to achieve consistency between their normal day-to-day management style and the treatment of people in appraisal interviews and performance management systems for them to improve on their performance. The history of performance appraisal is quite brief. Its roots in the 20th Century can be traced to Taylor’s pioneering time and motion studies. As a distinct and formal management procedure used in the evaluation of work performance appraisal really dates from the time of the Second World War. Appraisal systems began as simple methods of income justification, Armstrong (2007) points out that appraisal was used to decide whether or not the salary or wage of individual employees was justified. The process was firmly linked to material outcomes. If an employee’s performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the superior expected, a pay rise was in order. Little consideration, if any, was given to the development possibilities of appraisal. It was felt that in pay, or a rise should provide the only required impetus for an employee to either improve or continue to perform well. Sometimes, this basic system succeeded in getting the results that were intended: but more often than not, it failed. For example, early motivational researchers were aware that different people with roughly equal work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance.

These observations were confirmed in the empirical studies. Pay rates were important, but they were not the only element that had an impact on employee performance. It was found that other issues,
the validity and reliability of the performance appraisal process. Derek (2000) in his studies has suggested that the process is so inherently flawed that it may be impossible to perfect it. At the other extreme, there are strong advocates of performance appraisal. Lawne (2004) view it has potentially “.... the most crucial aspect of organizational life”. Appraisals help develop individuals, improve organization performance and feel into business planning. They are essential for the effective management and evaluation of staff.

In his article ‘the case for on – going performance evaluations’, winning (2001) has discussed the timing of performance reviews. He notes that some companies goes for three, six, nine and twelve month review periods, however he observes that most companies have gone to annual reviews perhaps primarily and initially as a cost service device. He further suggests that managers should be held accountable for the productivity of subordinates and that appraising performance along with counseling and guidance would be in the best interests of managers. One way to hold managers accountable is to key in their profit sharing or bonuses or plain old increases to the performance of their departments. The performance of the company is then logically keyed to the performance of the departments. Winning observed that national companies do not wait until the end of a fiscal year to see how they did. At the very least they appraise or evaluate how they are doing on a quarterly (sometimes monthly) basis, and then it would equally be logical that individual performances should be measured periodically.

2.2.1 Performance appraisal System

Appraisals are the description of job relevance strengths and weaknesses within and between employees Beardwell et al (2008).According to him, appraisals have several elements; it needs to satisfy the combined needs of individual subordinates, the manager and the organization. In addition to informing personnel decision about reward, performance or potential, appraisal system may be called upon to serve other descriptive such as communication, culture change, counseling and identification of training needs.
A good performance appraisal should have the following objectives; to identify good performers so that they can be rewarded wherever possible, identify employees who have better potentials, identify poor performers so that they can be trained, re-trained, advised, transferred and if necessary be dismissed, assist in future recruitment, selection and placement exercise, assist in developing employment selection standards, help both management and employees to know what is expected of each other, eliminate misunderstanding, which exist in a mind of the employee, provide management with data, which they can use to determine future job assignments and compensation, Armstrong (2003). Besides the above objectives, Armstrong argues that appraisal system can assist a supervisor or manager in influencing and directing the performance of the employees. At any time, evaluation decision must be made based on what is to be evaluated, quantity and quality performance are important.

According to Dale (2004) the factors to be evaluated during appraisals include, traits such as appearance, initiatives and enthusiasm which should be included only if they have bearing on the job. What is measured in the evaluation influences employees’ behavior because when they know they are being evaluated and on what dimension they will behave as expected so that they can get high performance rating. Armstrong (2003) notes that there are three common criteria that should be considered in performance appraisal; it should measure everything related to the objectives of the job, whereas anything that is not related to the job should be left out. The evaluation procedure should also produce consistent and repeatable results if the same behavior is evaluated quite differently by the same evaluator at different time it means that evaluation is not reliable and evaluation should only measure each employee work performance without being influenced by factors that an employee cannot control such as economic conditions, material, input, tools, equipments shortages, breakdown or poor working conditions.

Sparrow (2004), states that, it is the responsibilities of the supervisor or manager to evaluate the performance of their immediate subordinates. However this responsibility can and in fact be shared at two weeks levels that are between the human resource and the line managers. The human resource department is responsible for ‘designing’ and maintaining a formalized appraisal system, establishing a formal reporting system, ensuring that reports are in time and in training those judged with the actual performance exercise. The line managers are however responsible for conducting the
exercise, making formal reports, reviewing appraisal with the employees and setting a future appraisal targets. Beardwell (2007) suggests that performance appraisals are essentials for the effective management and evaluation of staff. Appraisal helps develop individuals, improve organizational performances and feed into business planning. In short, performances and job appraisals are vital for managing the performance of people and organizations. Aside from formal performances appraisals, there are many different methods of performance evaluation. The use of these methods depends on the purpose of the evaluation, the individual, the assessor and the environment. The formal annual performance appraisal is generally the overriding instrument, which gathers together and reviews all other performance data for the previous year.

Performance appraisals, according to Torrington et al (2008) should offer positive experiences that should provide the platform for development and motivation. To him organizations should foster a feeling that performance appraisal are positive opportunities, in order to get the best out of the people and the process. In certain organizations, performance appraisals are widely regarded as something rather less welcoming (bollocking sessions is not usual description) which provides a basis only on which to develop fear and resentment.

2.2.2 Teamwork and Employee relation

Scholtes (2004) in his article ‘Total quality performance appraisal’ indicates that performance appraisal disregards and in fact undermines teamwork. Many who seem to be solo performers are actually individual contributors to a group effort, regardless of whether that group is formally constituted team. When one individual’s contribution is evaluated we must pretend that we can extract from the net outcome that specific value contributed uniquely by that person and not attributed to him or her contribution for which others deserve creditor discredit. Some managers want to give recognition to each individual who participates on some successful project team. But teamwork has large boundaries than this. Chances are each member of that team could participate only by shifting some normal job duties onto others who are not on the team. This study further indicate that appraisal undermines teamwork when an employee must choose between attending to his or her individual job standards on which salary and promotability often depend or attending to the needs of the team. In such circumstances the team needs will suffer, for example in the spring of 2001, Gallery performance (Commission and bonuses). All the measures of business performance
improved. But what surprised management most was the teamwork that developed among the
salespeople who previously saw each other as competitors. The old system styled cooperation and
teamwork.

Scholtes, further suggest that performance appraisal seeks to provide a means to administer multiple
functions, yet it is inadequate to accomplish any one of them. He argues that we don’t do anything
unless we expect some benefit from it. He quips that if managers are asked to list the various ways
performance appraisal serves as a useful purpose, the response would be a long list as indicated to
determine pay, to identify candidates for promotion, to give employees feedback, to provide
communications between supervisors and employees, to give direction and focus to employees, to
aid in career development, and to identify training needs. The sheer magnitude of this list suggests
that the typical four or five hours of conference time per year between supervisor and subordinate
are woefully inadequate to the task. If managers spent 400hrs, it would still be insufficient on this
premise, performance appraisal to him seems a fragile cart asked to bear too heavy a load.

2.2.3 Skills and Task understanding
In her MBA unpublished project, Nzulwa (2003) states that, although different organizations pursue
different paths towards goal performance and growth, one that is not given weight is, without high
gains in employees’ needs. The fact is, without high gains in employees’ skills and task
understanding and professionalism must thus be enhanced through skill enhancing practices totally
responsive to their deeds. Employee’s skills and task understanding is the central and crucial factor
in any business performance.

According to Waithera’s unpublished MBA thesis (2004), she states that an increasing number of
organizations are implementing management systems and human resource practices with greater
employee involvement to increase productivity and quality must include attention to the human
skills and task understanding. A formal performance appraisal is considered essential for good
management because it provides a means of control over employee job performance and thus, over
individual skill and task undertaking. Filts (1962) distinguished three stages of learning, in particular
of perceptual, motor skill acquisition. It recognized that they may overlap in cognitive stage, the
learner has to understand what is required, its rules and concept, and how to achieve it. In associative
stage – the learner has to establish through practice the stimulus response links, the correct patterns of behavior, gradually eliminating errors. While in autonomous stage, the learner refines the motor patterns of behavior until external sources of information become redundant and the capacity simultaneously to perform secondary tasks.

Skills and task understanding are required to achieve an acceptable standard of performance and behavior to carry out a specific task with a view to identifying areas of difficulty and the appropriate training techniques and learning aids necessary for successful instructions. Skills understanding as stated by Cole (2004), basically focuses on education and training required for a particular job or tasks, experience acquired while performing the task and more so the initiative and creativity of an individual on ways and means of performing the tasks beforehand.

