

**STAFF APPRAISAL AND SUSTAINABLE ORGANIZATIONAL PERFORMANCE:
AN ANALYSIS OF HOSPITALITY SECTOR IN 3-5-STAR HOTELS IN NAIROBI
CITY COUNTY-KENYA**

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DECLARATION

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ABBREVIATIONS AND ACRONYMS

BSC	Balance Score Card
CFO	Chief Financial Officer
EU	European Union
FREQ	Frequency
HR	Human Resource
HRM	Human Resource Management
MBO	Management by Objectives
NACOSTI	National Commission for Science, Technology and Innovation
OP	Organizational Performance
PERC	Percentage
ROA	Return on Assets
SBSC	Sustainable Balanced Score Card
SMART	Specific Measurable Achievable Realistic and Time-Based
SPSS	Statistical Package for the Social Sciences
TBL	Triple Bottom Line
US	United States

OPERATIONAL DEFINITIONS OF TERMS

Feedback	Evaluations from supervisors on employees' job performance.
Goals	The objectives established by employers to assist employees in carrying out their duties.
Staff appraisal	A structured evaluation of how well individuals or organizations achieve set tasks or goals within a given timeframe.
Sustainable Organization	A process by which an organization manages its financial, social, and environmental risks, duties, and opportunities.
On-Job-Training	Workplace training sessions of varying lengths designed to improve employee performance.

ABSTRACT

Human resources remain the most critical asset for firms seeking sustainable competitive advantage, particularly in the service industry, where performance is tied directly to employee effectiveness. Among the essential human resource practices are employee evaluation tools, which shape recruitment, performance management, and employee development. In Nairobi City County, 3–5 star hotels face pressing challenges, including intense competition, customer retention, satisfaction, and organizational performance. This study investigated the role of employee evaluation frameworks in enhancing organizational effectiveness, focusing on how evaluation methods impact the operations of 3–5 star hotels in the Nairobi region. The study pursued four specific objectives: to analyze the influence of management by objectives on organizational effectiveness; to examine the relationship between 360-degree feedback and corporate performance; to assess the contribution of performance metrics to organizational outcomes; and to evaluate the implications of confidential appraisal methods on operational efficiency. A descriptive cross-sectional research design was adopted, targeting 44 hotels with a population of 44 human resource managers and 4,500 employees. Using the Kline (2016) model, a sample of 411 respondents was drawn, comprising all HR managers and 367 randomly selected employees. Data was collected through structured questionnaires and HR manager interviews, then analyzed using descriptive statistics, Chi-square tests, and simple regression analysis. The findings revealed that management by objectives, 360-degree feedback, graphical rating scales, and confidential evaluations significantly influence hotel performance. Notably, 360-degree feedback proved most effective in enhancing personal growth and improving overall operations. Statistical results ($p < 0.05$) confirmed that employee evaluation methods strongly affect organizational effectiveness. The study concludes that fair and well-aligned evaluations are essential for positive outcomes in star-rated hotels. The study recommended that hotels establish clear objectives, effectively apply feedback systems, and continuously review branding strategies to remain competitive.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Globally, Human Resources (HR) is universally recognized as the cornerstone of a company, playing a crucial role in gaining a competitive advantage (Armstrong, 2014). Among the key HR practices, staff appraisal holds significant importance (Hamid, Sami, Sidek, 2017). Most organizations express discontent with their appraisal schemes. Delaney and Huselid (2015) speculate that this could indicate that staff appraisals, as a method of employee development and encouragement, are not working as intended.

Researchers and practitioners in staff appraisals generally agree that assessing appraisal reactions is crucial. For example, it is commonly thought that positive appraisal reactions are necessary for staff appraisals to have a beneficial impact on employee behavior and future growth. Otherwise, every system of appraisals is bound to fail (Hamid, Sami, Sidek, 2017). An organization's continued existence, success, and competitive advantage hinge significantly on the presence of a dynamic and resilient human resource.

The human resource quality, alongside its capital, expertise capacity and knowledge, contribute to the overall organization's performance (Hamid, Sami, Sidek, 2017). Organizational Performance (OP) serves as a metric that evaluates the effectiveness of an initiative in achieving its objectives (Barton and Delbridge, 2016). In most scenarios, OP tend to be associated with quality of services, innovation of services, retention of employees, customer satisfaction and management/employee relation (Delaney and Huselid, 2015).

Staff appraisals allow managers the freedom to adjust organizational performance as needed. Directors need to use staff appraisals as a key tool to help their company become more competitive by giving them access to a highly skilled labor force. (Warrick, 2017). Employee development and training enable them to work effectively and get ready for new challenges. Managers have the ability to decide on salary modifications and employee promotions through staff appraisals (Walker, Damanpour, & Devece, 2017).

Managers and directors conduct systematic assessments of employee performance through formal staff appraisals to gain insights into the workforce's developmental possibilities. Assessing job-related behaviors and outcomes is essential for managers to gauge organizational performance levels and devise strategies for improvement (Walker, Damanpour, & Devece, 2017). Supervisors use a methodical approach in their appraisals,

comparing employees' pay to predetermined goals and plans. Then, directors consider the variables influencing the results of the employee assessments. At that point, the employers can direct their workforce toward higher performance. Barton and Delbridge (2016) claim that identifying and managing the organization's performance is the process's main goal.

The transformation of employee evaluations is observable in both developed and developing nations, reflected in the evolving terminology linked to the appraisal process. According to Barton and Delbridge (2016), staff appraisal was at one time used for rating merits and could therefore be used for a bargained paycheck. According to Gerhart and Boxall (2017), staff appraisals characterize the majority of US enterprises. In this developed country, staff appraisal and the way these practices are "bundled" together in organizations with various characteristics are the main factors that determine organizational performance. Barton and Delbridge (2016) argue that firms described by effective staff appraisal strategies tend to outpace those organizations that display inflexible HR strategies within economic sectors that are alike, regardless of whether they are small or medium-sized enterprises.

In developed nations, over the past 20 years, medium-sized and large-scale firms in Hungary have appeared to be gradually professionalizing their performance evaluation processes (Font, 2016). Recently, the term "performance evaluation" emerged as a replacement, yet it's not commonly utilized due to its suggestion that the review focuses solely on individual attributes. However, because "staff appraisal" suggests an evaluation of how effectively employees meet their job duties as outlined in their job descriptions, many organizations opt to use this term instead (Tan and Nasurdin, 2015).

In Africa, the goal of staff appraisals is to increase management of public affairs productivity by being transparent and open. In Ghana, staff appraisal is defined as a process where a manager or supervisor evaluates an employee's job performance, typically considering factors such as quality, quantity, cost, and timeliness (Tan and Nasurdin, 2015). In Ghana, staff appraisals involve gathering, evaluating, and documenting data regarding the value of the employee to the company in addition to directing and overseeing career development (Tan and Nasurdin, 2015). It offers a means of supporting professional development and identifying opportunities for performance improvement. However, it should not be regarded as the supervisor's sole means of communication (Tan and Nasurdin, 2015).

Font (2016) highlights how staff appraisals are often performed and seen only from an evaluative perspective in Nigerian organizations, ignoring the fact that they can also be used to help employees grow and develop through coaching, training, counseling, and feedback on appraisal results. In Nigerian organizations, selection, training, development, and salary administration are given more attention than staff appraisal, claims Font (2016). This suggests that businesses are hindering genuine individual and organizational development by prioritizing actions incorrectly.

Kenya raised the issue of staff appraisals in an effort to enhance public sector services and refocus public employees' attention on achieving results (Chen, 2014). In Kenya, staff appraisal is defined as the routine evaluation of an employee's work in accordance with the stated or presumed requirements of their employment, according to Jocelyn et al. (2013). They offer a cure by claiming that it can determine a person's strengths and weaknesses and suggest the best ways to build on strengths and overcome weaknesses. Because employees are strategically important in enhancing performance in areas like quality of graduates, leadership development, and contribution to society, conducting appropriate staff appraisals for employees tends to enhance organizational performance (Chen, 2014).

Nairobi is the business hub for Kenya and Africa for many organizations, which has led to increased visitors in the City. Three-to-five-star hotels have increased bed capacity to serve the increased demand of business and tourists in Kenya. In the recent past, the country and more precisely Nairobi has been the victim of terrorist attacks, the largest one being the attack on Westgate Mall in 2013 and Dusit Hotel in 2019 (Brayden and Bahra, 2019). The country has been hit by travel advisories from the Western countries. The result of this has seen tourists airlifted from Mombasa and sent back home. Sustainable organizational performance has thus become critical in efforts to cut costs, break even, make profits, and remain competitive in the marketplace.

Nairobi City County has recently witnessed a rise in the number of hotels. Due to the new competitors vying for the same clientele, the market is now more competitive. Furthermore, they are all sourcing from a small labor pool. Modern hotel rooms and restaurant services are given, so established players must find ways to stay competitive by launching projects like competitive renovations. All these factors thus mean that hotels have to properly manage their available limited resources so as to perform and remain competitive. Consequently,

there is a pressing need to reassess staff appraisal systems to understand their impact on organizational performance within 3-5 star hotels, which is the objective of this study.

1.2 Problem Statement

Worldwide, Staff appraisal is vital for the performance of an organization. According to El-Ghalayini (2017), staff appraisals permit a more flexible approach to staffing and recruitment, training, development, pay, and staff appraisals. A firm's staff appraisal, therefore, must align with their business strategy to achieve better performance Gerhart and Boxall, 2017).

The hospitality sector, specifically 3-5 star hotels, holds considerable importance in the economy of Nairobi, Kenya. Nonetheless, there are still issues with customer satisfaction, client retention, and fierce competition that affect sustainable organizational performance (Rabah, 2015). Moreover, various hotels, such as the InterContinental Hotel and Resorts, experienced closures due to the implementation of diverse strategies aimed at flattening the curve of COVID-19. These strategies encompassed community lockdowns, enforcement of social distancing measures, directives to stay at home, and restrictions on travel (Bartik, 2020). The government authorities issued orders to stay at home, travel, and only order takeout, which resulted in a dramatic drop in hotel occupancy and revenue. Given that HRM practices profoundly influence quality, innovation, efficiency, sales, and profitability within hotels, it becomes imperative for hotels, particularly 3-5 star establishments, to adopt HRM practices to address challenges and enhance sustainable organizational performance (Rabah, 2015).

Previous studies on staff appraisal have largely focused on the effects of appraisal systems, the challenges faced in their implementation, and strategies for improvement (Ngoku, 2016). Other research has emphasized the balanced scorecard as a tool for measuring organizational performance (Kirate, 2013). However, a knowledge gap remains regarding the influence of staff appraisal on long-term organizational performance in the hospitality sector, particularly in three- to five-star hotels. This study, therefore, examined the link between staff appraisal methods and sustainable organizational performance in Nairobi City County's hotel industry, with the intention of not only filling this gap but also providing valuable policy input to guide the development of effective appraisal frameworks in the sector.

1.3 Purpose of the Study

The purpose of this study was to critically examine how staff appraisal systems influence sustainable organizational performance in Nairobi City County's three- to five-star hotels. Recognizing that human resources are central to competitiveness in the hospitality sector, the study evaluated appraisal methods such as management by objectives, 360-degree feedback, graphical rating scales, and secret appraisals. By focusing on these systems, the study aimed to provide actionable insights and policy input that can strengthen performance, retention, and long-term competitiveness in the hotel industry.

1.4 Objectives of the Study

1.4.1 General Objective

The main objective of this study was to analyze the influence of staff appraisal on sustainable organizational performance in 3-5 star hotels in Nairobi City County-Kenya.

1.4.2 Specific Objectives

- i. To determine the influence of management by objectives on sustainable organizational performance among 3–5 star hotels in Nairobi City County.
- ii. To establish the influence of 360-degree feedback on sustainable organizational performance among 3-5 star hotels in Nairobi City County.
- iii. To examine the influence of graphical rating scale on sustainable organizational performance among 3-5 star hotels in Nairobi City County.
- iv. To identify the influence of secret appraisal method on sustainable organizational performance among 3-5 star hotels in Nairobi City County.
- v. To establish the moderating effect of socio-demographic characteristics on the relationship between staff appraisal and sustainable organizational performance among 3-5 star hotels in Nairobi City County.

1.5 Hypotheses

- H₀1: Management by objectives has no significant influence on organizational performance among 3-5 star hotels in Nairobi City County.
- H₀2: 360-degree feedback has no significant influence on organizational performance among 3-5 star hotels in Nairobi City County.
- H₀3: Graphical rating scale has no significant influence on organizational performance among 3-5 star hotels in Nairobi City County.
- H₀4: Secret appraisal method has no significant influence on organizational performance among 3-5 star hotels in Nairobi City County.
- H₀5: Socio-demographic characteristics have no significant moderating effect on the relationship between staff appraisal and sustainable organizational performance among 3-5 star hotels in Nairobi City County.

1.6 Significance of the Study

The study provided insights to the 3-5-star hotel industry and policymakers regarding the impact of staff appraisal on organizational performance. This understanding enables them to implement strategies to enhance sustainable organizational performance overall.

Additionally, the study's findings serve as a foundation for future research in the fields of staff evaluation and sustainable organizational performance, assisting in the identification of topics that call for more study. The study improved staff appraisal processes in relation to firm performance, which added to the expanding body of theoretical knowledge in the field of staff appraisal.

1.7 Delimitation of the Study

The study was designed to establish the influence of staff appraisal on the sustainable organizational performance of 3-5-star hotels. The study was carried out in Nairobi City County, Kenya.

1.8 Limitations of the Study

A majority of the respondents perceived the subject of the study as sensitive, leading to reluctance in sharing information due to fears of potential repercussions. To address this

concern, the researcher assured participants that their information would remain strictly confidential and would be used solely for academic research purposes.

The study focused solely on organizational performance and staff appraisal systems in Nairobi City County, Kenya's three to five-star hotels, not on all businesses in the Nairobi City County. As a result, these findings are exclusive to hotels and may not be helpful to businesses operating in other areas of the nation. The self-reporting nature of the data necessitated the use of questionnaires, which posed a risk that responses might not fully reflect the respondents' actual involvement in staff appraisal processes. To mitigate this, the researcher provided clear instructions and assured confidentiality to encourage honest responses. Additionally, although some respondents did not return their questionnaires—reducing the targeted sample size—follow-up reminders and personal visits were made to improve the response rate and ensure sufficient data for reliable statistical analysis.

Furthermore, because financial information disclosure is sensitive, some hotels failed to disclose their Return on Assets (ROA) figures accurately. As a result, this had a minimal effect on the statistical analysis and did not compromise the overall quality or reliability of the data. This area holds significant importance, as implementers and policymakers argue that the most effective approach to tackling the influence of staff appraisal systems on organizational performance in Nairobi City County, Kenya's 3-5 star hotels is to furnish them with actionable research insights derived from empirical data.