2.2.4 Motivation and morale

All organizations are concerned with what should be done to achieve sustained high levels of performance through people. This means giving close attention to how individuals can best be motivated through such means as incentives, rewards, leadership and importantly, the work they do in the organization context within which they carry out that work. The aim, of course, is to develop motivation processes and a work environment that will help to ensure that individuals deliver results in accordance with the expectations of management, Armstrong (2001). Motivation can be described as goal-directed behavior. People are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward – one that satisfies their needs. Armstrong further states that well motivated people are those with clearly defined goals who take action that they expect will achieve those goals. Such people may be self-motivated as long as this means they are going in the right direction to achieve what they are there to achieve, then this is the best form of motivation.

Organizations can provide the context within which high level of motivation can be achieved by providing incentives and rewards, satisfying work and opportunities for learning and growth. But managers still have a major part to play in using their motivating skills to get people give their best and make motivational processes provided by the organization. Performance appraisals exert some influence since it influences several personnel actions such as opportunities for promotion for
achievers, training opportunities, reward opportunities. The role of appraisals on corporation
performance is expressed by Gongera (2008) as that of establishing a framework in which
performance by individuals can be directed, monitored, motivated and refunded, and whereby the
links in the cycle can be audited. Two theories are particularly pertinent to discussions of
performance management: goal setting theory (Locke theory 1981), and expectancy theory (Vroom
1964). Edwin Locke established goal setting theory. He argued that goals pursued by employees can
play an important role in motor superior performance. In following these goals people examine the
consequences of their behavior.

The expectancy theory by Vroom in 1964 hypothesizes that it is the anticipated satisfaction of
valued goals, which causes individuals to adjust their behavior in a way, which most likely lead to
their attaining them. Appraisals therefore exhibit profound influence on individual performances as
exposed in the noted theories although subject to a great deal of empirical investigation and
theoretical. As distinct and formal management procedure used in the evaluation of work
performance, appraisals really dates from the time of the Second World War – not more than 60
years ago. In broader sense, the practice of appraisal is a very ancient art. In the scale of things
historical, it might well lay claim to being the world’s second oldest profession. There is, says
Dulewics (2006) “......... a basic human tendency to make judgments about those one is working
with, as well as about oneself”. Appraisal, it seems, is both movable and universal. In the absence of
a carefully structured system of appraisal, people will tend to judge the work performance of others
including subordinates, naturally, informally and arbitrarily.

The human inclination to judge can create serious motivational, ethical and legal problems in the
workplace. Without a structured appraisal system, there is little chance of ensuring that the
judgments made will be lawful, fair, defensible and accurate. Performance appraisal system began as
simple methods of income justification. That is, appraisal based to decide whether the salary or wage
of an individual employee was justified. The process was firmly linked to material outcome. If an
employee’s performance was found to be less than ideal, a cut in pay would follow. On the other
hand, if their performance was better than the supervisor expected, a pay rise was in order. Early
motivational researchers were aware that different people with roughly equal work abilities could be
paid the same amount of money and yet have quite different levels of motivation and performance.
These observations were confirmed in empirical studies. Pay rates were important, yes; but they were not the only element that had an impact on employee work performance. It was found out that other issues, such as morale and self-esteem, could have major influence.

As a result, the traditional emphasis on reward outcomes was progressively reflected. In the 1950’s in the United States, the potential usefulness of appraisal as a tool for motivation and development was gradually recognized. The general model of performance appraisal, as it is known today, began from that time. Performance appraisals should be positive experiences. The appraisals process provides the platform development and motivation. Organizations should foster a feeling that performance appraisals are positive opportunities, in order to get the best out of the people and the process. In certain organizations, performances appraisals are widely regarded as something rather less welcoming, which provides a basis only on which to develop fear and resentment.

2.2.5 Training and development

Armstrong (2003) states that training is the formal and systematic modification of behavior through learning which occurs as a result of education, instruction, development and planned experiences. He points out that, the fundamental aim of training is to help the organization achieve its purpose by adding value to its key resource – the people it employs. Training means investing in the people to enable them to perform better and to empower them to make the best use of their natural abilities. According to him, the particular objectives of training are to: develop the skills and competences of employees and improve their performance; help people grow within the organization in order that, as far as possible, its future needs for human resources can be met from within; reduce the learning time for employees starting in new jobs on appointment, transfer or promotion, and ensure that they become fully competent as quickly and economically as possible. It is on this premise that the policy of HCDA encourages continuous training and development of its employees by identifying staff training needs every year through performance appraisal system. The Authority does prioritize on training programmes that will add value to its key resource, the people it employs with the objectives of developing skills and competences of employees and improving their performance help the employees to grow within the organization in order that its future needs for human resources can be met from within.
Effective training and development programmes can minimize learning costs, improve individual, team and corporate performance in terms of output, quality, speed and overall productivity, improve operational flexibility by extending the range of skills possessed by employees (multi-skilling), increase the commitment of employees by encouraging them to identify with the mission and objectives of the organization and also to help develop a positive culture in the organization that is oriented towards performance improvement. One important document according to Cole (2004) that contributes to the analysis of training needs is the appraisal form. This is the record of an employee’s job performance usually completed following an annual interviews with the supervisors.

The objectives of the formal system of appraisals are various. They include some or all of the following: to identify the current level of job performance, to identify employee strengths and weaknesses, to enable employees to improve on current performance, to identify training and development needs on skill gaps to identify potential performers and to provide information for manpower planning purpose. According to Gongera, appraisals usually concentrate on improving performance on the job but rarely reflect development for future needs of the organization. This probably happen because little is known by appraising managers about strategic needs of the business outside their own areas. According to him, when operated effectively training and development initiatives will reflect both the strategic prioritize of the business as well as the personal aspirations of the individual trainers and developers, although it is usually assumed that the two correspond at least potentially.

2.3 Critical Review of major issues.

Majority of the aforementioned researchers and authors, have pointed out on the effect of performance appraisal system. Hannagan (2005), state that work performance, is measurable by the actual individual work output in relation to organization objective. While the author’s assertion is tenable, it does not explore in details on how, when and by whom are such objectives set and instituted in an organization. The failure to incorporate the persons designated to perform the laid down targets often lead to uncoordinated and partially or unfulfilled tasks in a given time frame hence affecting the individual work performance. It is therefore important that apart from setting up of targets, job description by the supervisors it would be realistic that the prescribed targets should be discussed and agreed upon by the managers and the subordinates if desirable results are to be
achieved. Consequently a follow upon session should be held to review the process being made to ensure that the appraisals are in tandem with the corporate strategic plans and to ensure the objectivity of the process and if necessary periodic review of the set target, including facilitation should be undertaken.

The observation by Lawrence (2001) that irregular appraisal often escalates dissatisfaction among employees which impact negatively on service delivery is realistic, however he does not analyze the aftermath of a regular and systematic appraisal if the results of their appraisals are not addressed promptly. For failure to institute a pro-active measure on the appraisal results renders the entire process futile and will negatively affect morale of the working employees who may feel their contribution are not recognized by the organization, and hence compromising on the work performance. In retrospect, performance appraisal system provides a means of control over employee work performance and thus over individual skills and task understanding which leads to the organization productivity (behavior goals). That sanction is the granting or withholding of economic rewards, opportunities for advancement and promotion and in the case of totally unsatisfactorily work performance, dismissal from the organization. What is assumed is there is direct relationship between conducting performance appraisals and maintaining or improving an individual’s contribution to the organization (productivity).

According to Scholes (1993) performance appraisals system undermines teamwork and employee relations sounds real in that upon accomplishment of a given task in most corporate settings an individual is recognized for whatever role he or she may have played at the expense of the entire team members who end up being demoralized, hence the appraisal end up undermining the employee and corporate performance. On the other hand Muturi (2001) in his unpublished research project states that there is need for the organization to have specific indicators in its strategic plan and that by calculating performance indicators, it become possible to determine institutional effectiveness and efficiency in relation to its management systems and human resource procedures. The argument seemingly formidable fails to address remedial measures in a situation where an organization has concrete clear strategic goals and yet performance indicators are not adhered to, hence culminating to slacken individual employee performance – “go slow” which eventually impact
negatively to the organizational performance. This exhibits the failure of the performance appraisal process hence the blame should not be directed to the subordinate employees.