1.9 Conceptual Framework

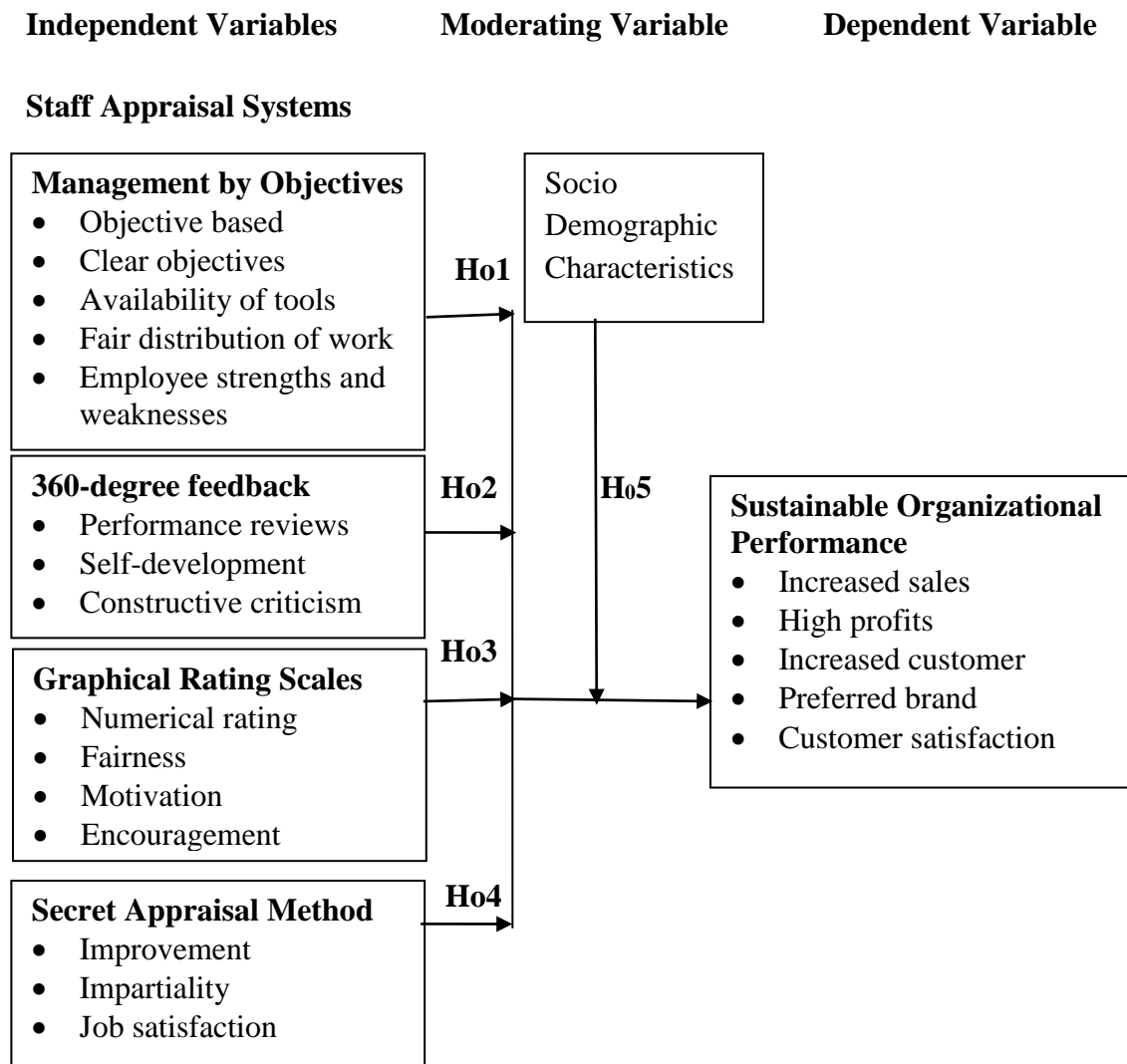


Figure 1.1: Conceptual framework

Source: Sustainable Organizational Performance (Author, 2019).

The conceptual framework delineates the interconnection between the independent variables, denoted by the staff appraisal systems (management by objectives, 360-degree feedback, Graphical Rating Scales, and Secret Appraisal Method), and the dependent variable. These independent variables are subject to moderation by socio-demographic attributes like age, gender, tenure, and educational attainment of the individuals evaluated within the organization.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presented a comprehensive review of literature relevant to the study, focusing on both the dependent and independent variables. It examined key theoretical foundations, including the Human Capital Theory and the Best Fit Theory, which underpin the relationship between staff appraisal systems and organizational performance in 3–5-star hotels. The review further explored existing empirical studies on staff appraisal systems and performance measurement approaches within the hospitality industry. Finally, the chapter concluded with a summary of the reviewed literature and highlighted gaps that warrant further research.

2.2 Theoretical Review

The best fit theory and human capital theory served as the foundation for this study.

2.2.1 Human Capital Theory

Actually, Human Capital Theory was developed by Gary Becker, not in 1994, but much earlier, in the 1960s. It's a framework that considers people's abilities, knowledge, and skills to be important assets that can boost productivity and promote economic progress. This Theory suggests that staff appraisal can directly influence firm performance. It postulates that employees possess various skills that have been developed over time. This is done through continuous training and education in order to generate productive capital. Investing in human capital creation benefits both employers and employees.

Employees within firms are inclined towards adding value, and it's crucial to assess this inclination as a foundation for human resource planning and the effective monitoring of policies and practices (Delaney and Huselid, 2015). The theory shows that the method of collecting information for appraisal helps to focus or put more attention on activities that need to be done, as per what has been done in the organization.

2.2.2 Best Fit Theory

Best fit HRM theories, also referred to as universalistic theories by Woodward (1965), propose that staff appraisal is collective in that in any situation they are best and their adoption leads to the organization obtaining a higher level of performance. Scholars like Luthans and Summers (2005) and Pfeffer (2001) argue that there is a collection of superior staff appraisal methods. Implementing these methods within a firm could result in improved performance. A major facet of staff appraisal is on fit and flexibility.

The Best Fit method prioritizes aligning HR practices with the internal structures of an organization, its external environment (such as customers, suppliers, competitors, and labor markets), and its developmental stage (Mendonca, 1994). The "best-fit" strategy entails organizing upcoming tasks, goals for performance, and guidelines towards organizational performance. In the context of the current study, Hotel industry should have their HRM department recruit and train staffs who support the given corporate policies and strategies designed for sustainable organizational performance.

2.3 Staff appraisal Systems

2.3.1 Management by Objectives Appraisal Method and Organizational Performance

Management by Objectives (MBO), anchored in the SMART framework, has been widely acknowledged for enhancing productivity and job satisfaction through goal clarity, teamwork, and collaborative planning (Adejoke, 2013). The approach emphasizes setting specific objectives followed by actionable plans, which are objectively assessed to encourage accountability and corrective measures (Ambetsa, 2015). These features suggest that MBO can provide structure and direction to performance appraisals in dynamic work environments such as hospitality.

Several scholars highlight distinct strengths of MBO. Armstrong (2014) identifies self-evaluation and participatory goal-setting as central, while Drucker (2013), the pioneer of the concept, advanced it as a comprehensive appraisal tool promoting fairness, feedback, and motivation. McGregor (1957) earlier critiqued traditional appraisal systems for focusing excessively on personality traits rather than measurable outcomes, positioning MBO as a superior alternative that links employee performance directly to agreed-upon objectives. More recently, Huang et al. (2017) reinforced this by demonstrating that employees rally more effectively around goals they view as relevant, making acceptance of objectives a critical driver of organizational productivity.

However, while MBO's emphasis on objectivity and mutual goal-setting is laudable, it is not without limitations. Critics argue that a rigid focus on quantifiable targets may undervalue qualitative aspects of performance, such as creativity and innovation, which are vital in service industries like hospitality. Additionally, overemphasis on goal alignment can sometimes create pressure, discouraging risk-taking or adaptability in rapidly changing environments. Furthermore, much of the existing literature tends to celebrate MBO's theoretical strengths without providing sufficient empirical validation in hospitality-specific

contexts, leaving a gap in understanding how effectively it drives sustainable organizational performance in hotels.

Synthesizing these perspectives, it is evident that while MBO offers structured, participatory, and motivational appraisal benefits, its practical application in hospitality demands careful balancing. Goals must be flexible enough to accommodate creativity and service nuances, and appraisal systems should integrate both quantitative and qualitative performance indicators. This highlights the need for contextualized studies, such as the present research, to assess MBO's actual influence on sustainable organizational performance in star-rated hotels.

2.3.2 360 Degree Feedback Appraisal Method and Organizational Performance

The 360-degree feedback method represents a departure from traditional appraisal systems, offering a multi-source, holistic approach to evaluating employee performance. Unlike single-rater methods, it collects input from supervisors, peers, subordinates, and sometimes even customers, thereby earning its reputation as a full-circle appraisal system (Gold, Thorpe & Mumford, 2010; Grund & Przemek, 2012). This inclusivity makes the process both developmental and diagnostic, as it captures diverse perspectives and allows employees to engage in self-assessment, fostering ownership of their performance.

Empirical studies highlight its value in promoting comprehensive performance insights. Horng, Hsu, Liu, Lin, and Tsai (2014) emphasized that combining feedback from multiple sources ensures a more complete view of employee abilities. Similarly, Sahoo and Mishra (2012) argued that the system enables organizations to achieve a deeper understanding of performance by integrating varied viewpoints, making it an effective tool for identifying training needs. Belanger, Edwards, and Wright (2012) further noted that cross-verification of employee output minimizes bias, while Brown and Benson (2012) contended that the method reduces overreliance on managerial judgment, thereby increasing employees' trust in the fairness of evaluations.

Despite its strengths, the system is not without critique. Collecting feedback from multiple sources can be time-consuming, administratively complex, and potentially prone to conflicting evaluations. Moreover, its effectiveness depends heavily on organizational culture; in hierarchical or mistrustful environments, subordinates and peers may hesitate to give honest feedback, thus diluting its reliability. Critics also point out that while the method

reduces managerial bias, it introduces the risk of “groupthink” or peer bias, especially in tightly knit teams.

Synthesizing these perspectives, 360-degree feedback emerges as one of the most robust and participatory appraisal methods, offering depth and fairness. However, its success in hospitality settings requires systems that safeguard anonymity, streamline administration, and ensure feedback translates into actionable developmental programs. This study, therefore, positions 360-degree feedback not just as a performance measurement tool but as a strategic driver of sustainable organizational performance when applied with cultural sensitivity and follow-up mechanisms.

2.3.3 Graphical Rating Scales Appraisal Method and Organizational Performance

Graphical rating scales remain one of the most widely adopted staff appraisal methods, largely due to their simplicity and ease of administration. Typically, managers use standardized checklists to rate employee performance along a spectrum—ranging from poor to excellent—across predetermined criteria (Brown & Heywood, 2013). These scales provide a structured approach to assessing critical factors such as work quality, time management, productivity, and job knowledge, thereby enabling consistent measurement across employees (Rodriguez-Gustá, Labadie, Font, Prego & Cedrola, 2013).

The strength of graphical rating scales lies in their versatility and efficiency. By offering quantifiable metrics, they allow organizations to quickly identify performance gaps, monitor trends over time, and compare employees across similar roles. Such objectivity can aid in performance tracking and decision-making around promotions, rewards, or training needs. Moreover, their structured design makes them practical for organizations with large workforces, such as hotels, where frequent evaluations are necessary for service delivery.

However, scholars caution against over-reliance on rating scales. Armstrong (2014) observed that the effectiveness of ratings is highly contingent on tailoring them to the specific attributes of each role, as generic criteria may overlook job-specific competencies. Woods (2012) further highlighted the risk of systemic bias, noting that raters may apply subjective judgments inconsistently, which can distort results and undermine fairness. Additionally, rating scales often fail to capture qualitative aspects of performance such as creativity,

interpersonal skills, or problem-solving, which are critical in the hospitality industry where guest experience is paramount.

Synthesizing these insights, graphical rating scales offer an efficient foundation for staff appraisal but must be complemented with more nuanced methods to achieve balanced evaluations. In hotel contexts, combining rating scales with qualitative feedback mechanisms—such as supervisor comments or peer reviews—can mitigate bias and enrich the appraisal process. This study therefore examines not just the utility of rating scales but also their integration with other appraisal methods in driving sustainable organizational performance.

2.3.4 The Secret Appraisal Method and Organizational Performance

The secret appraisal method is widely practiced, primarily because many managers find it uncomfortable to deliver candid criticism directly to employees. In this approach, manager's complete appraisal forms privately and submit them to the personnel office without engaging employees in dialogue (Feldman, 2016). While this allows managers to avoid confrontation, it undermines the developmental role of appraisal since employees often remain unaware of areas requiring improvement. Feldman (2016) further noted the risk of discrepancies between informal feedback given to employees and formal evaluations recorded confidentially, which can erode trust.

Empirical evidence presents mixed outcomes of the method. Lunenburg (2012), studying its use in Nepal, highlighted that secret appraisals provide structure by rating employee attributes such as initiative, cooperation, and technical skills on bipolar scales. Similarly, Brutus (2015) argued that confidential elements like privacy and fairness can motivate employees to pursue organizational goals, provided the selected indicators are relevant. In Kenya, Kisang (2016) found a positive relationship between performance evaluations and motivation in commercial banks, though he highlighted inconsistencies in objectivity and accessibility. Likewise, Wanjala (2015) observed that when appraisals are perceived as fair and inclusive, they significantly enhance employee performance.

However, the system is not without significant drawbacks. Hallinger (2018) cautioned that rushed selection of rating attributes may yield flawed performance indicators that harm organizational effectiveness. Furthermore, secrecy may expose organizations to legal risks,

particularly if perceived as discriminatory, with potentially severe reputational and financial consequences. Tuitook (2015) acknowledged that while structured scales under secret appraisals simplify comparisons, they risk overlooking contextual and qualitative dimensions of performance.

while secret appraisal methods provide a sense of efficiency and structure, they often fall short in ensuring transparency, objectivity, and fairness—the essential pillars of an effective appraisal system. In hospitality settings, where service quality relies heavily on communication and employee engagement, their limitations may outweigh benefits. To enhance their utility, organizations should adopt hybrid approaches that retain confidentiality where necessary but also incorporate open dialogue, ensuring fairness, trust, and actionable feedback.

2.4 Summary of Literature Review and Research Gaps

The chapter explains the theories that underpin the study, namely human capital and best fit theory. This study affords some evidence on the affirmative relationship resulting from the staff appraisal system and sustainable organizational performance as exemplified under these themes of study; staff appraisal systems and organizational performance. According to Ngoku (2016), studies on appraisal systems have focused more on how to conduct staff appraisals but not the influence they have on organization performance, a gap that this study would like to contribute to.

According to Kirathe (2013), other studies have concentrated on the balanced scorecard approach as a tool for measuring organizational performance. This shows that studies have concentrated on one performance measurement model, which is the balance score card, while neglecting other measurement models such as staff appraisal systems. Through its incorporation into performance measuring frameworks, this study aimed to close this gap.