2.4 Summary and gaps to be filled by the study
Appraisals are essential for the effective management and evaluation of staff. It helps develop individual, improve work performance and feel into business planning. Formal performance appraisals are generally conducted annually for all the staff in the organization (HCDA). Annual appraisals enable management in monitoring of standard, agreeing on expectations and objectives, and in delegating responsibilities and tasks. Staff performance appraisal and job appraisal are vital for managing the work performance of people and the organizations. A review of the literature indicates that appraisals are considered essential for good management because it provides a means of control over employee job performance and thus over organizational productivity. It also carries with it what many managers and supervisors believe to be a powerful sanction for failing to achieve a satisfactory performance and level of productivity. However, most management decisions such as promotion, training and development are often made on subjective assessment of a performance hence breeding discontentment among hard working employees who feel wasted despite contributing immensively to the success of the organization. This study is aimed at finding out the effect of appraisal system on employee work performance. In view of this it is anticipated that more research will be done to address other issues in relation to employee work performance as affected by performance appraisal system.
2.5 Conceptual framework

The conceptual framework highlights the relationships between variables in the study. Conceptualized relationships between variables, independent variable (presumed cause), dependent variables (presumed effect) and intervening variables (other variables that influence the effect of the independent variable) are illustrated in the above conceptual framework and discussed here below.

2.5.1 Effects of performance appraisal on employee work performance as affected by teamwork and employee relations.
The effects of performance appraisal on employee work performance as affected by teamwork plays a crucial role in the work performance of the employee and overall corporate performance. In organization teamwork yields to high group output which translates equally to improved individual work performance in terms of an individual meeting tasks set objectives. Similarly lack of teamwork in an organization often strains employee relations and slows down the achievement of any set performance targets since individuals (employees) work in disharmony to outshine and undermine each other on individual level hence undermining employees work performance leading to performance targets partially met or not met all together.
2.5.2 The effects of appraisal system on work performance as affected by skills and task understanding.

There are several types and levels of skills. Some are couched in terms of stages rather than levels. Therefore, the individual can progress from the lower to the highest stages. The lower levels are prerequisites for, and subsumed by, the higher organizations require several types and levels of skills, not only the higher level thinking skills. The human resource manager can therefore use the classifications, first to identify the prior learning needed before skills of various levels can be attained and then to plan ways of facilitating their learning. Work performance is the record of outcomes achieved by an employee in the work place. On individual basis performance is a record of the person’s accomplishment. Kane (1996), state that performance is something that the person leaves behind and that exists a part from the purpose. Bernard (1995) is concerned that performance should be seen and defined as the outcomes of work because they provide the strongest linkage to the strategic goals of the organization, customer satisfaction and economic contributions. When performance of teams and individuals are being managed and appraised over a period of time, both inputs (behavior) and outputs (results) had to be considered. Campel (1990) states that performance is behavior and should be distinguished from outcomes because they can be contaminated by systems factors.

The effectiveness of an appraisal system depends on its implementation and consistency of practice. The appraisal system which enhances greater employee participation in terms of pre-set goals and strategy leads to increase in productivity and gain in competitive goals and objectives. Effective appraisal system should therefore, identify efforts to improve productivity in terms of performance outcome and task understanding. This leads to improved productivity in an organization, where prevailing weaknesses are identified and addressed for the enhancement of staff work performance which leads to improved corporate service delivery.
2.5.3 Effects of appraisal system on employee work performance as affected by motivation and morale.

Performance appraisal system is always aimed at identifying means and ways of motivating employees through such means as incentives, rewards, leadership and importantly, the work they do and the organization context within which they carry out that work. The aim therefore, is to develop motivation processes and work environment that will help to ensure that employees deliver results (improved work performance) in accordance to the expectation of the organization. Motivation and morale in workplace are critical elements often determining individual work performance. All organizations are concerned with what should be done to achieve sustained high levels of performance through its employees. This means giving close attention to how individuals can best be motivated through such means as incentives rewards, leadership and importantly the work they do and the organization context within which they carry out that work. The aim of course, is to develop motivation processes and work environments that will help to ensure that an individual deliver results in accordance with expectations of management. An effective appraisal system is concerned with factors that influences peoples work performance.

2.5.4 Effects of appraisal system on employee work performance as affected by training and development.

Training and development which are the systematic modification of behavior through learning which occurs as a result of education, instruction, personal development and planned experience are vital management components on employee work performance. The fundamental aim of training and development it to help employees achieve their purpose by adding value (skills) to its key resource, the people it employees. Appraisal system is therefore an important management tool which should identify employees training needs for bettering employees’ skills which is aimed at enabling people to perform better and to empower them to make the best use of their abilities in meeting the organization strategic objectives.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter contains details on the procedures and instruments that will be used in collecting the data. Issues to be discussed include target and accessible population, sample and sampling techniques, the research design, description of instruments or tools to be used to collect data and the measurement of variables.

3.2 Research design
The study was carried out using both descriptive surveys and narrative analysis since both primary and secondary data was used given the anticipated data to be collected and interpreted. The data was organized and summarized in a detailed way that could be meaningfully understood and communicated using the descriptive statistics and narrative analysis on examining the effects of appraisal system on employee performance in Horticultural Crops Development Authority as determined by the independent variables.

Both descriptive and narrative analysis was appropriate for the study as it was used to describe the behavior and attitudes of HCDA staff on their work and also analyze the values and characteristics of the authority’s appraisal system and its effects on individual employee performance. According to Mugenda and Mugenda (2003), similar works have been done using the aforementioned analysis survey. In his analysis, Kothari (2000) states that descriptive research design should be used to describe such possible behavior, attitudes, values and characteristics of staff on their work. This determinant was therefore used to measure the level of productivity among employees of the Authority as influenced by the existing appraisal system.

3.3 Target population
The population of interest was all staff of the Horticultural Crops Development Authority with an establishment of 200 employees. Stratified random sampling was used to achieve the desired representation from the various categories in the population. The subjects were selected from the following staff categories, Senior Management staff, Technical staff, Marketing staff, Human Resource and Administration staff and Finance and Audit staff. According to Mugenda and
Mugenda (2003) population means all elements in a research area of interest. The characteristics of the population are as indicated in the table 3.2 below.

Table 3.3 Target Population

<table>
<thead>
<tr>
<th>Category of staff</th>
<th>Population Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management Staff</td>
<td>14</td>
<td>$14 \times 100 = 7%$</td>
</tr>
<tr>
<td>Technical Staff</td>
<td>42</td>
<td>$42 \times 100 = 21%$</td>
</tr>
<tr>
<td>Marketing Staff</td>
<td>34</td>
<td>$34 \times 100 = 17%$</td>
</tr>
<tr>
<td>Human Resource and Administration staff</td>
<td>83</td>
<td>$83 \times 100 = 41%$</td>
</tr>
<tr>
<td>Finance and Audit staff</td>
<td>28</td>
<td>$28 \times 100 = 14%$</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>$208 \times 100 = 100%$</td>
</tr>
</tbody>
</table>

Source: (HCDA Staff Establishment: 2009)
3.4 Sample Design

The technique used by the researcher in the study was stratified random sampling in each stratum.

Mugenda and Mugenda (2003) stated that, a 10% of the accessible population is enough sample in a research study. In this respect, the researcher took a 50% of the sampled population in this study which offered an ideal sample size in the accessible population. Mugenda and Mugenda further state that, the higher the sample the greater accuracy of the results that represents the whole population.

Table 3.4 Sampling Design

<table>
<thead>
<tr>
<th>Category of staff</th>
<th>Population Frequency</th>
<th>Ratio</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management Staff</td>
<td>14</td>
<td>0.5</td>
<td>7</td>
</tr>
<tr>
<td>Technical Staff</td>
<td>42</td>
<td>0.5</td>
<td>21</td>
</tr>
<tr>
<td>Marketing Staff</td>
<td>35</td>
<td>0.5</td>
<td>17</td>
</tr>
<tr>
<td>Human Resource and Administration Staff</td>
<td>83</td>
<td>0.5</td>
<td>41</td>
</tr>
<tr>
<td>Finance and Audit staff</td>
<td>28</td>
<td>0.5</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>0.5</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: (The researcher: 2009)

3.5 Data Collection Procedure/Instruments

Stratified random sampling was used in this study to achieve the desired representation from the five sub-groups (categories) of staff in the survey population of 100 staff. The population sample will focus on the work performance of the respective staff category in HCDA, namely; the senior management staff, the technical staff, the marketing staff, the Human Resource and Administration staff and the Finance and Audit staff, which represents 50% of the total population as a sample size observed based on their job groups.
In their book Research Methods Mugenda and Mugenda (2003), state that the advantage of using stratified random sampling is that the method ensures the inclusion in the sample of sub-groups or categories of staff which would otherwise be omitted entirely by other sampling methods because of their small numbers in the population. Primary data was obtained by use of questionnaires, observation and interview schedules. Reference to secondary data which included information obtained from books, journals, published and unpublished thesis, dissertations, magazines, abstracts, periodicals and the internet search was used.