A study by Huang et al., (2017) identified employee acceptance as a resilient motivator prevalent in the MBO as among the strongest motivators in the MBO process. They did not establish the extent they affect organizational performance. Drucker (2013) did not establish the relationship that exists between MBO and sustainable organizational performance. Huang et al., (2017) on the other side noted that MBO adds significant value to productivity and did not look at how it influences organizational performance, which was the focus for the current study.

Essential assessments that ought to be included in a 360-degree evaluation were determined by Horng, Hsu, Liu, Lin, and Tsai (2014). Sahoo and Mishra (2012) elaborated on the rationale behind employing 360-degree staff appraisal methods. These studies system left a gap by not identifying how 360-degree feedback appraisal influences organizational performance.

Study done by Rodriguez-Gustá, Labadie, Font, Prego and Cedrola (2013) discovered several performance factors that, with the aid of graphical rating scales, can be measured in an efficient manner. Their study did not investigate how graphical rating scales influence sustainable organizational performance. The context of these studies was different from this study since it looked at banks and this study focuses on hotels.

Table 2.1: Summary of Research Gaps

Objective	Study Findings	Gaps
To determine the influence of Management by Objectives (MBO) on organizational performance among 3–5 star hotels in Nairobi City County.	Huang et al. (2017) recognized employee acceptance as a robust motivator inherent in the Management by Objectives (MBO) process, indicating its significance as one of the most challenging motivators within MBO implementation.	They did not establish the extent they affect organizational performance
	Drucker (2013) did not establish the relationship that exists between MBO and sustainable organizational performance.	This study aimed to establish the relationship between Management by Objectives (MBO) and sustainable [performance/organizational outcomes/etc.].
To establish the impact of 360-degree feedback on organizational performance among 3-5 star hotels in Nairobi City County.	Hornig Hsu, Liu, Lin, and Tsai, (2014) identified the essential evaluations that need to be included in a 360-degree evaluation.	Their study did not establish how 360-degree feedback influence organizational performance
	Sahoo and Mishra (2012) elucidated the fundamental rationale behind the adoption of 360-degree staff appraisal.	These studies' system left a gap by not identifying how 360-degree feedback appraisal influences organizational performance
To find out how graphical rating scales influence organizational performance among 3-5 star hotels in Nairobi City County.	A study done by Rodriguez-Gustá, Labadie, Font, Prego, and Cedrola (2013) discovered several performance factors that, with the aid of graphical rating scales, can be measured in an efficient manner.	Their study did not investigate how graphical rating scales influence sustainable organizational performance
	Armstrong's (2014) study underscored several limitations associated with graphical rating scales.	The study did not highlight how graphical rating scales influence performance which was the focus of the study.
To identify the influence of the secret appraisal method on organizational performance among 3-5 star hotels in Nairobi City County.	Kisang (2016) carried out a study investigating the influence of clandestine performance appraisal methods on employee motivation within commercial banks. The findings uncovered a notable correlation between these two factors.	The context of this studies was different from this study since it looked at banks and this study focuses on hotels
	Lunenburg (2012) conducted a study on how the secret appraisal method provides a high level of performance structure in Nepal.	There is a contextual gap between the study conducted in Nepal and the current one in Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a description of the research technique. This contains information about the study area, target population, sample method, research instruments, validity and reliability of the instruments, and research methodology. It also addresses operationalizing variables, ethical concerns, data collection techniques, and data analysis tactics.

3.2 Research Design

The study employed a cross-sectional descriptive survey research approach.

This method guaranteed the quality and dependability of the data, enabling the extrapolation of findings to a larger population. Descriptive research, according to Mugenda and Mugenda (2013), aims to ascertain and document the current state of affairs while also aiding in the establishment of the population under study. The study's design was selected because it can minimize bias and maximize the dependability of the data gathered.

3.3 Study Variables

The dependent variable in this study was organizational performance, while the independent variables were the covert appraisal method, 360-degree feedback, management by objectives, and graphical rating scales. As the moderating variable, social demographic traits were applied.

3.3.1 Independent Variables

The independent variable serves as the causal factor, and its value remains unaffected by variations in other variables. The variable can change the value of other variables but cannot be changed by the other variables. The study used management by objectives, 360-degree feedback, Graphical Rating Scales and Secret Appraisal Method as the independent variables.

3.3.2 Dependent Variable

The anticipated result or effect of the presence of independent variables is known as a dependent variable. It varies in response to the independent variable being examined. In this research, organizational performance was identified as a dependent variable under scrutiny. Staff appraisal systems were used to help evaluate employees towards performance in 3 to 5 star hotels.

3.3.3 Moderating Variable

A moderating variable affects the intensity or direction of the link between the independent and dependent variables. Social demographic qualities acting as moderating variables in this study affected the relationship between the dependent variable (organizational performance) and the independent factors (management by objectives, 360-degree feedback, graphical rating scales, and secret appraisal technique).

3.4 Study Area

Nairobi City County, one of Kenya's 47 counties, was the study's location. It is situated in Kenya's southeast. There were 4,397,073 people living there as of the 2019 census, covering an estimated 700 km². It is the most populous county in Kenya and it's the capital city, though its land size is the third smallest. The administrative authority of Nairobi City County has expanded significantly from its original 3.84 km² boundaries in 1910 to 696 km² as of 2012 (Owuor and Mbatia). Appendix VII1 contains a map of Nairobi City County. Given that all of the three- to five-star hotels under investigation were located in Nairobi City County, the study had relevance there.

3.5 Study Target Population

According to Mugenda and Mugenda (2013), a population is the total number of targeted individuals that the researcher wants to focus on.

3.5.1 Three to Five Star Rated Hotels

According to the Kenya Association of Hotelkeepers and Caterers (2018), Nairobi City County hosts 44 three- to five-star hotels out of 73 (Appendix VI). These hotels have expanded their bed capacity to meet the rising demand from both business travelers and tourists, driven by Kenya's position as a key business hub for East Africa and the continent at large. However, the rapid growth in the number of three- and four-star hotels has intensified competition, requiring hotels to manage their limited resources efficiently to remain competitive.

3.5.2 Employees in Three to Five Star Related Hotels

The study targeted a population of 44 Human Resource managers working in the various hotels. The choice of the population was attributed by staff appraisal falls in the HRM department headed by the Human Resource managers who have information about performance and sustainable organizational performance. As at 2018, there were around

4,500 employees in the 44 3-5 star hotels (Kenya Association of Hotelkeepers & Caterers, 2018). Additionally, the study targeted to sought information from employees working in these hotels on how management by objectives, 360-degree feedback, graphical rating scales, secret appraisal method and social demographical characteristics influence sustainable performance in the organizational who are rated as 3–5 star hotels in Nairobi City County.

3.6 Sampling Procedures

Sampling is the strategy of choosing people for an investigation while a sample refers to any group on which information is obtained (Creswell, 2018).

3.6.1 Sample Size Determination

The research surveyed all forty-four human resource managers from the forty-four 3-5 star hotels in Nairobi City County. When determining the sample size for employees, the researcher employed the formula for calculating sample size as outlined by Kline (2016). This formula is applied for large sizes of population where a smaller sample is supposed to be looked at. The formula was:

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

Where: n= desired sample size for the study area, N= total no. of employees working in 3–5-star hotels in Nairobi City County, e= desired margin error.

The need to allow for the margin of error of 5 percent (McCrum-Gardner, 2014) allows for the sample results to be generalized with utmost precision.

Thus $n=4,500 / (1+4500*0.05^2)$ hence; $n=367$ employees in the 44 3–5-star hotels.

3.6.2 Sampling Technique

Since there were 44 three- to five-star hotels in Nairobi City County, the study used a census design to choose its human resource managers, and as a consequence, 44 HR managers were included in the study. To choose the appropriate sample size from the target population, the study used simple random sampling as its sampling technique. Thus, 367 workers and 44 HR managers were included in the study, resulting in a sample size of 411 people from three to five star hotels.

The researcher divided the total number of employees (367) by the number of hotels (44), in order to estimate the number of employees to be sampled from each of the 44 3-5 star hotels. This calculation yielded an average of approximately 8 employees to be sampled from each hotel. This gave 9 employees from each of the 3-5-star hotels to make a total sample of 411 respondents who entailed employees and human resource managers.

3.7 Research Instruments

The use of two research instruments including questionnaires and interview guide were adopted primarily as the research instrument throughout the study (Appendix II and III). This is because they give room for measuring the intensity of the participant's response compared to the use of multiple-choice responses (Creswell, 2018).

3.7.1 Questionnaire

There were four sections to the questionnaire. The purpose of Section A was to collect demographic data. In this section, the study obtained data that described the demographics of the study respondents. Section B was on appraisal systems used by 3-5 star hotels. In this section, the study obtained data on management by objectives, 360-degree feedback, graphical rating scales and secret appraisal method. Section C obtained data about organizational performance of the 3-5 star hotels. The questionnaire was justified as it enabled structured collection of both demographic and appraisal-related data from a large sample. Its design ensured consistency, accuracy, and comparability of responses, making it effective for examining appraisal systems and organizational performance in star-rated hotels.

3.7.2 Interview Guide

Interviews also played a key role in the data collection process (Appendix III). Their sole purpose was to rectify any mistakes and misunderstandings and provide meticulous information for aiding a proper analysis of a problem (Kothari, 2014). Open ended questions were used while interviewing the heads of Human Resource management. The interview guide was essential for capturing in-depth insights from HR managers, clarifying questionnaire responses, and addressing potential gaps. Through open-ended questions, it provided rich qualitative data that complemented survey findings, ensuring a comprehensive understanding of staff appraisal practices and their implications.

3.7.3 Secondary Sources of Data

The researcher also used secondary sources to collect data.

3.8 Validity and Reliability of Research Instrument

3.8.1 Validity

For purposes of the instrument's validity, professional views were sought from research supervisors. The evaluation was to help the researcher in the discovery of weaknesses of research instruments. More so, it helped in checking clarity in questions asked as well as helping to modify the instrument in use.

3.8.2 Reliability

To evaluate the tool's dependability, Cronbach's alpha was calculated. According to Tashakkori and Teddlie (2015), an instrument's dependability is poorer if its Cronbach's alpha value is less than 0.6. According to Table 3.1, an instrument was deemed credible if the reading was at least 0.7.

Table 3.1: Reliability Statistics

Objective	Cronbach's Alpha	N of Items
To ascertain how Management by Objectives (MBO) affects Nairobi City County's three-to five-star hotels' long-term organizational performance.	0.801	5
To determine how Nairobi City County's three- to five-star hotels' sustainable organizational performance is affected by 360-degree feedback.	0.817	5
To investigate how Nairobi City County's three- to five-star hotels' sustainable organizational performance is affected by graphical grading systems.	0.791	5
To determine how Nairobi City County's three- to five-star hotels' sustainable organizational performance is affected by the secret appraisal approach.	0.801	5
Sustainability in the organizational performance of 3-5 star hotels within Nairobi City County.	0.820	8
To determine how Nairobi City County's 3-5 star hotels' sustainable organizational performance is impacted by the sociodemographic traits of their workforce.	0.715	4

The findings show Cronbach alphas of more than 0.7 per the research objective indicating that data was reliable. The number of Items used came from the questionnaire statements of the five independent variables (The Secret Appraisal Method, 360-degree feedback, Graphical Rating Scales, Management by Objectives, socio-demographic characteristics) and the dependent variable (organizational performance) which were 32 in number.

3.9 Data Collection Methods

Because they make data gathering simple and quick, and because respondents answered the questions accurately without deviating from the main topic, questionnaires are straightforward to use (Creswell, 2018). The surveys were distributed using the drop-and-

pick approach. The researcher made appointments with each hotel's corresponding staff members. The respondents then undertook self-administration of the questionnaire, which were collected within a fortnight.

Questionnaires are an effective method for data collection because they are simple, time-efficient, and easy to administer. Their structured design ensures respondents remain focused on the main topic, producing accurate and reliable data. Using the drop-and-pick approach enhances convenience for participants while minimizing researcher bias, as respondents complete them independently. Additionally, this method allows researchers to gather large volumes of information within a relatively short timeframe, making it cost-effective and practical. Overall, questionnaires provide a reliable, efficient, and systematic approach for empirical research.

The researcher made appointments with human resource managers of each 3-5 star hotel. Meetings were organized where the researcher asked questions according to the interview guide and noted down the responses in the notebook as the interview was ongoing. The researcher later organized the responses into themes based on the research variables and documented them accordingly.

3.10 Data Analysis Techniques

After being verified for accuracy and consistency, the data was cleaned and coded to reduce uncertainty. Software for statistical analysis was used (SPSS). Data was shown using percentages, tables, and charts.

A simple regression analysis was conducted to determine the relationship between staff appraisals and sustainable organizational performance in the hospitality industry, specifically within 3-5 star hotels. The regression model employed was as follows:

$Y = \alpha + \beta_1 X_1 + \epsilon$, where Y = Dependent variable (Organizational Performance), α = the model intercept.

β = Coefficient of independent variables

X_1 = Independent Variable (Appraisals Systems)

ϵ = Error Term

As advised by Baron and Kenny (1986), multiple regression analyses were performed to look for moderating effects. Figure 3.1 illustrates the moderating path diagram, while Table 3.1 provides a summary of the data analysis techniques utilized.