3.5.1 Questionnaires
According to Mugenda and Mugenda (2003), questionnaires are usually used to obtain important information about the population. Items in a questionnaire are developed to address a specific objective, research question or hypothesis of the study. A questionnaire is an important data collection instrument for it gives the opinion of the respondent on the desired items.

3.5.2 Interviews
An interview is an oral (face to face) administration of a questionnaire or an interview schedule. According to Mugenda and Mugenda (2003), it is asserted that in order for a researcher to obtain accurate information through interviews, a researcher needs to obtain the maximum co-operation from the respondents.

3.5.3 Pilot Study
Pre-testing of the instruments was meant to test the validity and reliability of the instruments. To examine the internal and external validity and reliability of the research instruments pre-testing of the instruments was administered to the selected sample in the five categories of staff which was followed by the treatment of the same to the accessible population sample.
Validity of the instruments is how accurately the data in the study represents the variables of the study. Criterion-related validity procedure was used in obtaining the validity of the data by the researcher. This procedure was able to predict how the independent variables affects the future performance of the employees and the organization either negatively or positively if the variables are positively reinforced. The procedure used therefore reflected on the internal and external validity of data obtained. This validity procedure has been tested and supported by other research experts, literature and the research supervisor.

3.5.5 Reliability of Instruments

Reliability is a measure of the degree to which research instruments yields consistency results or data after repeated trials. As stated by Mugenda and Mugenda (2003), validity is the accuracy and meaningfulness of inferences, which are based on the research results. In essence validity is the degree to which results obtained from the analysis of the data actually represent the problem under study. Reliability on the other hand is a measure of the degree of consistency of the data captured from the instruments after repeated trials. It was confirmed by using the K-R 21 formula for internal and external consistency technique as adopted from Mugenda and Mugenda (2003). A high similarity was noted in terms of percentage outcome at 68% to 85% of the questionnaire and the interview response respectively which showed that items correlate highly among themselves since there was consistency among the variables in measuring the effect of appraisal on employee work performance in Horticultural Crops Development Authority.

3.6 Data Analysis

Descriptive analysis was used to summarize the obtained qualitative data from the study. The questionnaires and the interview schedules were coded systematically to facilitate analysis of information and to describe the sample. Statistical package for social sciences (SPSS) was applied to enhance accuracy in the data analytical process. Appropriate interpretation, findings and recommendation has been done accordingly.
CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction
Data was analyzed using qualitative narrative and descriptive analysis for the purpose of examining employees’ interpretations and perceptions on the effects of appraisal on their performance and that of the organization (HCDA).

4.2 Method Analysis
The coded information was analyzed for conclusions and recommendations. Stratified random sampling was applied in the accessible sample size of 100 employees out of the population target of 200 employees in the five staff categories namely: Senior management staff, Technical staff, Marketing staff, Human resource and Administration staff and Finance and Audit staff in the Authority. The questionnaires were distributed to staff within the head office and others mailed to other HCDA satellite depots stationed in Machakos, Yatta, Kibwezi, Sagana, Mwea, Meru and Limuru. 68 questionnaires were returned duly completed whereas 20 were returned partially completed while 12 questionnaires were never returned. Most of those questionnaires partially completed and unreturned were those which were mailed to the depots. Analysis was then narrowed to 68 completed questionnaires. From the accessible sample (N=100), results shows that all the sixty eight respondents understood the importance and the effect of the performance appraisal on their work performance, that of the organization and on several personnel decisions in the Authority.

4.3 Presentation of Data
Data was collected and analyzed simultaneously. The received questionnaire samples from the respondents and the interview notes were coded as per the specific objectives of the study which were mainly:-

1) To establish if employee appraisal has improved employee teamwork and relations in the Authority.
2) To determine if employee appraisal system has enhanced skills and task understanding.
3) To determine whether employee appraisal system has affected employee motivation and morale in the Authority.
4) To find out if performance appraisal system has led to identification of employee training and
development needs in the Authority.

4.4 Dependent Variable

4.4.1 Effects of Performance Appraisal on Employee Work Performance

The responses collected from the respondents showed that 63% of the 68 accessible respondents agreed that their work performance and that of their group was satisfactory, while 37% disagreed that their work performance and that of their group were unsatisfactory. From the finding, 46% of the respondents agreed that performance appraisal has empowered their work performance significantly since it has encouraged results based performance and reward through the setting of targets to be achieved within a specific time frame. This in itself motivates individuals to work harder to achieve the set targets. Others were contented with the empowerment of the performance appraisal by stating that the system has helped them focus on the accomplishment of their specific tasks. In addition other respondents in this category noted that performance appraisal has enabled them carry out continuous self assessment, in a nutshell they pointed out that it has enabled them carry out continuous self work evaluation and monitoring of work performance for the purpose of ensuring that they remain focused on the predetermined goals and objectives, and check on any weaknesses, deviations while performing their assigned duties. This, according to them precipitated the setting up of higher goals for better improvement of their work performance. Other respondents argued that with the recognition of their good work performance, performance appraisal have enhanced their motivation and morale, hence boosted and empowered their performance.

In contrast however, a larger percentage of the respondents 54% pointed out that performance appraisal has not empowered their work performance. The common glaring reason raised by majority of the responses was that performance appraisal system has failed to evaluate the performance of employees objectively. The majority stated that the performance appraisal outcome has not been objective, and has not been a true reflection of individual work performance, to them the appraisal outcome has adversely been influenced by the recency errors, hallo effect among other factors. In this respect appraisal to them has stifled the motivation of those hardworking employees whose good performance have not been recognized, rewarded and encouraged by the management.
for their hard work. To them, this has led to discouragement and desperation instead of empowerment among the staff.

The respondents also rated the effect of appraisal on work performance variedly as follows: a few of the respondents making a paltry 3% of the accessible population responded that performance appraisal has greatly improved work performance whereas 26% of the respondent pointed out that performance appraisal has slightly improved work performance. Interestingly, majority of the respondents 32% seemed disillusioned and dissatisfied with the current organizational appraisal system and stated that performance appraisal has not improved work performance, whereas 21% of the respondents also stated that performance appraisal system has not completely improved work performance. In average, more than 50% of the respondents that performance appraisal system has not played any significant role in improving employee work performance in the Authority. This in itself raises a major concern on the effectiveness of performance appraisal system at HCDA as a management tool used to evaluate employee work performance as well as corporate performance and other underlying management functions such as training and development, succession planning, career planning etc.

In light of this several proposals were generated by the respondents on what ought to be done on performance appraisal system to improve work performance. 51% of the respondents suggested that the management set up clear objectives and targets at the beginning of the year, conduct a mid-year review and finally hasten the conclusion of the appraisal exercise at the end of the performance review year. These respondents further argue that the process should be participatory in nature and should involve both the appraisee and the appraiser to ensure that the agreed objectives and targets will eventually be the basis on which appraisal evaluation shall be based on. Moreover, these respondents further argued that for the appraisal outcome to be meaningful and to have measurable impact, it should be communicated to the appraisees immediately after the completion of the process. The respondents stated their dissatisfaction on the long period taken by the management to release and implement the appraisal results. In this regard, the same respondents further suggested that the management should diligently ensure that promotion, incremental awards and other personnel actions emanating from the appraisal outcome should solely be based on pre-determined
performance benchmarks and results to ensure retention of objectively and reliability of the instrument among the staff.

In addition, 28% of the respondents suggested that there was need to review the Authority’s appraisal instrument (form) for clarity of the set objectives. They argued that the instrument is clumsy and unclear hence the urgency required simplifying it and making it more objective and workable. In addition, weights assigned to specified areas ought to be reviewed and evaluated. Moreover, these cluster of respondent further proposed that different appraisal instruments for cadre of employees should be developed, that is, for the Management staff, Technical staff, Marketing staff, Human resource staff and Finance and audit staff, since each staff category has clearly defined functions and roles in the organization, hence performance targets for each cadre should be clearly defined. It is also crucial to note that a sizeable number of respondents 21% of the sample population indicated that the appraisers should use the instruments objectively when assessing the appraisees to ensure that fairness is being done, and that rewards, recognition and other personnel decisions are based on the appraisal outcomes as previously agreed on the set targets. This will check on review marred by biasness and prejudice and other influences. Indeed, adherence to the set performance criteria will enable performers to be rewarded adequately and also address situations where non-performers are unjustifiably rewarded. In this respect, these cluster of respondents advocated that employees should be rewarded on the basis of their hard work resonating and placed on good work performance. To them several performance appraisal instruments of reward should be articulated and made clear to the appraisees and they should not be limited to promotion and incremental awards. Some of the respondents further suggested that the Authority should formulate and implement an elaborate reward system based on performance.