Figure 3.1 Moderating Path Diagram

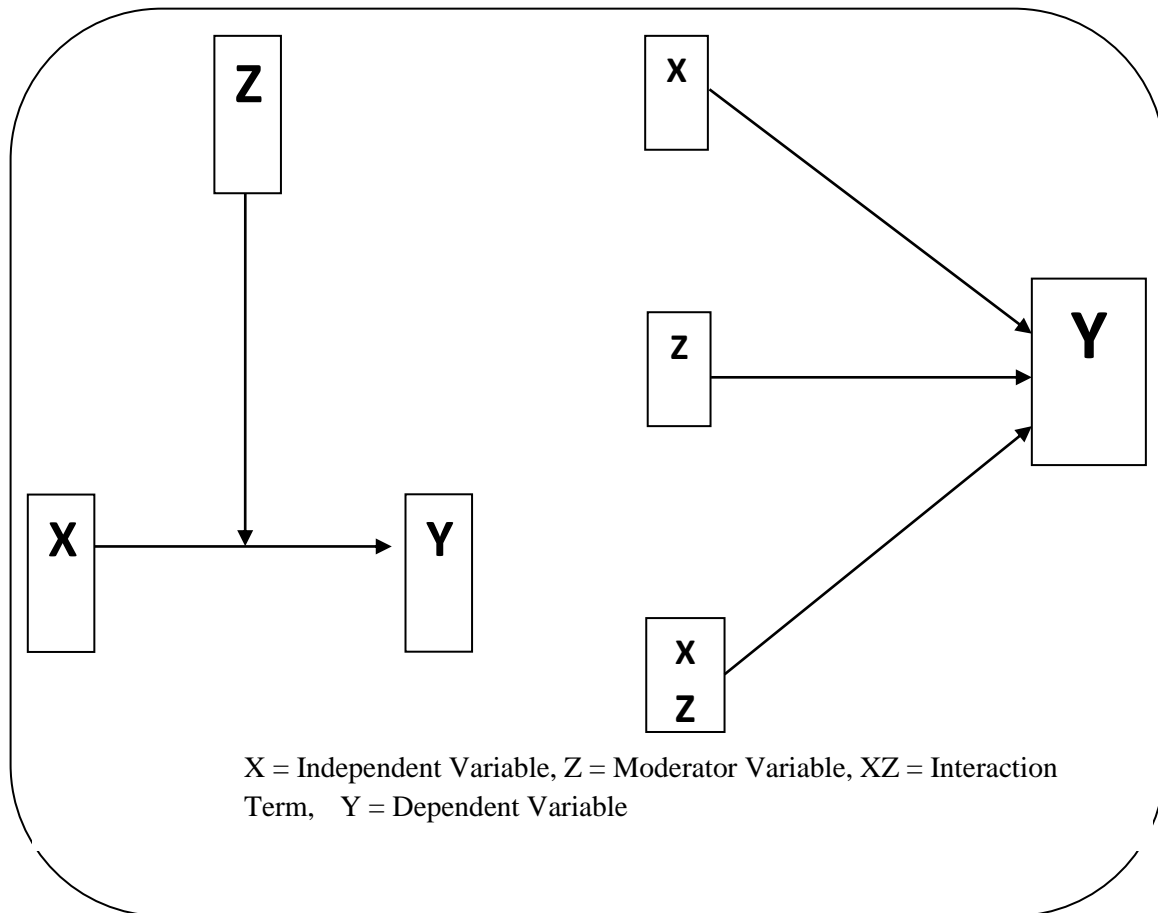


Table 3.11 Summary of Data Analysis Techniques

Objectives	Variables	Measurement Scale	Data Analysis
To determine the impact of management by objectives on the organizational performance of 3–5 star hotels in Nairobi City County.	Management by objective	Likert Scale	-Descriptive Statistics (Frequencies, percentages, means, and Standard Deviation) -Regression Analysis -Pearson Chi-Square
To establish the degree to which 360-degree feedback influences organizational performance among 3-5 star hotels in Nairobi City County.	360-degree feedback	Likert Scale	-Descriptive Statistics (Frequencies, percentages, means, and Standard Deviation) -Regression Analysis -Pearson Chi-Square
To investigate the impact of graphical rating scales on organizational performance among 3-5 star hotels in Nairobi City County.	Graphical rating scales	Likert Scale	-Descriptive Statistics (Frequencies, percentages, means, and Standard Deviation) -Regression Analysis -Pearson Chi-Square
To determine the influence of the secret appraisal method on organizational performance among 3-5 star hotels in Nairobi City County.	Secret appraisal method	Likert Scale	-Descriptive Statistics (Frequencies, percentages, means, and Standard Deviation) -Regression Analysis -Pearson Chi-Square
To examine how socio-demographic characteristics of employees affect sustainable organizational performance among 3-5 star hotels in Nairobi City County.	Socio-demographic characteristics	Nominal Scale	-Descriptive Statistics (Frequencies, percentages, means, and Standard Deviation)

3.12 Logistical and Ethical Considerations

Several measures were put in place in order to address any ethical difficulties that may arise during the investigation.

3.12.1 Logistical Considerations

Before commencing data collection, the researcher was granted the Research Authorization Letter from the Graduate School, Kenyatta University. This was then used to secure the Research Permit from the National Commission for Science, Technology, and Innovation (NACOSTI). This provided the researcher with all the permissions required to gather the data required to finish this study thesis.

3.12.2 Ethical Consideration

The respondents were assured of their confidentiality as their identities were not revealed. Only the supervisor or the researcher had access to their information. The questionnaire was offered to respondents voluntarily; they were not under any duress to complete it. Lastly, bias was kept at bay throughout the data gathering and analysis processes.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS, AND DISCUSSIONS

4.1. Introduction

The results of the study on the impact of staff appraisal methods on organizational performance in Nairobi City County, Kenya's 3–5 star hotels, are presented in this chapter. A survey with 411 respondents was carried out by distributing questionnaires. In this chapter, social demographic characteristics are analyzed, staff appraisal systems' effect on organizational performance is discussed, and regression analysis is used to clarify how staff appraisal systems affect organizational performance in Nairobi City County, Kenya's 3-5 star hotels.

4.2. Questionnaire Return Rate by Hotel Star Category

Four hundred and eleven (411) employees of three- to five-star hotels completed the questionnaires; Table 4.1 shows the percentage of respondents.

Table 4.1. Questionnaire Response Rate

	3-Star Hotels		4-Star Hotels		5-Star Hotels		Total	
	Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
Filled in questionnaires	77	19%	82	20%	67	16%	226	55%
Unreturned questionnaires	63	15%	67	16%	55	13%	185	45%
Number of Questionnaires	140	34%	149	36%	121	30%	411	100%

Key: Freq = Frequency; Perc = Percentage

Source: Author Computation (2025)

Out of 411 questionnaires administered, 34% were administered to 3-star hotels, 36% were administered to 4-star hotels, and 30% were administered to 5-star hotels. A total of 411 questionnaires were distributed; 226 of these were completed, yielding a 55% response rate. According to Mugenda (2013), a response rate of more than 50% is sufficient for reporting and analysis, a rate of 60% is considered satisfactory, and a rate of 70% or more is considered exceptional. The study's sample is considered representative and sufficient to answer all research questions, with a response rate of 55%. Out of the 55% of the respondents who completed and returned the filled forms, 19% were from 3-star hotels, 20% were from 4-star hotels, and 16% were from 5-star hotels.

4.3 Social Demographic Characteristics of Employees in 3-5 Star Hotels

The social demographic data included age, gender, duration of service in the company, and the highest degree of education received. These findings are elaborated upon in the subsequent subsections.

4.3.1. Respondent's Gender by Star Hotels Categories

The gender of the respondents is displayed in Figure 4.1's findings.

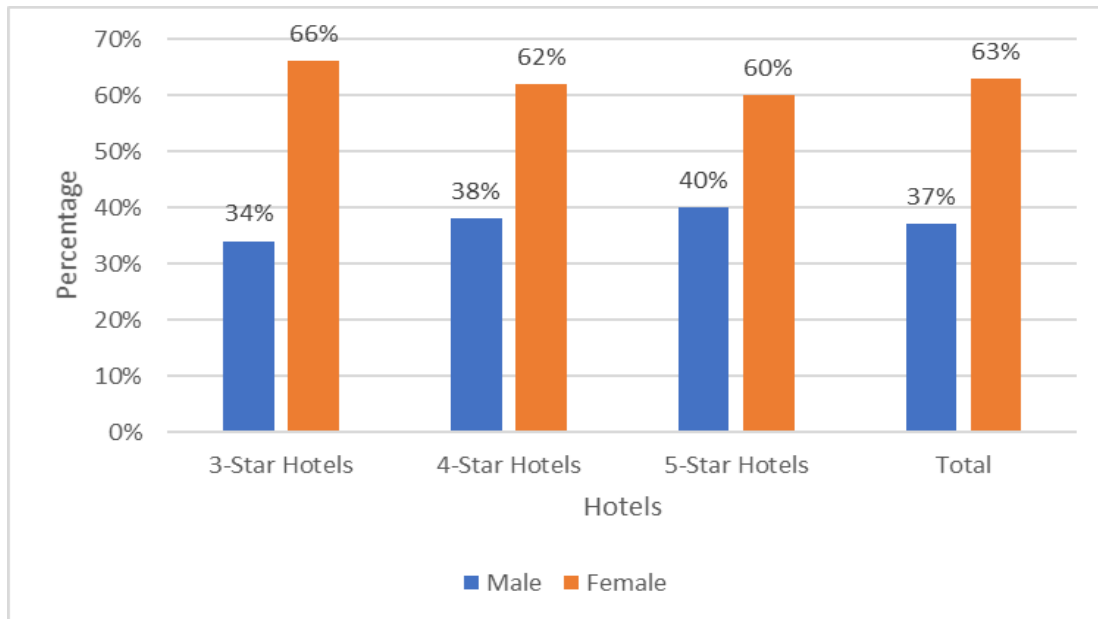


Figure 4.1. Respondent's Gender

Source: Author Computation

The results showed that 37% of respondents were men and 63% of respondents were women. More specifically, 34% of guests in 3-star hotels were men and 66% women. Sixty-two percent of guests in 4-star hotels and forty percent of those in 5-star hotels were female. These findings show that responders were mostly female. Thus, it follows that the majority of human resource managers and staff members in Nairobi City County's 3-5 star hotels are female. These findings indicate that $\frac{3}{4}$ of the HRMs in 3-5 star hotels were female. This is mainly because women are often perceived as hospitable and friendly, qualities that help make visitors feel comfortable and welcome. This result was consistent with that of Wanjala (2015), who discovered that women outnumber males in the hospitality sector, especially in the hotel industry, because women are largely responsible for making guests feel at home.

4.3.2. Respondent’s Age by Star Hotels Categories

The responders were subsequently asked for their age. Table 4.2 presents the results.

Table 4.2. Respondent’s Age

Respondent’s Age	3-Star Hotels		4-Star Hotels		5-Star Hotels		Total	
	Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
18 – 24 Years	6	8%	8	9%	5	7%	19	8%
25 - 30 Years	13	18%	17	20%	11	16%	41	18%
31 - 34 years	31	43%	30	34%	27	40%	88	39%
35 – 40 years	15	21%	23	26%	19	28%	57	25%
41 – 44 years	4	6%	5	6%	3	4%	12	5%
45 – 50 years	3	4%	4	5%	2	3%	9	4%
Totals	72	100%	87	100%	67	100%	226	100%

Key: Freq = Frequency; Perc = Percentage

Source: Author Computation

The findings indicated that the age group of 45–50 years old accounted for the smallest percentage of study participants (4.0%), with 38.9% of them being between the ages of 31 and 34. In addition, most of the respondents in hotels with three to five stars were younger than forty. This indicates that the bulk of responders were likely middle-aged people who worked mainly in Nairobi City County's 3-to 5-star hotels. The findings agree with Adejoke (2013) who found that staffs in a service industry were relatively young and in their most productive phase in ensuring customers are served faster with utmost customer service.

4.3.3. Respondent’s Length of Service by Star Hotels Categories

The respondents were asked how long they had been employed by the business (hotel). Consequently, the outcomes are shown in Figure 4.2.

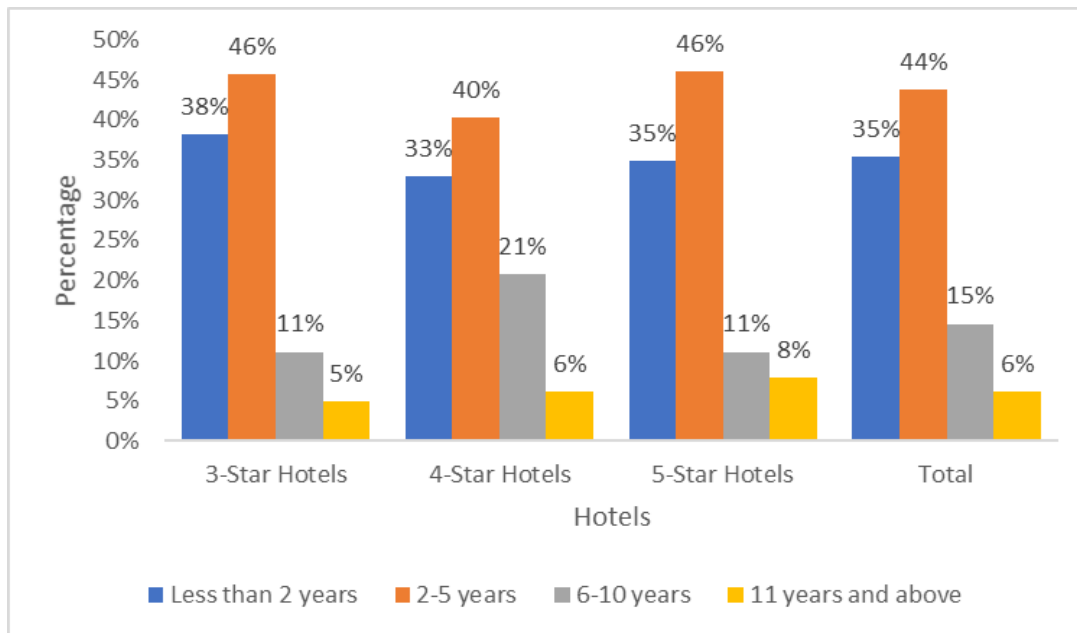


Figure 4.2. Respondent's Length of Service in the Organization (Hotel)

Source: Author Computation

The findings show that 46%, 40%, and 46% of respondents had spent two to five years working at 3-star, 4-star, and 5-star hotels, respectively. Additionally, the results indicate that less than two years had been worked by 38%, 33%, and 35% of the staff members at the 3-star, 4-star, and 5-star hotels, respectively. Overall, the data shows that 44% of respondents claimed to have worked for the company (hotel) for two to five years, 35% for less than two years, 15% for six to ten years, and 6% for eleven years or more. This suggests that the respondents had a significant amount of job experience and were therefore qualified to offer accurate information regarding the subject of the study. This tallies with the findings by Tuitook (2008) who reported that the higher the duration employees stay in an organization, the more experienced they become in that line of duty. Owing to this fact respondents were experienced enough to give information on staff appraisal and sustainable organizational performance.

4.3.4. Respondent’s Highest Level of Education by Star Hotels Categories

Table 4.3. Respondent’s Highest Level of Education

	3-Star Hotels		4-Star Hotels		5-Star Hotels		Total	
	Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
Certificate	13	16.9%	19	26.8%	17	21.8%	49	21.7%
Diploma	32	41.6%	26	36.6%	27	34.6%	85	37.6%
Bachelors	28	36.4%	21	29.6%	29	37.2%	78	34.5%
Masters	4	5.2%	5	7.0%	5	6.4%	14	6.2%
Totals	77	100%	71	100%	78	100%	226	100.00%

Key: Freq = Frequency; Perc = Percentage

Source: Author Computation

The results showed that 36.4% of respondents held a bachelor's degree, and 41.6% of respondents held a diploma certificate at the 3-star hotels. In the 4-star hotels, 36.6% had a diploma certificate while 29.6% had a bachelor’s degree. Though 34.6% of respondents held a diploma certificate, the bulk of respondents (37.2%) in the 4-star hotels held bachelor's degrees. The largest proportion of respondents (37.6%) across all hotels held a diploma, followed by a bachelor's degree (34.5%), a certificate (21.7%), and a master's degree (6.2%). This indicates that most respondents had attained a level of literacy adequate for understanding the study's subject matter. Ambetsa (2015) corroborated this claim as well, pointing out that most participants had completed a university degree as their highest degree, making them qualified to evaluate performance management system-related concerns.

4.4. Staff Appraisal Systems and Sustainable Organizational Performance

This section presents findings on staff appraisal systems and sustainable organizational performance. It starts with a qualitative analysis through a discussion as per the interviews that were conducted with human resource managers of 3-5-star hotels. The section also presented a descriptive presentation of the responses from the interviews and findings presented in tables in the preceding subsections as per the research objectives.

From the interviews conducted with human resource managers in 3-5 star hotels, four common steps were identified to be present in their staff appraisal system, which are planning, execution, assessment, and review. One of the human resource managers explained that *“at the beginning of every year, yearly achievement targets are set where responsibilities, goals, and objectives are set. During the year, appraisal is executed to monitor how staff work to achieve the goals and objectives of their work.* Another manager

stated that “*managers and supervisors keep a track of the performance and provide training and feedback to the staff to increase the probability of success*”.

Human resource manager from the 4-star hotel stated that “*during the assessments, when the formal appraisal starts, staff are evaluated using MBO, 360-degree feedback, graphical rating scales, and secret appraisal methods, and recommendations are made on remunerations and bonuses, promotions*”. Performance reviews are then done as the final step of the staff appraisal process. Daley (2015) questioned whether performance appraisals are reliable and applicable for both organizational growth and employee performance enhancements. They suggested that the intrinsic problems with the performance appraisal procedure might not be able to be fixed. On the contrary, Ouma (2013) has advocated the utility of the staff appraisal system, who views it as a crucially important phenomenon in the life of any organization.

Human Resource Manager from the 5-star hotel stated that “*my hotel has appraisal policy in place*”. Another HRM from 3-star hotel was in agreement with this finding and explained that “*Staff appraisals are used to identify and separate the higher-performing workers, and to incentivize them to work harder and accomplish more by giving them bonuses, pay increases, and promotions*”. The hotel uses staff appraisal to monitor the performance of the employees and to identify the reasons for deficiency in the performance level," said one of the interviewees from a five-star hotel. This result is consistent with that of Ambetsa (2015), who discovered that performance evaluation aids in identifying performance gaps and the need for improvement.

HRM in one of the 4-star hotels revealed that “*staff appraisal system is related to the development of hotels, where it is proposed that by identifying these flaws and offering on-the-job training to employees, the poor performance of the staff can be improved*”. These results are in line with a study by Armstrong (2014), which found that staff appraisal systems are a tool for employee development intended to train and mold their long-term career paths.

The interview conducted with one of the HRM from the 3-star hotel, showed that “*staff appraisal system in their hotels was serving the purpose*”. A human resource manager from a 4-star hotel stated that “*outstanding performance is documented*”. The interviewee continued to explain that “*staff learn about their strengths and weaknesses during the appraisal system and this boosts morale and reduces turnover*”. An interview from 5-star hotel stated that “*staff appraisal gives identification of necessary improvements. Interview findings revealed*

that staff appraisal systems differentiate effective performers from non-performers and this affects sustainability of organizational performance”.

A human resource manager from 5-star hotel stated that “*staff appraisal system provides an opportunity to input regarding staff deficiencies, which helps each employee in their own professional development*”. While Kisang (2016) proposed a favorable correlation between the results of employee motivation from performance appraisals and the subsequent job satisfaction, Wanjala (2015) believed that employee feedback regarding job performance was the most effective component for increasing employee motivation.

4.4.1. Management by Objectives Appraisal Method and Organizational Performance

Participants were asked to indicate how much they agreed with the assertions made about how management by objectives affects long-term organizational performance in three- to five-star hotels. Table 4.4 shows the results, which are displayed as frequencies and percentages.

Table 4.4: Frequencies and Percentages of Management by Objectives by Hotel

	Scale	3-Star Hotels		4-Star Hotels		5-Star		Combined	
		Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
An objective based staff appraisal will lead to salary increment/promotion	Strongly Disagree	2	0.9	4	1.8	1	0.4	7	3.1
	Disagree	4	1.8	6	2.7	3	1.3	13	5.8
	Neutral	17	7.5	31	13.7	11	4.9	59	26.1
	Agree	41	18.1	73	32.3	33	14.6	147	65.0
	Strongly Agree	0	0	0	0	0	0	0	0
Objectives set are clearly understood	Strongly Disagree	1	0.4	2	0.9	1	0.4	4	1.8
	Disagree	10	4.4	19	8.4	7	3.1	36	15.9
	Neutral	14	6.2	26	11.5	10	4.4	50	22.1
	Agree	39	17.3	71	31.4	26	11.5	136	60.2
	Strongly Agree	0	0	0	0	0	0	0	0
There exist the right tools and environment to assist in achieving the objectives set	Strongly Disagree	3	1.3	4	1.8	2	0.9	9	4.0
	Disagree	3	1.3	5	2.2	2	0.9	10	4.4
	Neutral	26	11.5	31	13.7	18	8.0	75	33.2
	Agree	43	19.0	57	25.2	32	14.2	132	58.4
	Strongly Agree	0	0	0	0	0	0	0	0
Work is fairly distributed among team members	Strongly Disagree	3	1.3	4	1.8	5	2.2	12	5.3
	Disagree	4	1.8	5	2.2	8	3.5	17	7.5
	Neutral	17	7.5	34	15.0	42	18.6	93	41.2
	Agree	21	9.3	27	11.9	38	16.8	86	38.1
	Strongly Agree	0	0	0	0	0	0	0	0
Objectives help to identify the strengths and weaknesses of the employee	Strongly Disagree	4	1.8	7	3.1	9	4.0	20	8.8
	Disagree	11	4.9	13	5.8	16	7.1	40	17.7
	Neutral	24	10.6	32	14.2	34	15.0	90	39.8
	Agree	18	8.0	27	11.9	31	13.7	76	33.6
	Strongly Agree	0	0	0	0	0	0	0	0

Key: Freq = Frequency; Perc = Percentage

Source: Author Computation

The results of the survey conducted in a three-five star hotel revealed that most participants believed that an objective-based staff appraisal would lead to a raise in salary or a promotion (17.3%) and that the necessary tools and resources are available to support the achievement

of set goals (19%). The majority of respondents in 4-star hotels agreed that an objective-based staff appraisal will result in a pay increase or promotion (32.3%), and 14.6% of respondents in 5-star hotels agreed with this statement.

According to the combined data, 65% of respondents agreed that a staff appraisal with an objective basis will result in a pay increase or promotion. Additionally, the respondents agreed that the objectives set are clearly understood (60%) and that the appropriate environment and tools are available to support their achievement (58.4%). Furthermore, the majority of respondents expressed no opinion regarding the fair distribution of work among team members (41%) or the idea that goals aid in determining an employee's strengths and weaknesses (39.8%).

This implies that staff assessment with an objective will result in a pay increase or promotion. The study found that management by objectives staff appraisal will lead to salary increment/promotion. The results were further reported as Table 4.5 below demonstrates.

Table 4.5. Management by Objectives Means and Standard Deviations by Hotel Star Category

Statements	N	3-Star Hotels		4-Star Hotels		5-Star Hotels	Combined		
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
A staff appraisal system based on objectives will result in salary increments or promotions.	226	3.52	0.742	3.54	0.744	3.53	0.742	3.53	0.743
Objectives set are clearly understood	226	3.41	0.821	3.42	0.833	3.40	0.801	3.41	0.818
The appropriate tools and environment are available to support the achievement of set objectives.	226	3.43	0.760	3.49	0.771	3.45	0.751	3.46	0.761
Work is fairly distributed among team members	226	2.93	1.182	2.94	1.179	3.00	1.177	2.96	1.179
Objectives aid in pinpointing both the strengths and weaknesses of the employee.	226	2.71	1.227	2.73	1.267	2.74	1.249	2.73	1.248

Source: Author Computation

The consensus among participants from 3-star hotels was that implementing objective-oriented staff appraisals would likely result in salary increases or promotions (mean=3.52, SD=0.742), and they also believed that the necessary tools and environment were available to support goal achievement (mean=3.43, SD=0.760). Similarly, respondents from 4-star hotels shared this view regarding staff appraisals leading to salary increments or promotions (mean=3.43, SD=0.760). The assessment was agreed upon by participants from 5-star hotels, with a mean score of 3.53 and a standard deviation of 0.742.

The collective findings indicate that respondents concurred that implementing objective-based staff appraisals would likely result in salary increments or promotions (mean=3.53, SD=0.743). Additionally, there was consensus among respondents regarding the availability of appropriate tools and conducive environments to facilitate the achievement of set objectives (mean=3.46, SD=0.761), as well as a shared understanding of the objectives themselves (mean=3.42, SD=0.818). Further, respondents moderately agreed that work is fairly distributed among team members (mean=2.96, SD=1.179), and that objectives help to identify employees' strengths and weaknesses (mean=2.73, SD=1.248). This suggests that implementing an objective-based staff appraisal system is associated with salary increments or promotions. The study concluded that utilizing a management by objectives approach to staff appraisal would result in salary increments or promotions. The results corroborate a study by Kirchmer (2017), which claimed that goal-oriented management is results-driven. It assesses how well the organization is performing by looking at how well its set goals are being met. Usually, superiors and subordinates work together to define the goals. Staff are expected to assess themselves after the goal is set and determine the skills required to reach it.

4.4.1.1 Testing of Hypothesis One Using Pearson Chi-Square

The study sought to test the research hypotheses by use of Pearson's Chi-Square. The reason for using Pearson's chi-square test is because it determines whether there is a statistical significance difference between variables (Creswell, 2018). Under Chi-Square, if the significance (P-Value) is less than 0.05.

Hypothesis one stated:

H₀: Management by objectives has no significant influence on organizational performance among 3–5-star hotels in Nairobi City County.

The results are presented in **Table 4.6**.

Table 4.6: Management by Objectives and Organizational Performance

Hotel	Value	df	Asymp. Sig. (2-sided)
3 Star	350.798a	209	0.000
4 Star	375.789a	176	0.000
5 Star	255.416a	165	0.000
Combined	859.770a	209	0.000

Source: Author Computation

The aggregated data of all hotels was found to have a P-value of 0.000 for the significance level of all three-star hotels, based on the findings. The null hypothesis is refuted when the value is less than 0.05. Therefore, it can be said that, among Nairobi City County's three- to five-star hotels, management by objectives significantly affects organizational performance.

The research revealed that management by objectives in staff appraisal is associated with salary increments or promotions. These findings align with a study conducted by Kirchmer (2017), which suggested that goal-oriented management emphasizes achieving results. It assesses how well the organization is performing by looking at how well its set goals are being met. Usually, superiors and subordinates work closely to define the goals. Employees are required to self-audit after they are established and determine the skills required to meet the goal.

4.4.2. 360 Degree Feedback and Organizational Performance

The findings presented in frequencies and percentages are shown in Table 4.7.

Table 4.7: 360 Degree Feedback Frequencies and Percentages by Hotel Star Category

	Scale	3-Star Hotels		4-Star Hotels		5-Star		Combined	
		Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
360-degree review leads to improvement in performance	Strongly Disagree	7	3.1	3	1.3	2	0.9	12	5.3
	Disagree	11	4.9	8	3.5	5	2.2	24	10.6
	Neutral	31	13.7	24	10.6	19	8.4	74	32.7
	Agree	52	23.0	35	15.5	29	12.8	116	51.3
	Strongly Agree	0	0	0	0	0	0	0	0
Areas of improvement identified in a 360 degrees evaluation are applied for self-development only and not to assign ratings	Strongly Disagree	10	4.4	5	2.2	6	2.7	21	9.3
	Disagree	14	6.2	9	4.0	12	5.3	35	15.5
	Neutral	39	17.3	25	11.1	24	10.6	88	38.9
	Agree	37	16.4	19	8.4	21	9.3	77	34.1
	Strongly Agree	0	0	0	0	0	0	0	0
Feedback received is followed up to account for needed improvements in order to achieve goals	Strongly Disagree	3	1.3	4	1.8	3	1.3	10	4.4
	Disagree	7	3.1	12	5.3	5	2.2	24	10.6
	Neutral	31	13.7	41	18.1	15	6.6	87	38.5
	Agree	33	14.6	51	22.6	21	9.3	105	46.5
	Strongly Agree	0	0	0	0	0	0	0	0
360-degree feedback gives rise to constructive criticism	Strongly Disagree	3	1.3	2	0.9	3	1.3	8	3.5
	Disagree	11	4.9	5	2.2	9	4.0	25	11.1
	Neutral	17	7.5	32	14.2	34	15.0	83	36.7
	Agree	62	27.4	21	9.3	27	11.9	110	48.7
	Strongly Agree	0	0	0	0	0	0	0	0
Corrective measures are taken to correct a poor 360 degrees review	Strongly Disagree	4	1.8	2	0.9	3	1.3	9	4.0
	Disagree	13	5.8	4	1.8	6	2.7	23	10.2
	Neutral	35	15.5	19	8.4	28	12.4	82	36.3
	Agree	50	22.1	27	11.9	35	15.5	112	49.6
	Strongly Agree	0	0	0	0	0	0	0	0

Key: Freq = Frequency; Perc = Percentage

Source: Author Computation

According to the results, respondents from 3-star hotels agreed that constructive criticism stems from 360-degree feedback (23%) and that remedial action is taken to rectify a subpar 360-degree review (22.1%). The majority of respondents in the 4-star hotels agreed that 360-

degree reviews result in performance improvements (15.5%), while some agreed that feedback is followed up on making necessary adjustments to meet objectives (22.6%). Corrective action is carried out to rectify a substandard 360-degree evaluation, according to the majority of respondents from the 5-star hotels (22.8%). The results were also given as means and standard deviations, as Table 4.8 below demonstrates.

Table 4.8. 360 Degree Feedback Means and Standard Deviations by Hotel Star Category

Statements	N	3-Star Hotels		4-Star Hotels		5-Star Hotels		Combined	
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
A 360-degree review contributes to performance improvement.	226	3.4	0.86	3.39	0.864	3.1	0.865	3.3	0.863
Areas highlighted for improvement in a 360-degree evaluation are utilized solely for self-development purposes and are not used for rating assignments.	226	2.95	1.03	2.9	1.034	2.94	1.035	2.93	1.033
Received feedback is acted upon to address necessary improvements and achieve goals.	226	3.26	0.824	3.29	0.82	3.25	0.825	3.27	0.823
360-degree feedback gives rise to constructive criticism	226	3.37	0.807	3.27	0.804	3.3	0.805	3.31	0.805
Remedial actions are implemented to address any shortcomings identified in a 360-degree review.	226	3.35	0.814	3.28	0.815	3.31	0.811	3.31	0.813

Source: Author Computation

According to the results, respondents from 3-star hotels agreed that constructive criticism stems from 360-degree feedback (mean=3.37, SD=0.807), while others agreed that corrective action is taken to rectify a subpar 360-degree review (mean=3.35, SD=0.814). The bulk of respondents in the 4-star hotels agreed that 360-degree reviews improve performance (mean=3.39, SD=0.864), while some agreed that feedback is followed up on making necessary adjustments to meet objectives (mean=3.29, SD=0.820). The majority of respondents from the five-star hotels agreed that corrective action is taken to rectify a subpar

360-degree review (mean=3.31, SD=0.811), while some agreed that constructive criticism is generated by 360-degree feedback (mean=3.30, SD=0.805).