In essence, majority of the aforementioned respondents summarily suggested that the Authority’s performance evaluation should be based on clearly defined objectives, targets and duties; that the appraisal results and recommendations should be implemented promptly after the release of the performance appraisal results. In addition, the respondents recommended for the establishment of a monitoring and evaluation section in the Authority which shall be vested with the responsibility of moderating the performance appraisal process and outcome in order to ensure that the performance
appraisal results are based on merit, fairness and transparency for better improvement of employee work performance.

Table 4.4.1 Frequency response on the effect of performance appraisal on employee work performance

Research Question No. 6: “Would you say your work performance and that of your group is satisfactory?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>% Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>43</td>
<td>63</td>
</tr>
<tr>
<td>No</td>
<td>25</td>
<td>37</td>
</tr>
</tbody>
</table>
4.5 Intervening Variables

4.5.1 The effect of Performance appraisal on Teamwork and Employee Relation

Out of the total accessible population of 68 respondents a slightly small number of 29% agreed that there is teamwork and proper employee coordination in the organization, while a large number of respondents representing 71% said there is no teamwork and proper employee coordination in the organization. From the research findings it was also noted that 25% of the respondents agreed that performance appraisal has improved teamwork and employee relations in the Authority, while 75% of the respondents said that performance appraisal has not improved teamwork and employee relations in the organization.

It is worth noting that the question asked to the respondents to state ways in which performance appraisal has impacted on teamwork and employee relation exhibited mixed responses from the respondents. A small percentage of 12% of the total respondents stated that the current organization appraisal system has encouraged and improved teamwork and employee relation. To a larger extent these small cadre of respondents emphasized that performance appraisal system has encouraged harmony and collaboration among various teams in the organization and hence it has propagated conducive working environment where employees in all the five staff categories not only work as a unified team with one purpose and mind focused to achieve the overall objectives of their respective departments and that of the organization as specified in the Authority's strategic plan and underpinned in the performance contract. In contrast a majority of the respondents had different opinion on the impact of performance appraisal on teamwork and employee relation. An overwhelming 88% of the respondents stated that performance appraisal has had negative impact on teamwork and employee relation. The general perception among the respondents was that performance appraisal system has for long been conducted unfairly, and on subjective manner and therefore the respondents stated that the supervisors have failed to set up clear performance targets at the beginning of the year (period) under review and this they argued have negatively impacted on employee teamwork and good relation. It was under this understanding that most respondents perceived that the personnel actions that basically depend on performance appraisal such as promotion, upgrading, job enlargement, job enrichment, disciplinary measures, career management, training and development, succession planning, separation in terms of retirement, resignation, death,
dismissal among others are not carried out and implemented in accordance or on the bases of the entire contribution by the all team but on the basis of personal relationships, favoritism, prejudice and hence lack of focus and transparency on the entire appraisal process. Majority of the employees felt discriminated against despite their hard work and good performance. To most of these respondents, they testified to have lost faith on the intended purpose of performance appraisal and stated that the seemingly unfairly conducted performance appraisal in the Authority has lead to an upsurge of several informal groups which have to a greater extent undermined teamwork and good employee relations.

In this regard, the larger number of respondents confounded that performance appraisal system has severely contaminated and undermined teamwork in the organization. Their argument centered on the fact that when a team performs well as per the pre-determined or revised performance objectives/targets over certain prescribed period of time, the managers by open prejudice choose a few people in the team and reward them for the several tasks accomplishment while overlooking the contribution of the other team members, hence undermining team spirit and harmonious employee working relation. This group further suggested that performance appraisal system should be conducted fairly without biasness for the results to be accepted as valid. Moreover they further suggested that, if a team meets its performance expectation as per the agreed performance targets, all members of a team should be recognized as equal partners for any accomplishment and wholesomely rewarded on equal terms. The findings further indicates that 26% of the accessible population agreed that performance appraised has helped in identifying gaps in teamwork and cooperation and has addressed them in the organization while a larger number of respondents representing 74% had contrary view, and overwhelmingly stated that performance appraisal has not addressed teamwork and employee cooperation. It was also realized that out that of the sample population of 68 employees, 60% of the respondents agreed that there has been teamwork training for the staff in the organization, whereas 40% of the respondents had contrary opinion and stated that there has never been teamwork training for the staff of HCDA.
Table 4.5.1 frequency response on the effect of performance Appraisal on Teamwork and Employee relation

Research Question No.10: “Is there teamwork and proper employee coordination in the organization?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>20</td>
<td>29</td>
</tr>
<tr>
<td>No</td>
<td>48</td>
<td>71</td>
</tr>
</tbody>
</table>
Research Question No.11: “Has performance appraisal improved teamwork and employee relation?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>75</td>
</tr>
</tbody>
</table>

Group Response
Research Question 13: “Do you think performance appraisal has helped identify gaps in teamwork and cooperation and addressed them in the organization?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>No</td>
<td>50</td>
<td>74</td>
</tr>
</tbody>
</table>

![Bar chart showing frequency and percentage of responses to the question: Yes and No]
Research Question 14: "Has there been any teamwork training for the staff?"

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>% Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>41</td>
<td>60</td>
</tr>
<tr>
<td>No</td>
<td>27</td>
<td>40</td>
</tr>
</tbody>
</table>

![Bar chart showing the frequency of Yes and No responses](image-url)
4.5.2 The effect of Performance appraisal on Skills and Task Understanding

On skills and task understanding, most of the respondents 74% agreed that staff have the right skills and understanding of their tasks or work and are able to perform their duties adequately, while 26% had contrary views and said that staff do not have the right skills and understanding of their task or work in the organization. It was further noted that 49% of the respondents agreed that performance appraisal has influenced the identification of skills gaps and task understanding, while 51% disagreed and stated that performance appraisal has not influenced the identification of skills gaps and task understanding. In addition 32% of the respondents agreed that performance appraisal has helped identify skill gaps in individual tasks and work, while 53% of the respondents said performance appraisal has not identified skills gaps in individual tasks and work assignments. While the question which sought the opinion of the respondents on the extent to which performance appraisal has influenced understanding of tasks and improvement of employee skills. The collected data showed that out of the total sample size of 68 employees a small number representing 1% of the respondents stated that performance appraisal system has influenced the understanding of tasks and improvement of employee skills to a very great extent. 12% of the respondent stated that performance appraisal system has to some moderate extent influenced the understanding of tasks and improvement of employee skills. A Significantly 25% of the respondents stated that performance appraisal has to some low extent influenced the understanding of tasks and improvement of employee skills. It was further noted that a significant number of respondents representing 21%stated that performance appraisal system has to a very low extent influenced the understanding of tasks and improvement of employee skills. From the observation, it was evident that majority of the respondents representing 46% perceived that performance appraisal has not in any way influenced the understanding of tasks and improvement of skills. This shows that majority of the respondent do not agree that the current organization performance appraisal system has been an effective management tool in influencing the understanding of tasks and on the improvement of employee skills.

The researcher further observed that majority of the respondents gave varied opinions on the understanding of HCDA staff on their task and their ability in the acquisition of additional skills required for effective performance, 45% of the respondents recommended that in order for the
Authority to enhance task understanding of staff and or on enhancement of additional skills required, there was need for the management and the human resource division to identify staff unique training skills on specific areas of specialization to enhance staff work performance. This may be done during performance appraisal review. In addition, the respondents suggested that staff requiring additional skill need to be trained in order to bridge skill gaps for the purpose of upholding or enhancing the acquired skills for the improvement of employee work performance. The same cadre of respondents upheld rotational skills training, where all employees should be given an opportunity to understand different functions of the organization, by being introduced to all relevant departmental roles. A representation of 23% of the accessible population advocated for clear job descriptions which spells out individual job roles quite clearly to avoid duplication of tasks or collision in the line of duty. In addition the same respondents suggested that employees who have better understanding on certain tasks should be given opportunity to spearhead such tasks rather than placing an officer under less experienced officer. A further representation of 32% of the sample population stated that there is need to ensure that each staff has up to date relevant technical skills which must be current. They further suggested that there was need for clear monitoring and evaluation techniques to measure the workflow from one person to another; identify weak links and provide training specifically meant to address skills gaps and enhance task understanding.