Examining the data from all respondents collectively, it is evident that there is a neutral stance regarding whether a 360-degree review leads to performance improvement (mean=3.30, SD=0.863). Additionally, there is a perceived notion that the developmental areas highlighted in a 360-degree evaluation are more beneficial for personal growth rather than for assigning ratings (mean=2.93, SD=1.033). Additionally, it seems that the feedback received is acted upon to address required enhancements for goal attainment (mean=3.27, SD=0.823), and that 360-degree feedback tends to offer constructive criticism (mean=3.31, SD=0.805). Moreover, there is acknowledgment that corrective actions are taken into consideration to address a poor 360-degree review (mean=3.31, SD=0.813). This implies that 360-degree review leads to improvement in performance.

Hughes (2003) states that a structured 360-degree appraisal system is necessary for success. Because the feedback is provided narratively, employees may provide a lot of details due to the lack of structure, which could overwhelm the candidate with details about areas that require improvement. In order for reviewers to focus solely on organizational performance, the structure needs to incorporate certain organizational performance behaviors (Walker, Damanpour, & Devece, 2017). If not, the reviewers give a lot of information, which increases the executive's workload since they have to compile all of the comments and give the candidate a meaningful review.

4.4.2.1 Testing of Hypothesis Two Using Pearson Chi-Square

The study sought to test the research hypotheses by use of Pearson's Chi-Square. The reason for using Pearson's chi-square test is because it determines if there is a statistical significance difference between variables (Creswell, 2018).

Hypothesis two stated:

H₀: 360-degree feedback has no significant influence on organizational performance among 3-5 star hotels in Nairobi City County.

The results are presented in **Table 4.9**.

Table 4.9: 360 Degree Feedback and Organizational Performance

Hotel	Value	df	Asymp. Sig. (2-sided)
3 Star	365.350a	209	0.000
4 Star	392.510a	192	0.000
5 Star	280.497a	180	0.000
Combined	851.685a	228	0.000

Source: Author Computation

From the findings, the significance level of all the 3-star hotels, including combined data of all hotels, showed a P-Value of 0.000 which is less than 0.05 hence the 360-degree feedback has a significant influence on organizational performance among 3–5-star hotels in Nairobi City County.

A 360-degree review enhances performance, per the study. The findings are supported by Sahoo and Mishra's (2012) finding that employees believe 360-degree appraisal methods are more accurate and representative of their performance. As a result, they are regarded as being highly important in offering thorough information which can be utilized to ascertain the training gaps and requirements for staff. Hughes (2003) states that a structured 360-degree appraisal system is necessary for success. Because the feedback is provided narratively, employees may provide a lot of details due to the lack of structure, which could overwhelm the candidate with details about areas that require improvement. Certain organizational performance behaviors must be included in the structure to enable reviewers.

4.4.3. Graphical Rating Scales and Organizational Performance

The following statements were given to study participants to rate in order to determine how graphical rating scales affected the sustainable organizational performance of Nairobi City County's three- to five-star hotels. Table 4.10 shows the results, which are displayed as frequencies and percentages.

Table 4.10: Graphical Rating Scales, Frequencies and Percentages by Hotel Star Category

	Scale	3-Star Hotels		4-Star Hotels		5-Star		Combined	
		Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
A poor numerical rating will lead to improvement in performance for a member of staff.	Strongly Disagree	9	4.0	7	3.1%	20	8.8%	36	15.9
	Disagree	19	8.4%	10	4.4%	15	-6.6%	14	6.2
	Neutral	44	19.5%	39	17.3%	-9	-4.0%	74	32.7
	Agree	28	12.4%	13	5.8%	61	27.0%	102	45.2
	Strongly Agree	0	0	0	0	0	0	0	0
The performance manager is impartial when assigning ratings	Strongly Disagree	5	2.2%	2	0.9%	3	1.3%	10	4.4
	Disagree	14	6.2%	9	4.0%	15	6.6%	38	16.8
	Neutral	27	11.9%	18	8.0%	18	8.0%	63	27.9
	Agree	43	19.0%	38	16.8%	34	15.0%	115	50.9
	Strongly Agree	0	0	0	0	0	0	0	0
The numerical rating scale is fairly assigned	Strongly Disagree	3	1.3%	4	1.8%	19	8.4%	26	11.5
	Disagree	7	3.1%	12	5.3%	2	0.9%	21	9.3
	Neutral	31	13.7%	41	18.1%	34	15.0%	106	46.9
	Agree	33	14.6%	27	11.9%	13	5.8%	73	32.3
	Strongly Agree	0	0	0	0	0	0	0	0
Performance ratings contribute to a motivation to achieve organization goals and job satisfaction	Strongly Disagree	3	1.3%	2	0.9%	17	7.5%	22	9.7
	Disagree	11	4.9%	5	2.2%	7	3.1%	23	10.2
	Neutral	17	7.5%	45	19.9%	32	14.2%	94	41.6
	Agree	27	11.9%	21	9.3%	39	17.3%	87	38.5
	Strongly Agree	0	0	0	0	0	0	0	0
Numerical ratings provide an atmosphere where team members are encouraged to be high achievers	Strongly Disagree	4	1.8%	2	0.9%	9	4.0%	15	6.6
	Disagree	13	5.8%	4	1.8%	16	7.1%	33	14.6
	Neutral	35	15.5%	19	8.4%	12	5.3%	66	29.2
	Agree	48	21.2%	27	11.9%	37	16.4%	112	49.6
	Strongly Agree	0	0	0	0	0	0	0	0

Key: Freq = Frequency; Perc = Percentage

Results show that a majority of respondents from 3-star hotels agreed that job satisfaction and motivation to meet organizational goals are influenced by performance ratings (11.9%), while some respondents agreed that a culture of high achievement is fostered by numerical ratings (14.6%). Respondents from 5-star hotels agreed that performance ratings help in motivating employees to meet set goals and experience job satisfaction (15%), while respondents from 4-star hotels agreed that the performance manager is unbiased when appraising/assigning ratings (16.8%).

Most respondents agreed that the numerical rating system assigns ratings equally (50.9%), while others expressed no opinion. They said that job satisfaction and motivation to meet organizational goals are influenced by performance ratings (41.6%) and that high performers are encouraged to work in teams (46.7%). The additional results are shown in Table 4.11 below.

Table 4.11. Graphical Rating Scales Means and Standard Deviations by Hotel Star Category

Statements	N	3-Star Hotels		4-Star Hotels		5-Star Hotels		Combined	
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
A low numerical rating is expected to prompt performance improvement for a staff member.	226	2.63	1.104	2.65	1.103	2.63	1.105	2.64	1.104
The performance manager maintains impartiality when assigning ratings.	226	2.90	1.163	3.11	1.163	2.99	1.165	3.00	1.164
The numerical rating scale is fairly assigned	226	2.82	1.145	2.68	1.149	2.74	1.146	2.75	1.147
Performance ratings contribute to motivating employees to achieve organizational goals and enhance job satisfaction.	226	3.08	0.933	3.09	0.931	3.11	0.939	3.09	0.934
Numeric ratings create an environment where team members are motivated to strive for high performance.	226	3.05	1.110	3.07	1.107	3.07	1.106	3.06	1.108

Source: Author Computation

Study findings shows that the majority of respondents from 3-star hotels agreed that job satisfaction and motivation to meet organizational goals are influenced by performance ratings (mean=3.08, SD=0.933), while some respondents agreed that a high-achieving team

environment is created by numerical ratings (mean=3.05, SD=1.110). Respondents from 4-star hotels were in agreement that the performance manager is unbiased when rating (mean=3.11, SD=1.163), while 5-star hotel respondents agreed that rating of performance help motivate employees to meet organizational goals and feel satisfied in their jobs (mean=3.11, SD=0.939).

The respondents were generally unbiased when it came to the contribution of performance ratings to job satisfaction and motivation to meet organizational goals (mean=3.09, SD=0.934). Furthermore, they indicated that numerical ratings cultivate an environment where team members are motivated to excel (mean=3.06, SD=1.108), that the performance manager demonstrates objectivity in rating assignments (mean=3.00, SD=1.164), that the numerical rating scale is fairly administered (mean=2.75, SD=1.147), and that a staff member's performance is expected to improve following a low numerical rating (mean=2.64, SD=1.104). This suggests that in order to accomplish organizational goals and achieve job satisfaction, performance ratings play a role in motivating employees.

Study done by Rodriguez-Gustá, Labadie, Font, Prego and Cedrola (2013) found several performance factors that, with the aid of graphical rating scales, can be measured in an efficient manner. First, the quality of the employee's work can be assessed using these scales. This scale assesses a worker's ability to consistently meet goals, deadlines, and expected outcomes. Second, rating scales can be used to evaluate an employee's productivity in terms of how well they utilize their time, plans, and ability to finish tasks on time. Additionally, it is possible to evaluate the worker's job knowledge.

4.4.3.1 Testing of Hypothesis Three Using Pearson Chi-Square

The study sought to test the research hypotheses by use of Pearson Chi-Square. The reason for using Pearson's chi-square test is because it determines whether there is a statistically significant difference between variables (Creswell, 2018).

Hypothesis three stated:

H₀: Graphical rating scale has no significant influence on organizational performance among 3–5-star hotels in Nairobi City County.

The results are presented in **Table 4.12**.

Table 4.12: Graphical Rating Scale and Organizational Performance

Hotel	Value	Df	Asymp. Sig. (2-sided)
3 Star	429.273a	285	0.000
4 Star	543.251a	240	0.000
5 Star	409.482a	225	0.000
Combined	1177.678a	285	0.000

Source: Author

The results showed that the P-value for the combined data for all hotels and the significance threshold for all 3-star hotels was 0.000. With a score of less than 0.05, this suggests that, among Nairobi City County's 3–5-star hotels, the graphical grading system significantly affects organizational performance.

The research discovered that the graphical rating scale exerts a significant impact on organizational performance among 3–5-star hotels in Nairobi City County. A study done by Rodriguez-Gustá, Labadie, Font, Prego, and Cedrola (2013) found several performance factors that, with the aid of graphical rating scales, can be measured in an efficient manner. First, these scales can be used to evaluate the caliber of the worker's output. This scale evaluates a worker's capacity to regularly meet deadlines, meet expectations, and produce desired results. Additionally, rating scales can gauge an employee's productivity by evaluating their time management, planning skills, and ability to complete tasks punctually. Additionally, it is possible to evaluate the worker's job knowledge.

4.4.4. The Secret Appraisal Method and Organizational Performance

The findings are shown in **Table 4.13**.

Table 4.13: The Secret Appraisal Method: Frequencies and Percentages by Hotel Star Category

	Scale	3-Star Hotels		4-Star Hotels		5-Star		Combined	
		Freq	Perc	Freq	Perc	Freq	Perc	Freq	Perc
A poor secret appraisal method will lead to improvement of performance for a member of staff.	Strongly Disagree	9	4.0%	7	3.1%	3	1.3%	19	8.4
	Disagree	7	3.1%	10	4.4%	8	3.5%	25	11.1
	Neutral	30	13.3%	54	23.9%	25	11.1%	109	48.2
	Agree	32	14.2%	8	3.5%	33	14.6%	73	32.3
	Strongly	0	0	0	0	0	0	0	0

The secret appraisal method is impartial when assigning ratings	Agree								
	Strongly Disagree	5	2.2%	2	0.9%	29	12.8%	36	15.9
	Disagree	8	3.5%	3	1.3%	3	1.3%	14	6.2
	Neutral	27	11.9%	18	8.0%	29	12.8%	74	32.7
	Agree	32	14.2%	38	16.8%	32	14.2%	102	45.2
The secret appraisal method is fairly assigned	Strongly Disagree	0	0	0	0	0	0	0	0
	Disagree	3	1.3%	4	1.8%	6	2.7%	13	5.8
	Neutral	7	3.1%	12	5.3%	8	3.5%	27	11.9
	Agree	31	13.7%	35	15.5%	22	9.7%	88	38.9
	Strongly Agree	30	13.3%	41	18.1%	27	11.9%	98	43.4
The secret appraisal method contributes to motivation to achieve organizational goals and job satisfaction	Strongly Disagree	0	0	0	0	0	0	0	0
	Disagree	3	1.3%	2	0.9%	7	3.1%	12	5.3
	Neutral	9	4.0%	5	2.2%	3	1.3%	17	7.5
	Agree	17	7.5%	45	19.9%	31	13.7%	93	41.1
	Strongly Agree	27	11.9%	46	20.4%	31	13.7%	104	46.1
The secret appraisal method provides an atmosphere where team members are encouraged to be high achievers	Strongly Disagree	0	0	0	0	0	0	0	0
	Disagree	4	1.8%	2	0.9%	14	6.2%	20	8.8
	Neutral	13	5.8%	4	1.8%	23	10.2%	40	17.7
	Agree	30	13.3%	19	8.4%	22	9.7%	71	31.5
	Strongly Agree	31	13.7%	38	16.8%	26	11.5%	95	42.0

Key: Freq = Frequency; Perc = Percentage

Source: Author Computation

A significant proportion of respondents from the 3-star hotels expressed agreement that a clandestine appraisal method would contribute to enhancing an individual staff member's performance, with each aspect receiving a score of 14.2%. The majority of respondents from the 4-star hotels indicated agreement that the secret appraisal method is fairly assigned, with a percentage of 18.1%. On the other hand, 14.6% of respondents from 5-star hotels agreed that the secret appraisal approach increases job satisfaction and motivates employees to meet corporate goals.

With a score of 46.1%, respondents as a whole agreed that the secret appraisal approach helps to motivate employees to meet company goals and increase job satisfaction. However, they were neutral regarding whether a poor secret appraisal method would lead to performance improvement for a staff member, with a score of 48.2%. The detailed findings are presented in Table 4.14 below.