In essence majority of the respondents agreed that majority of the employees have good understanding of their tasks staff and a good number possess the additional skills required in their area of work which is a plus when it comes to hands on work performance. However, they emphasized that employees should never be complacent but should strive to acquire more skills on their respective areas of specialization for improvement and sustenance of good work performance.
Table 4.5.2 Frequency response on the effect of performance appraisal on skills and tasks understanding

Research Question No. 15: “Do you think staff has right skills and tasks understanding of their tasks or work?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>50</td>
<td>74</td>
</tr>
<tr>
<td>No</td>
<td>18</td>
<td>26</td>
</tr>
</tbody>
</table>

![Bar chart showing frequency response]
Research Question No. 16: “Has performance appraisal influenced the identification of skills gaps and task understanding?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>33</td>
<td>49</td>
</tr>
<tr>
<td>No</td>
<td>35</td>
<td>51</td>
</tr>
</tbody>
</table>

[Graph showing the distribution of responses with Yes having a slightly higher frequency and percentage than No]
Research Question No.17: “Has performance appraisal identified skill gaps in individual tasks and work assignments?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>32</td>
<td>47</td>
</tr>
<tr>
<td>No</td>
<td>36</td>
<td>53</td>
</tr>
</tbody>
</table>
4.5.3 The effect of Performance appraisal on employee Motivation and Morale

Out of the accessible population of 68 respondents, 51% of the respondents agreed that performance appraisal may drive staff to work harder or to be motivated to achieve more due to its use in recognition and reward of staff annually. This population sample agreed that performance appraisal has enhanced their work morale and in this respect it has motivated them to work harder. However, quite interesting is that almost the same number of the sample size a representation of 49% stated that performance appraisal has had negative effect on employee motivation and morale and intensely argued that performance appraisal has not driven staff to work harder or to be motivated to achieve more. To them performance appraisal have not been used in the recognition of staff since hard working employees are not rewarded for their good performance and other factors seemed to take precedent over merit. The respondents were able to quantify the extent to which the performance appraisal may drive staff to work harder or be motivated to achieve more due to its use in recognition and reward of staff annually. A smaller percentage of 3% of the accessible sample agreed that to a very great extent, performance appraisal has had the influence to drive staff to work harder or be motivated for its recognition and the reward incentives awarded annually to achievers. A good number of the respondents representing 25% of the sampled population stated that performance appraisal may drive staff to strive harder and be motivated to achieve more to a great extent. These respondents seemed to recognize the influence of performance appraisal in driving the morale of staff. A remarkable 31% of the respondents were contented that performance appraisal does to a moderate extent drive staff to put more effort to meet their work expectation or targets and be motivated to work more diligently for its use in recognition and reward of staff performance.

In a similar trend 29% of the respondents were certain that performance appraisal though an influential management tool drive staff to work harder or to be motivated to achieve more it has to a lower extent driven staff to put more effort to meet their work targets and be motivated to work extra hard due to its skewed use in the recognition and reward of staff performance. Subsequently, a small number of the respondents, representing 12% of the sampled population stated that performance appraisal does to a very low extent driven staff to work harder or be motivated to achieve more due to its skewed use in the recognition and reward of staff on their exemplary performance. To them the effect of performance appraisal system in the organization is dismal in regard to driving staff to work
harder or be motivated since it has not been used rightly as per its intended purpose of recognizing and rewarding staff annually. To them performance appraisal system serves very little of its intended purpose and most personnel decisions are effected haphazardly without due regard to individual work performance and own contribution towards the fulfillment and attainment of the organization objectives and targets.
Research Question No. 20: “Performance appraisal may drive staff to work harder or be motivated to achieve more due to its use in recognition and reward of staff annually. Is this the same in your case?”

<table>
<thead>
<tr>
<th>Group response</th>
<th>Frequency</th>
<th>%Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>35</td>
<td>51</td>
</tr>
<tr>
<td>No</td>
<td>33</td>
<td>49</td>
</tr>
</tbody>
</table>

Table 4.5.3. Frequency response on the effects of Performance appraisal on Motivation and Morale
4.5.4 The effect of Performance appraisal on Training and Development

From the questionnaires summaries it was found out that 43% of the respondents agreed that the yearly conducted performance appraisal has helped in the identification of staff training needs, while 57% of the respondents said that performance appraisal system has not helped in the identification of staff training needs, and were apprehensive that staff training needs are haphazardly selected and not on basis of the identified skill gaps. The extent to which the respondents perceived the influence of performance appraisal on staff training and development were varied though the margin of thought was narrow and small in variation. In this respect, 10% of the respondents pointed out that performance appraisal have to a greater extent influenced the training and development of staff as it identifies their training needs and skill gaps.

However, a larger number of the respondents representing 35% of the accessible population stated performance appraisal has to a moderate extent influenced staff training and development. Similarly, 32% of the respondents stated that the influence of performance appraisal has to low extent influenced the training and development of staff while 22% of the respondents stated that performance appraisal has to a very low extent influenced staff training and development. To them performance appraisal has not have any significant impact on staff training and development. Similarly there were varied opinions from the respondents on what the organization should do in order to improve the training and development of its staff. A larger number of the respondents, 70% noted that the organization should select appropriate training programmes to empower staff in their work performance after carrying out with due diligence, the Training Needs Assessment (TNA), which should be communicated to the staff after it has been approved by the Staff Development and Advisory Committee in accordance with the organization Training policy and thereafter a training schedule or programme should be effected as per the needs of all staff categories: Lower, middle and upper cadres should be offered appropriate training programmes relevant or in line with their job requirements and particular reference to identified individuals’ skill gaps. Moreover majority of the respondents stated that the managers and supervisors should strive to identify staff deficiency in
In the same note, a considerable number of respondents 25% of the accessible sample stated that all staff should be given equal opportunities and be trained in their area of specialization in a fairly equitable strand. In addition, they further recommended that training and development should be objective and that all the staff should be trained at least once a year. This group of respondents registered their concern and dismay that the current organization training programmes are not objective and are selective for trainings are prepared and offered without due diligence to the value it will add to staff and its impact to the overall organizational needs. The same respondents advocated for equitable distribution of training expenses to all departments. Whereas 50% of accessible population further recommended that the organization should put in place a serious staff development committee which should effectively manage the staff training and development programmes more objectively. They further suggested that the staff development and advisory committee should be approving staff training needs once a year and roll out the training programmes accordingly for the elimination of individual training requests.
Research Question No.21: "Do you think the yearly Performance appraisal has helped in the identification of staff training needs?"

<table>
<thead>
<tr>
<th>Group Response</th>
<th>Frequency</th>
<th>% Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>29</td>
<td>43</td>
</tr>
<tr>
<td>No</td>
<td>39</td>
<td>57</td>
</tr>
</tbody>
</table>
4.6 **General recommendations on the effect of performance appraisal on intervening variables**

The research findings on the effect or impact of performance appraisal system on each of the listed intervening variables were analyzed as follows: the ratings on the effect of performance appraisal by the respondents on teamwork and employee relations were distinct in nature. Out of the accessible population of 68 respondents, 26% of them rated low the effect or the impact of performance appraisal on teamwork and employee relation. Moreover, 33% of the respondents pointed out that the effect of performance appraisal system on teamwork and employee relation is low. In this regard, it became apparent that majority of the respondents making 56% of the accessible population rated as inconsequential and dismal the effect of performance appraisal system on teamwork and employee relation. Incidentally, 33% of the sample population rated as moderate the effect of performance appraisal on teamwork and employee relation, an indication of the modest effect of performance appraisal on teamwork and employee relation. However, a smaller number of respondents stated that the effect of performance appraisal on teamwork and employee relation is high in the organization.

On skills and task understanding, 14% and 36% of the respondents rated the effect of performance appraisal as low and very low respectively. Whereas on the opposite trend, 36% and 14% of the respondents rated moderate and great the effect of appraisal on skills and task understanding respectively. The research findings further showed that the effect of performance appraisal on motivation and morale was negative in that 30% of the respondents rated the effects of appraisal on the same as very low, whereas 40% of the respondents rated as low the effect of performance appraisal on motivation and morale. However, a smaller number of the respondents representing 10% and 8% indicated that performance appraisal has had moderate and great effect on motivation and morale respectively.

On the effect of performance appraisal on training and development, 39% of the respondent rated the effect of performance appraisal on the variable as being very low, whereas 20% rated its effect as low. From this response, it was evident that majority of the respondents, 69% rated as low the effect of performance appraisal system on staff training and development. Whereas 14% of the respondents rated as moderate the effect of performance appraisal on training and development.
However, a smaller number of the respondents a representation of 7% and 2% rated as great and very great the effect of performance appraisal on training and development respectively. Generally, it was apparent from the findings that the current organization performance appraisal system has averagely had low effect on the aforementioned intervening variables. It is from this premise that there is need to review and streamline the current organization performance appraisal system to make it more effective and relevant for use of its intended purpose.

Table 4.6.1 Frequency Response on the Effect of Performance appraisal on Intervening Variables

<table>
<thead>
<tr>
<th>Intervening Variables</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate effect</th>
<th>Great</th>
<th>Very great</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teamwork and Employee relations</td>
<td>21%</td>
<td>33%</td>
<td>33%</td>
<td>13%</td>
<td>0</td>
</tr>
<tr>
<td>Task and Skill understanding</td>
<td>14%</td>
<td>36%</td>
<td>36%</td>
<td>14%</td>
<td>0</td>
</tr>
<tr>
<td>Motivation and Morale</td>
<td>30%</td>
<td>40%</td>
<td>10%</td>
<td>8%</td>
<td>12%</td>
</tr>
<tr>
<td>Training and Development</td>
<td>39%</td>
<td>20%</td>
<td>32%</td>
<td>7%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Fig 4.5 Bar Chart based on data presented on Table 4.6.1
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section of the report summarizes the findings obtained from the study. It highlights the purpose of the study, the methodology used to collect and analyze data and the major findings of the study collected. The conclusion finalizes the findings of the report, since it answers the questions that lead to the collection and analysis of the data. Practical applications of the findings have also been made. Evidence obtained from the study measurements is conducted and possible causes of action have been inducted in the section. The studies recommendations are obtained from the summary and conclusions of the findings as presented in the collected data for possible interpretation. Further research on this area of study is called for, since performance appraisal is an important human resource tool that determines and influences several human resource actions. Hence its importance and implication is crucial for further research undertaking.

5.2 Summary of the Findings.

The findings of the study was obtained after the analysis of the collected data stratified sample methods used to obtain data from the accessible sample population at a ratio of 50% of the population frequency as shown in table 3.3 target population. Data collected from the questionnaire and the conducted interview samples were analyzed simultaneously as per the objectives of the study which were mainly, to establish if performance appraisal system has improved employee relations and teamwork in HCDA to determine if performance appraisal system has enhanced skills and tasks understandings in the Authority; to determine if performance appraisal system has influenced or impacted on employee motivation and morale in the authority and to find out if performance appraisal has had effect on employee training and development needs in HCDA. In light of their work performance, majority of the respondents 63% indicated that their work performance and that of their group was satisfactory, while 37% said their work performance was satisfactory. On the effect of performance appraisal on teamwork and employee relation, majority of the respondents 71% said there were no teamwork and proper employee coordination while 29% agreed that there was teamwork and proper employee coordination in HCDA.
It was evident, therefore that majority of the respondents agreed that performance appraisal system has had negative effect on teamwork and employee relation. It was also interesting to note that majority of the respondents 54% agreed that performance appraisal has not empowered their work performance since they are not conducted objectively and fairly in the Authority. Lack of participatory engagement between the appraiser and the appraisee when performance targets are being set for a particular period of time was cited as a folly in the current appraisal process, hence to them - the respondents, performance appraisal has failed to empower the employees to use more judgment and discretion in their working lives. According to these respondents the management has retained the old approach and system of conducting the appraisal process and implementing decisions based on it instead of adopting the contemporary participatory approach, where decisions on performance appraisal processes and outcome are all inclusive and participatory where the managers and the subordinates meet and agree by setting the performance targets as well as performance criteria and agreeing on them before commencement of work engagement in a particular period which shall serve as a negotiated work contract. In addition wherever there are mid-year reviews of the pre set - targets and objectives consultation and agreement between the supervisors and the employees is carried out and the changes formalized between the two partners. However, 43% of the respondents agreed that performance appraisal has empowered their work performance in that it has enabled the appraises carry out continuous self assessment of their work for the purpose of ensuring that they remain focused on the predetermined goals and objectives. In this respect, the respondents were of the opinion that the management should always endeavor to set up clear objectives and targets at the beginning of the year, conduct a mid-year review and finally be able to hasten the conclusion of the performance appraisal circle by ensuring that the appraisal feedback is released and communicated on time to the appraisees. This will enable them realize and determine their strength and weakness for the sole purpose of mapping out new strategies of performance approach in collaboration with their managers. In addition to the identification of the corrective measures, the appraisees will have an opportunity to air their views on the performance appraisal outcome, in terms of comments, complimentary remarks and also enabling the appraisers raise their comments on the evaluated performance results on time for prompt consideration and conclusion of the remedial measures, such as offer of training and development programmes to the staff to enhance work performance, review of job description to accommodate staff capacity to
performance among other measures. This is important in that it will ensure that the entire performance appraisal review outcome remain credible and reliable.

In stating their opinion on the current performance appraisal process, 75% of the respondents pointed out that the Authority’s performance appraisal system has not improved teamwork and employee relation, an indicator of discontentment among the respondents on the appraisal system. However, 25% of the respondents stated that appraisal has slightly improved teamwork and employee relation. On the impact of performance appraisal on teamwork and employee relation, a larger number of the respondent 88% stated that performance appraisal system has had negative impact. The respondents stated that the Authority’s performance appraisal system has had several shortcomings which require urgent attention, for example, they pointed out the inability of the management to set clear performance criteria and targets at the beginning of the performance period into which the performance evaluation shall be based on. In this respect most of the respondents stated that the Authority’s performance appraisal system has not been conducted fairly, they argued that the process have been marred by the interference of subjective elements where favoritism, biasness have taken precedent together with unclear job descriptions, work objectives and targets. It is on these premises that majority of respondents strongly stated that the current organization performance appraisal system has undermined teamwork and employee relation. To confound on their disappointment majority of the respondents, 74% of the sample population further stated that performance appraisal has not helped identify gaps in teamwork and cooperation and has not addressed them. In contrast 26% of the respondents agreed that performance appraisals system has helped in the identification of skill gaps in teamwork and cooperation.

In general, majority of the respondents had the opinion that performance appraisal had impacted negatively on teamwork and employee relation in the organization. On skills and task understanding, majority of the respondents, 74% agreed that employees are able to perform their duties adequately, while 26% had contrary view and stated that staff does not have the right skills and understanding in the organization. In addition, it was also observed that a 51% of the respondents stated that performance appraisal system has not influenced the identification of skills gaps and task understanding. In this respect the respondents are almost divided equally as far as their perception and task understanding while, 41% of the sampled population, agreed that performance appraisal has
influenced the identification of skills gaps and task understanding. Moreover 53% of the respondents agreed that performance appraisal has influenced the identification of skills gaps in individual tasks and work assignments whereas 32% disagreed by saying that performance appraisal as done little in the identification of skills gaps in individual tasks and work assignments.

The respondents also gave varied recommendations on task understanding of staff and on addition skills required. 45% of the respondents recommended that the management need to offer the subordinate training opportunities on their area of specialization in order to enhance their skills and work performance. Similarly rotational type of training was highly recommended by the respondents who suggested that all cadres of employees should be given opportunities to work in all the departments to familiarize themselves with the entire operations of the organization. 23% of the accessible population also advocated for clear job descriptions. To them, clear job description would greatly control and check on the duplication of tasks/ roles or collision in line of duty. Furthermore, they suggested that there was need of allowing employees who have better understanding and experience on certain tasks an opportunity to spearhead such tasks rather than placing such officers under less experienced ones. Finally, 32% of the respondents recommended for the placement and implementation of clear monitoring and evaluation techniques to measure the workflow from one person to another as well as identifying weak areas and providing training opportunities specifically meant to address skills gaps as well as enhancement of task understanding.

On motivation and morale, 51% of the respondents agreed that performance appraisal may drive staff to work harder or be motivated to achieve more due to its use in recognition and reward of staff annually, whereas 49% disagreed by stating that performance appraisal has not motivated staff to work harder but it has lowered their motivation and morale. In retrospect, out of the sample population, 41% of the respondents said performance appraisal has to some extent influenced work performance of staff, whereas 30% said that performance appraisal has influenced work performance to a moderate extent. In relation to staff training and development, the majority of the respondents 57% agreed that performance appraisal system has helped in the identification of staff training needs whereas 43%, disputed by indicating that performance appraisal system has not helped in the identification of training needs. In quantifying the extent to which performance appraisal has influenced staff training and development, a larger number of respondents representing 54%
indicated that it has to a lower and a very low extent has helped in the identification of training needs, while 35% of the respondents agreed that the performance appraisal system has influenced the identification of staff training, but to a moderate extent.