Table 4.14. The Secret Appraisal Method Means and Standard Deviations by Hotel Star Category

Statements	N	3-Star Hotels		4-Star Hotels		5-Star Hotels		Combined	
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
An inadequate secret appraisal method is expected to lead to improved performance for a staff member.	226	2.95	0.957	2.98	0.954	2.95	0.956	2.97	0.956
The secret appraisal method is impartial when assigning ratings	226	2.82	1.274	2.84	1.277	2.81	1.271	2.82	1.274
The secret appraisal method is fairly assigned	226	2.95	1.115	2.99	1.12	2.96	1.117	2.97	1.117
The secret appraisal method fosters motivation to accomplish organizational goals and enhances job satisfaction.	226	2.94	1.179	2.97	1.177	2.98	1.18	2.96	1.179
The secret appraisal method creates an environment that motivates team members to strive for excellence.	226	2.76	1.246	2.71	1.248	2.73	1.249	2.73	1.248

Source: Author Computation

The study's conclusions show that a sizable percentage of respondents from the three-star hotels concurred that the secret appraisal method is given fairly and that a staff member's performance would improve if it were done poorly.

Both statements received the same mean scores of 2.95, with standard deviations of 0.957 and 1.115, respectively.

On the other hand, respondents from the 4-star hotels generally agreed that the secret appraisal technique is assigned fairly, with a mean score of 2.99 and a standard deviation of 1.120. However, respondents from the five-star hotels were more likely to think that the

secret appraisal approach encourages job satisfaction and drives staff to meet organizational goals, with a mean score of 2.98 and a standard deviation of 1.180.

With a mean score of 2.97 and a standard deviation of 0.957, the average impact of a subpar secret appraisal system is that employees' performance will not improve. The data shows that participants did not favor the impartiality of the confidential evaluation method, as demonstrated by the average score of 2.97 and standard deviation of 1.117.

The fact that the standard deviation was 1.179 and the mean score was 2.96 indicates that there was a neutral opinion regarding the contribution of the secret appraisal approach to job satisfaction and motivation to meet organizational objectives.

With a mean score of 2.82 and a standard deviation of 1.274, the mean score for the impartiality of the secret appraisal method was, however, rather lower, showing neutrality when grading.

With a mean score of 2.73 and a standard deviation of 1.248, respondents finally showed a relatively lower degree of agreement on the secret appraisal method's ability to foster an environment where team members are encouraged to flourish. Overall, the findings suggest a lack of strong consensus regarding the impact and fairness of the secret appraisal method on staff performance and motivation. The findings are in agreement with Feldman (2016) who found that one form of secret appraisal that has significance on performance is one in which a manager frequently talks with an employee about their performance but then fills out a form with remarks that differ greatly from the appraisal that was actually discussed with the employee.

The findings were also supported by Lunenburg (2012) who found that secret appraisal method provides the chance to evaluate each employee attribute on a bipolar scale with anchor points ranging from subpar performance to superior performance. Employee qualities like cooperation, initiative, technical proficiency, punctuality, and communication skills are evaluated using a secret scale.

4.4.4.1 Testing of Hypothesis Four Using Pearson Chi-Square

Hypothesis four stated:

H₀: Secret appraisal method has no significant influence on organizational performance among 3–5-star hotels in Nairobi City County.

The results are presented in **Table 4.15**.

Table 4.15: Secret Appraisal Method and Organizational Performance

Hotel	Value	df	Asymp. Sig. (2-sided)
3 Star	440.190a	285	0.000
4 Star	467.797a	240	0.000
5 Star	363.241a	225	0.000
Combined	1070.035a	285	0.000

Source: Author Computation

Based on the findings, the significance level for all the 3-star hotels, as well as the combined data from all hotels, showed a P-value of 0.000. Since this value is less than 0.05, the null hypothesis was rejected, and the alternative hypothesis was accepted. Therefore, it can be concluded that the secret appraisal method has a significant influence on organizational performance among 3-5 star hotels in Nairobi City County.

The study revealed that the secret appraisal method holds significant sway over organizational performance within the spectrum of 3-5 star hotels in Nairobi City County. The findings were in agreement with Feldman (2016) who discovered that a manager who regularly discusses performance with an employee but fills out a form with remarks that differ significantly from the appraisal that is actually discussed with the employee is one type of secret appraisal that has an impact on performance. Brutus (2015) also found that secret appraisal features such as privacy and fairness have a significant influence on employees' motivation who work towards the achievement of company goals, hence improving performance. According to the study, the only factor limiting the traits' inclusion is the requirement that the chosen traits be pertinent to and related to the appraisee's line of work. Another study that was conducted in Nigeria by Hallinger (2018) showed that the use of a secret appraisal method can result in poor feature selection for the rating scale, which can produce performance indicators that are harmful to the organization's ability to perform. Additionally, it may lead to lawsuits against companies for discriminatory hiring practices, which could severely harm the company's reputation or possibly force it out of business.

4.5. Organizational Performance

This section presents findings on organizational performance. The findings are as shown in **Table 4.16**.

Table 4.16. Level of Agreement on Organizational Performance by Hotel Star Category

Statements	N	3-Star Hotels		4-Star Hotels		5-Star Hotels		Combined	
		Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev	Mean	Std. Dev
The organization has increased its sales	226	3.32	0.826	3.37	0.824	3.36	0.828	3.35	0.826
High profits have been reported by the organization	226	3.05	0.906	3.24	0.907	3.27	0.910	3.19	0.908
More customers have been coming to the hotel	226	3.33	0.803	3.34	0.802	3.34	0.798	3.34	0.801
Customers prefer our hotel than others	226	3.31	0.790	3.31	0.797	3.31	0.795	3.31	0.794
The organization is perceived as a successful hotel	226	3.33	0.792	3.31	0.793	3.32	0.790	3.32	0.792
Customers are highly satisfied	226	3.40	0.779	3.05	0.739	3.61	0.789	3.35	0.769
The organization has increased its market share	226	3.01	0.921	3.00	0.920	3.05	0.923	3.02	0.921
There are new products and services	226	2.29	1.118	3.09	1.008	3.58	1.198	2.99	1.108

Source: Author Computation

The findings revealed that majority of the 3-star hotel respondents were in agreement that customers are highly satisfied (mean=3.40, SD=0.889). The organization is perceived as a successful hotel (mean=3.33, SD=0.792) and more customers have been coming to the hotel (mean=3.33, SD=0.803). The majority of respondents from 4-star hotels agreed that the business had seen an increase in sales (mean=3.37, SD=0.824) and a rise in the number of guests (mean=3.34, SD=0.802). Majority of respondents from 5-star hotels were in agreement that customers are highly satisfied (mean=3.61, SD=0.789) while others agreed that there are new products and services (mean=3.58, SD=1.198).

In general, the findings were neutral on the organization has increased its sales (mean=3.35, SD=0.827), followed by customers are highly satisfied (mean=3.35, SD=0.769), more customers have been coming to the hotel (mean=3.34, SD=0.801), the organization is perceived as a successful hotel (mean=3.32, SD=0.792), customers prefer our hotel than others (mean=3.31, SD=0.794), high profits have been reported by the organization (mean=3.19, SD=0.908), the organization has increased its market share (mean=3.02, SD=0.921), and that there are new products and services (mean=2.99, SD=1.108). This depicts that hotels had increased its sales, customers were highly satisfied and hotels were perceived successful.

4.6. The Relationship Between the Independent Variables and Organizational Performance

The researcher used the SPSS version 24 to produce the output of the regression analysis.

4.6.1. Regression Model Summary

The study employed basic ordinary regression analysis to demonstrate the association between the predictor parameters and organizational performance in Nairobi City County, Kenya's 3-5 star hotels. Table 4.17 displays the results.

Table 4.17. Regression Model Summary

Hotel	Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	P-value
3-Star	1	.924a	0.854	0.846	0.25654	1	0.001
4-Star	1	.902a	0.814	0.804	0.24178	1	0.001
5-Star	1	.911a	0.83	0.819	0.25274	1	0.001
Combined	1	.911a	0.83	0.827	0.24926	1	0.001

a Predictors: (Constant), The Secret Appraisal Method, 360-degree feedback, Graphical Rating Scales, Management by Objectives

Source: Author Computation

The table presents the R^2 values for hotels classified as 3-Star, 4-Star, and 5-Star, which were 0.854, 0.814, and 0.830, respectively. This indicates that 85.4%, 81.4%, and 83% of the variance in organizational performance can be explained by the independent variable in the model for 3-Star, 4-Star, and 5-Star hotels, respectively.

According to combined data, the independent variable in the aforementioned model explains 83% of the variance in organizational performance between three- and five-star hotels in Nairobi City County, Kenya. However, other unrepresented determinants in the regression model account for 17% of the unexplained difference in organizational performance in Nairobi City County, Kenya's 3–5-star hotels. As can be seen from the table's results, the model is trustworthy and suitable for estimating needs. The table results show a strong correlation between the variables and the organizational performance of Kenya's Nairobi City County's three- to five-star hotels. An R^2 value of 0.83 indicates this link, meaning that the components account for 83% of the variance in organizational performance.

4.6.2 Regression ANOVA Results

The importance of the regression model employed in this investigation was demonstrated using the ANOVA. The outcomes are shown in Table 4.18.

Table 4.18. ANOVA of the Regression

Hotel	Model		Sum of Squares	Df	Mean Square	F	Sig.
3-Star	1	Regression	27.701	4	6.925	105.228	.000b
		Residual	4.738	72	0.066		
		Total	32.44	76			
4-Star	1	Regression	19.719	4	4.93	84.331	.000b
		Residual	4.501	77	0.058		
		Total	24.22	81			
5-Star	1	Regression	19.36	4	4.84	75.769	.000b
		Residual	3.96	62	0.064		
		Total	23.32	66			
Combined	1	Regression	67.175	4	16.794	270.292	.000b
		Residual	13.731	221	0.062		
		Total	80.907	225			

a Dependent Variable: Organizational Performance

b Predictors: (Constant), The Secret Appraisal Method, 360-degree feedback, Graphical Rating Scales, Management by Objectives

Source: Author Computation

The models were statistically significant in predicting how the factors (management by objective, 360-degree feedback, graphical rating scale, and the secret appraisal method) impact the organizational performance in 3–5-star hotels in Nairobi City County, Kenya, according to the findings in Table 4.18. This is because the ANOVA presented a significance value of 0.000, which is less than 0.05.

4.6.3. Regression Coefficient of Determination

The coefficient of determination was used to demonstrate how changes in the independent variables can account for variations in the dependent variable. The three to five-star hotels in Nairobi City County's organizational performance were the dependent variable in this study, while staff appraisal methods were the independent variable. Kenya's three- to five-star hotels are the subject of the following table, which displays the coefficient of determination and illustrates the relationship between predictor variables and organizational performance in Nairobi City County.

The degree to which a statistical model accurately predicts a result is indicated by a number between 0 and 1 called the coefficient of determination (Creswell, 2018). It's a statistical metric that examines how changes in independent variables (such as management by objective, 360-degree feedback, graphical rating scale, and the secret appraisal method) can explain variations in a dependent variable (sustainable organizational performance). Table 4.19 presents the findings.

Table 4.19: Coefficient of Determination by Hotel Star Category

Nairobi City County, Kenya's 3-5 star hotels' organizational effectiveness was ascertained

Hotel	Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
			B	Std. Error			
3-Star	1	(Constant)	0.524	0.155		3.383	0.001
		Management by Objectives	0.211	0.083	0.24	2.54	0.013
		360-degree feedback	0.479	0.056	0.549	8.614	0
		Graphical Rating Scales	0.2	0.063	0.305	3.182	0.002
		The Secret Appraisal Method	-0.045	0.068	-0.071	0.66	0.011
4-Star	1	(Constant)	0.719	0.159		4.523	0
		Management by Objectives	0.274	0.078	0.325	3.504	0.001
		360-degree feedback	0.332	0.052	0.409	6.414	0
		Graphical Rating Scales	0.313	0.048	0.507	6.488	0
		The Secret Appraisal Method	-0.112	0.066	-0.182	1.691	0.015
5-Star	1	(Constant)	0.528	0.184		2.863	0.006
		Management by Objectives	0.264	0.092	0.29	2.871	0.006
		360-degree feedback	0.431	0.064	0.489	6.696	0
		Graphical Rating Scales	0.342	0.068	0.515	5.057	0
		The Secret Appraisal Method	-0.181	0.085	-0.274	2.13	0.037
Combi ned	1	(Constant)	0.61	0.094		6.504	0
		Management by Objectives	0.232	0.048	0.263	4.874	0
		360-degree feedback	0.413	0.032	0.481	12.701	0
		Graphical Rating Scales	0.292	0.033	0.452	8.894	0
		The Secret Appraisal Method	-0.104	0.041	-0.163	2.531	0.012

a Dependent Variable: Organizational Performance through simple regression analysis.

Source: Author Computation

The model for regression were estimated as;

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

From the model, the equations become;

$$\text{3-Star Hotel; } Y = 0.524 + 0.211X_1 + 0.479X_2 + 0.2X_3 + 0.045X_4 + \varepsilon$$

$$\text{4-Star Hotel; } Y = 0.719 + 0.274X_1 + 0.332X_2 + 0.313X_3 + 0.112X_4 + \varepsilon$$

$$\text{5-Star Hotel } Y = 0.528 + 0.264X_1 + 0.431X_2 + 0.342X_3 + 0.181X_4 + \varepsilon$$

$$\text{Combined; } Y = 0.61 + 0.232X_1 + 0.413X_2 + 0.292X_3 + 0.104X_4 + \varepsilon$$

The organizational performance of the 3 star, 4 star, and 5 star hotels in Nairobi City County, Kenya, was found to be 0.524, 0.719, and 0.528, respectively, based on a regression analysis that took all independent variables to zero.

When all other independent factors are maintained constant, an increase of one unit in management by objectives will result in an increase of 0.211, 0.274, and 0.264 in organizational performance in three-star, four-star, and five-star hotels, respectively.

When all other independent parameters are maintained constant, an increase of one unit in 360-degree feedback will result in an increase of 0.479, 0.332, and 0.432 in organizational performance in three-star, four-star, and five-star hotels, respectively.

A unit increase in graphical rating scales will result in a 0.2, 0.313, and 0.342 improvement in organizational performance in 3-star, 4 stars, and 5-star hotels, respectively, assuming all other independent factors remain constant.

In three-star, four-star, and five-star hotels, respectively, an increase of one unit in the secret appraisal system will result in an increase of 0.045, 0.112, and 0.181 in organizational performance, holding all other independent variables constant.

All the 3–5-star hotels combined data shows that considering all independent variables are Zero, organizational performance was 0.61. The findings revealed that a unit increase in management by objectives, 360-degree feedback, graphical rating scales and secret appraisal method leads to 0.232, 0.413, 0.292 and 0.104 increase in organizational performance in 3-star, 4 star and 5-star hotels respectively.

The study found that, at a significance level of 5% and a confidence level of 95%, the secret appraisal method, graphical rating scales, 360-degree feedback, and management by objectives all demonstrated significance in relation to organizational performance in Nairobi City County, Kenya's 3–5-star hotels.

4.7 Influence of Socio-Demographic Characteristics on The Relationship Between Staff Appraisal and Sustainable Organizational Performance.

The purpose of the study was to look into how social-demographic characteristics within Nairobi City County's 3–5-star hotels affected the relationship between staff appraisal and sustainable organizational performance.