A larger number of the respondents, 70% of the accessible population recommended that management should undertake a diligence training needs assessment (TNA) after carrying out an assessment on skills gaps and on performance evaluation among the employees, before embarking on its training programmes, if it ever intends to improve the training and development of its staff. From the research findings, 43% of the respondents agreed that the yearly conducted performance appraisal has helped in the identification of staff training skills. A large percentage 57% of the respondents were disillusioned and stated that performance appraisal has not helped in the identification of staff training needs. These responses were corroborated by the respondent’s perception on the influence of performance appraisal on staff training and development. However, a small number of respondents, representing 10% of the sampled population agreed that performance appraisal has to a great extent influenced the training and development of staff, 35% of the respondents agreed that appraisal has to a moderate extent influenced staff training and development of staff and 32% of the population stated that appraisal has to a low extent influenced the training and development of staff, while 22% of the respondents stated that appraisal has to a very low extent influenced training and development of staff. As previously stated a large number of respondents exhibited their dissatisfaction with the current performance appraisal system of the Authority and overwhelmingly stated that performance appraisal system has dismally influenced the staff training and development.

On the improvement and enhancement of training and development of staff, majority of the respondents gave varied responses, 70% of the respondents suggested that the Authority should roll out its training programmes after undertaking diligence programme on training needs assessment (TNA) to ensure that the offered trainings are relevant and deemed effective to address the identified staff skill gaps. However 25% of the respondents recommended for all inclusive trainings, where all staff should be given equal training opportunities to ensure fairness and equity in respect to specific staff training needs. These respondents stated that the current training and development programmes should be reviewed in line with the organization training policy to guard against prejudice or cases
of selective trainings for only a few individuals, in the long run has little impact on work performance. Moreover 5% of the respondents recommended that the organization should establish a special committee to streamline the management of staff training and development effectively. According to them, the current staff Development and Advisory Committee should be reconstituted, for it to address adequately employees concerns on training and development. Generally, an average number of 62% of the respondents stated that the current organization performance appraisal system has had low effect on teamwork and employee relation, skill and task understanding, motivation and morale and training and development. While 28% of the respondents indicated that the organization appraisal system has had moderate effect on the aforementioned variables and 10% of the respondents agreed that the effect of performance appraisal system has also been great on them.

5.3 Conclusion

Based on the results of the study, it was concluded that the majority of the respondents from the sampled population, agreed that performance appraisal system has profound effect on employee work performance. Indeed a larger number of respondents representing an average of 60% of the respondents had reservation and were unhappy with the current organizations performance appraisal system which they argued is being conducted unfairly with lot of prejudice. The researcher also established that performance appraisal system has had negative effect on employee work performance and hence the need of constant re-evaluation and streamlining of the system to ensure that it works effectively in addressing the various human resource and management related issues.

5.4 Recommendation

From the disquiet and discontentment replicated by majority of the respondents representing an average of 60% of the sampled population, it is therefore recommended that there is urgent need to carry out an analysis on the strength and weakness of the current organization performance appraisal system to ensure that it works effectively and efficiently in addressing the various human resource and management issues in the future. In relation to the obtained responses, it would be prudent and vital for the Authority to undertake the following remedial measures on the current performance appraisal system: reviewing the current staff performance appraisal system with a view to clearly defining its purpose, and embracing a modern technological and structured system clearly articulated for clarity and understanding by both the appraisers and appraisees. This can be established and
adopted by the Authority initiating the procurement and adoption of a modern tailor made performance appraisal system and further organizing appropriate training for all the staff on the processes, expectation and importance of the newly procured performance appraisal system this may in the long run enhance staff work performance for the clarity in the appraisal system will enable employees be focused on the set work objectives and targets for better results. In addition, the Authority should also endeavor to ensure that the performance appraisal outcomes are above board, fair and credible. This may be done by ensuring that the appraisal process is open and participatory in nature, where the appraisers and appraisees deliberate and agree on the performance targets and performance requirements/ criteria before the commencement of any work assignment in a particular period. This will ensure that everybody is in tandem with the performance expectation which shall be evaluated at the end of the set performance period. This in itself will further check on misrepresentation of the performance requirements by the appraiser and the appraisee and parties as well as prejudice, excesses and the subjective assessment elements that may arise. In essence, the management should always ensure that the performance appraisal outcomes reflect the actual individual work performance against the desired level of performance. It is also important that the Authority should have a good, reliable and updated performance appraisal system feedback where the appraisees can easily access their performance results on time to enable them know their performance ratings in terms of achievements and shortcomings for possible attention and redress. In retrospect, the Authority should consider establishing a monitoring and evaluation unit or section to work closely with all the departments in monitoring the entire appraisal process and ensuring that the year performance evaluation outcomes are promptly implemented after the conclusion of the performance appraisal exercise.

5.5 Suggestions for further studies
The researcher wish to suggest that more research may be carried out in this area of study since performance appraisal system is an important management instrument/tool that influences and impact on several human resource decisions and actions. In this respect it is important that more research be carried out to determine how best the instrument can be reviewed, utilized and implemented to serve its intended purpose. Finally, more research on the following related areas may be undertake or carried out: The effect of the various types of Performance appraisal systems on corporate performance, the impact of post performance appraisal outcome and its implication on
employee and corporate performance and the influence/effect of the emerging performance appraisal factors and issues on employee and corporate performance.
References


Questionnaire to be answered by employees of Horticultural Crops Development Authority

SECTION A
INTRODUCTION / BIO DATA
Please tick appropriate and indicate and other responses as required

1. Gender: Male [ ] Female [ ]

2. Department [ ]

3. Designation [ ]

4. Years served
   a. 0-4
   b. 4-8
   c. 8-12
   d. Over 12

5. Highest education attained
   a. Primary
   b. Secondary
   c. University
   d. Post graduate
   e. Others - please specify [ ]

SECTION B
6. Would you say your work performance and that of your group is satisfactory?
   a. Yes [ ]
   b. No [ ]

7. How has Performance Appraisal empowered your work performance?
8. Rate the following on effect of performance appraisal on work performance.
   a. It has greatly improved work performance - 5
   b. It has improved work performance - 4
   c. It has slightly improved work performance - 3
   d. It has not improved work performance - 2
   e. It has not completely improved work performance - 1

9. What do you suggest on what can be done on performance appraisal to improve work performance?

SECTION C
Teamwork and employee relation

10. Is there teamwork and proper employee coordination in the organization?
   a. Yes □
   b. No □

11. Has performance appraisal improved teamwork and employee relations?
   a. Yes □
   b. No □

12. In what ways has it impacted on teamwork and employee relation?

13. Do you think performance appraisal has helped identify gaps in teamwork and cooperation and addressed them in the organization?
   a. Yes □
   b. No □

14. Has there been any teamwork training for the staff?
   a. Yes □
b. No

Task/skills and Understanding

16. Do you think staff has right skills and understanding of their tasks or work?
   a. Yes
   b. No

17. Has performance appraisal influence the identification of gaps in skills and task understanding?
   a. Yes
   b. No

18. Has performance appraisal identified skills gaps in individual tasks and work assignments?
   a. Yes
   b. No

19. To what extent can you say performance appraisal has influence understanding of tasks and improvement of employee skills?
   a. Very great extent
   b. Great extent
   c. Moderate extent
   d. Low extent
   e. Very low extent

20. What can you recommend on task understanding of staff or on addition skills required?

                                                                                                           
                                                                                                           
                                                                                                           
                                                                                                           

66
Motivation and morale

21. Performance Appraisal may drive staff to work harder or be motivated to achieve more due to its use in recognition and reward of staff annually. Is this the same in your case?
   a. Yes ❑
   b. No ❑

   If so, to what extent?
   a) Very great extent
   b) Great extent
   c) Moderate extent
   d) Low extent
   e) Very low extent

Training and Development

22. Do you think the yearly conducted Performance Appraisal has helped in the identification of Staff Training Needs?
   Yes ❑ No ❑

23. To what extent can you say Performance Appraisal has influenced Staff Training and Development?
   a. Very great extent
   b. Great extent
   c. Moderate extent
   d. Low extent
   e. Very low extent
24. What do you recommend should the organization do in order to improve the Training and Development of staff?

25. Rate the effect or impact of performance appraisal on each of the following.

<table>
<thead>
<tr>
<th>Intervening Variables</th>
<th>Very low</th>
<th>low</th>
<th>Moderate Effect</th>
<th>Great</th>
<th>Very great</th>
</tr>
</thead>
<tbody>
<tr>
<td>Team work and employee relation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task and skill understanding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motivation and morale</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

26. Any other comment on performance appraisal?