These social-demographic factors encompassed gender, age, length of service, and highest level of education.

Table 4.20 Mediation Regression Model Summary

Source: Author Computation

Hotel	Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	F	P-value
3-Star	1	Staff Appraisal	.924a	0.854	0.846	0.25654	1	0.001
	2	Social-Demographic Characteristics	.853a	0.727	0.725	0.27046	1	0.001
4-Star	1	Staff Appraisal	.902a	0.814	0.804	0.24178	1	0.001
	2	Social-Demographic Characteristics	.855a	0.731	0.729	0.26855	1	0.001
5-Star	1	Staff Appraisal	.911a	0.830	0.819	0.25274	1	0.001
	2	Social-Demographic Characteristics	.850a	0.722	0.721	0.27244	1	0.001
Combined	1	Staff Appraisal	.911a	0.83	0.827	0.24926	1	0.001
	2	Social-Demographic Characteristics	.860a	0.739	0.738	0.26429	1	0.001

Source: Author Computation

4.7.1 Moderating Regression Model Summary

Using the Baron and Kenny Model, a stepwise ordinary regression analysis was performed to assess the impact of social-demographic factors on the association between staff assessment

and long-term organizational effectiveness.

In this regression model, social-demographic attributes served as the moderating variable, staff appraisal served as the independent variable, and sustainable organizational performance served as the dependent variable. The results of the analysis are shown in Table 4.16.

Model 1 displays the R^2 value reflecting the association between employee appraisal and long-term organizational performance in the absence of a moderating variable, based on the results displayed in Table 4.20. Meanwhile, Model 2 demonstrates the R^2 value when social-demographic characteristics are introduced as a moderating variable, categorized by hotel type.

The findings reveal that the R^2 values for 3-Star, 4-Star, and 5-Star hotels without the moderating variable were 0.854, 0.814, and 0.830, respectively. This indicates that the independent variable in the model can account for 85.4%, 81.4%, and 83% of the variation in organizational performance among 3-Star, 4-Star, and 5-Star hotels, respectively.

Upon analyzing the aggregate data, the R^2 value comes to 0.911, meaning that 91.1% of the variance in organizational performance among the 3–5-star hotels in Nairobi City County can be attributed to the independent variable in the model. It is critical to understand that there is an 8.9% unexplained variance in organizational performance among Nairobi City County's 3–5-star hotels. There is a chance that this discrepancy is due to other unknown variables in the regression model.

The moderating effect of social-demographic characteristics on sustainable organizational performance in three- to five-star hotels in Nairobi City County, Kenya, was examined through the use of modified ordinary regression to examine the interaction impact. The results for Model 2 are shown in Table 4.20 for the various hotel categories. According to the findings, the R^2 values for Model 2 in hotels with three, four, and five stars were, respectively, 0.727, 0.731, and 0.722. This indicates that the combination of the independent and moderating variables may explain 72.7%, 73.1%, and 72.2% of the variance in organizational performance within 3-Star, 4-Star, and 5-Star hotels, respectively. The findings show that predictors (staff appraisal and social-demographic characteristics) and organizational performance was positive and significant ($p < 0.001$). This shows that introduction of a mediating effect still made the effect of staff appraisal and organizational performance significant.

4.7.2 Mediation Regression ANOVA Results

The mediation relationship between the moderating variable, the predictor factors, and organizational performance in Nairobi City County, Kenya's 3–5-star hotels is shown in Table 4.21, based on the results of an ANOVA.

Table 4.21: Mediation Regression ANOVA Results

Hotel	Model		Sum of Squares	df	Mean Square	F	Sig.
3-Star	1	Regression	27.701	4	6.925	105.228	.000b
		Residual	4.738	72	0.066		
		Total	32.44	76			
3-Star	2	Regression	26.703	5	5.925	95.317	.000b
		Residual	5.737	71	0.055		
		Total	32.44	76			
4-Star	1	Regression	19.719	4	4.93	84.331	.000b
		Residual	4.501	77	0.058		
		Total	24.22	81			
4-Star	2	Regression	18.940	5	6.925	106.128	.000b
		Residual	5.280	71	0.066		
		Total	24.22	76			
5-Star	1	Regression	19.36	4	4.84	75.769	.000b
		Residual	3.96	62	0.064		
		Total	23.32	66			
5-Star	2	Regression	18.19	5	4.09	74.108	.000b
		Residual	5.13	61	0.071		
		Total	23.32	66			
Combined	1	Regression	67.175	4	16.794	270.292	.000b
		Residual	13.731	221	0.062		
		Total	80.907	225			
Combined	2	Regression	61.147	5	16.747	269.184	.000b
		Residual	19.760	220	0.049		
		Total	80.907	225			

a Dependent Variable: Organizational Performance

b Predictors: (Constant), The Secret Appraisal Method, 360-degree feedback, Graphical Rating Scales, Management by Objectives, Social-Demographic Characteristics

Source: Author Computation

From the findings in Table 4.21, ANOVA presented a significance value of 0.000, which is less than 0.05 for both model 1 and model 2 in all hotel categories, where model 1 was without the moderating effect, while model 2 included the moderating effect. This shows that the models were statistically significant in predicting how the factors (management by objective, 360-degree feedback, graphical rating scale, the secret appraisal method, and

social-demographic characteristics) impact the organizational performance in 3–5-star hotels in Nairobi City County-Kenya.

4.7.3 Mediation Regression Coefficient of Determination

To make clear how changes in the independent variables, both with and without the moderating component, connect with changes in the dependent variable, the coefficient of determination was utilized. The study's dependent variable was the organizational performance of the three- to five-star hotels located in Nairobi City County, Kenya. The independent variable centered on staff appraisal systems, while the moderating variable investigated social-demographic characteristics.

Table 4.22: Mediation Regression Coefficient of Determination

Hotel	Model		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
			B	Std. Error			
3-Star	1	(Constant)	0.524	0.155		3.383	0.001
		Staff Appraisal	0.479	0.056	0.549	8.614	0.000
	2	(Constant)	0.455	0.092		4.961	.000
4-Star	2	Staff Appraisal	0.835	0.027	0.852	30.821	.000
		Social Demographic Characteristics	0.384	0.041	0.443	9.351	.000
		(Constant)	0.719	0.159		4.523	0
	1	Staff Appraisal	0.833	0.027	0.85	30.538	.000
		(Constant)	0.355	0.1		3.557	.000
		Staff Appraisal	0.731	0.025	0.751	30.107	.000
5-Star	2	Social Demographic Characteristics	0.07	0.028	0.068	2.474	.014
		(Constant)	0.528	0.184		2.863	.001
		Staff Appraisal	0.613	0.017	0.51	31.578	.000
	1	(Constant)	0.408	0.09		4.512	.000
		Staff Appraisal	0.769	0.029	0.785	26.084	.000
		Social Demographic Characteristics	0.006	0.002	0.072	2.606	0.01
Combined	1	(Constant)	0.61	0.094		6.504	0
		Staff Appraisal	0.408	0.09		4.512	.000
	2	(Constant)	0.266	0.093		2.881	0.004
		Staff Appraisal	0.169	0.029	0.185	6.084	.000
		Social Demographic Characteristics	0.124	0.026	0.146	4.847	.000

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Staff Appraisal

c. Predictors: (Constant), Staff Appraisal, Social-Demographic Characteristics

Model 1: Staff Appraisal and Organizational Performance without moderator

Model 2: Staff Appraisal and Organizational Performance with Social-Demographic Characteristics as a moderator

The regression results for model 1, which are displayed in Table 4.22 above, indicate a substantial association between staff appraisal and sustained organizational success, since all models showed a P-value of less than 0.05 across all hotel categories. For hotels with three, four, and five stars, the model 1 beta values were, respectively, 0.479, 0.833, and 0.613. According to this, sustainable organizational performance rises by 0.479, 0.833, and 0.613 for 3-Star, 4-Star, and 5-Star hotels, respectively, for every unit improvement in staff appraisal. Regression analysis results indicate that staff appraisal and sustainable organizational performance have a favorable and statistically significant association.

The moderating impact of social-demographic parameters and the interaction effect on the link between staff assessment and sustainable organizational performance were examined using moderated multiple regression. The regression analysis findings for model 2, as displayed in Table 4.22, showcase the combination of predictors (staff appraisal and social-demographic characteristics) and sustainable organizational performance across different hotel categories.

The staff appraisal beta coefficients for 3-Star, 4-Star, and 5-Star hotels were 0.835, 0.731, and 0.769, respectively. In contrast, the staff appraisal and social-demographic features of the 3-Star, 4-Star, and 5-Star hotels had beta coefficients of 0.07, 0.006, and 0.124, respectively. These beta results indicated significance values below 0.05, indicating that the addition of social-demographic characteristics to the model did not change the importance of the impact of staff assessment on sustainable organizational performance.

These results suggest that social-demographic characteristics considerably affect the relationship between staff assessment and sustained organizational effectiveness. The null hypothesis is thus rejected, indicating that social-demographic characteristics in Nairobi City County's 3-5 star hotels significantly moderate the association between employee appraisal and long-term organizational success.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMENDATIONS

5.1. Introduction

This chapter has provided conclusions and recommendations regarding the impact of staff appraisal systems on organizational performance within 3–5-star hotels in Nairobi City County, Kenya.

5.2. Summary of Findings

At a 5% significance level and a 95% confidence level, the study's findings indicated that management by objectives, 360-degree feedback, graphical rating scales, and the secret appraisal method all showed significance regarding organizational performance in 3-5 star hotels in Nairobi City County, Kenya. These findings demonstrate a strong correlation between performance and staff appraisal systems.

The study's goal was to determine how Nairobi City County's three- to five-star hotels evaluate their employees and how it affects organizational performance. The results show that these hotels used management by objectives. The study found that, among Nairobi City County's three- to five-star hotels, management by objectives has a major impact on organizational performance and frequently results in pay increases or internal promotions. Additionally, the study observed that the necessary resources and environment are available to support the achievement of set objectives within these hotels.

The study identified the use of the 360-degree feedback system, which was associated with performance enhancement. Notably, in Nairobi City County, Kenya, the 3-5 star hotels' organizational performance was most significantly improved by the 360-degree feedback system. Furthermore, it was noted that the areas of growth indicated by a 360-degree assessment are only used for personal growth and are not applied to grading assignments.

Furthermore, the study revealed that the graphical rating scales system exerted a significant influence on performance. Graphical ratings were noted to foster motivation towards achieving organizational goals and enhancing job satisfaction. Moreover, this system cultivated an atmosphere and environment where team members were encouraged to strive for high achievement.

The study also emphasized the application of the secret appraisal approach, which was linked to enhanced organizational performance. Consequently, it was found to have a noteworthy effect on the organizational performance of Nairobi City County's three-to-five-star hotels. Moreover, the study indicated that a deficient secret appraisal method could lead to enhanced performance for employees and that the method itself is fairly administered.

5.3. Conclusion

The study's conclusion confirms the utilization of management by objectives, 360-degree feedback, graphical rating scales, and the secret appraisal method within 3–5-star hotels across Kenya. These staff appraisal systems had a significant influence on organizational performance, having reported a P-value of 0.000. However, 360-degree feedback contributed the most to organizational performance since it reported a regression coefficient of 0.413, which was higher than the rest of the variables. The study came to the conclusion that areas for growth found in a 360-degree assessment are mostly used for personal growth and are not used to rate someone. Moreover, it was found that management by objectives leads to salary increments or promotions within organizations, supported by the fact that 65% of employees in 3–5-star hotels were in agreement. Additionally, the study highlighted that there are suitable tools and environments available to assist in achieving set objectives, as indicated by 58.4% agreement among all employees. Furthermore, the study found that graphical ratings contribute to motivation towards achieving organizational goals and job satisfaction, with 38.5% of employees in all 3–5-star hotels concurring. Lastly, the study concluded that the secret appraisal method leads to improvement of organizational performance since 32.3% of all the 3–5-star hotels were in agreement.

5.4. Recommendations for the Study

First, the study established that management by objectives (*MBO*) strongly influences organizational performance, with 65% of employees confirming it leads to promotions and salary increments. Based on this, hotels should formalize MBO into structured performance contracts that are revisited quarterly. This ensures that objectives remain aligned with changing business conditions while creating transparent pathways for employee growth. Linking MBO directly to reward systems will not only motivate staff but also strengthen organizational accountability and retention.

Second, findings showed that 360-degree feedback had the highest impact on performance, with regression results indicating it is the most significant appraisal tool. Hotels should institutionalize 360-degree feedback by integrating digital platforms that capture multi-source input consistently and objectively. To maximize its value, feedback must be accompanied by structured follow-up programs such as coaching, mentorship, and targeted training. This transforms feedback from a mere evaluative tool into a developmental mechanism, thereby fostering continuous personal and organizational growth.

Third, the results revealed that graphical rating scales fostered motivation and job satisfaction for 38.5% of employees. To enhance effectiveness, hotels should redesign rating systems to be competency-based rather than generic numerical scores. For instance, linking ratings to clearly defined service standards—such as customer satisfaction scores, teamwork indicators, and innovation benchmarks—will make evaluations more meaningful. Such an approach ensures that ratings not only reflect effort but also encourage high achievement and a service excellence culture across all departments.

Finally, although less widely adopted, the secret appraisal method showed a notable impact on performance (32.3% agreement). For hotels that use it, transparency safeguards are essential to avoid perceptions of bias. Management should integrate confidential appraisals with periodic open reviews, ensuring employees receive constructive feedback while protecting sensitive managerial evaluations. This hybrid model can balance discretion with developmental dialogue, promoting fairness, motivation, and sustained performance improvements in the hospitality sector.

5.5. Areas for Further Research

To find out if businesses in other hospitality-related sectors also value the staff appraisal system and how frequently the practices are used, research should be done on these

businesses as well. For hospitality companies operating in other nations with comparable or nearly identical macro and microeconomic environments, more research is necessary. The results would improve a cross-national analysis of how staff appraisal systems affect organizational performance.

Furthermore, future studies should delve into the specific factors contributing to the reluctance of star hotels to adopt newly developed staff appraisal systems. The relatively modest advantages observed with these new systems prompt inquiries into the requisite conditions for their effective implementation. Understanding these factors can offer insights into how to successfully introduce and integrate innovative appraisal tools within the hospitality industry. Since this study was conducted before Covid 19 pandemic, future study should be conducted on the same area to find out challenges faced by 3–5-star hotels as a result of Covid 19 pandemic.

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APPENDICES

Appendix I: Letter of Introduction

Kenyatta University

School of Hospitality and Tourism Management

RE: INTRODUCTION FOR COSMAS MAKORI OMBOGA DATA COLLECTION

Dear Sir/Madam,

I, Cosmas Makori Omboga, am currently pursuing a Master's Degree in Hospitality Management at Kenyatta University's School of Hospitality and Tourism. My research focuses on 'Staff Appraisal and Sustainable Organizational Performance: An Analysis of the Hospitality Sector in 3-5 Star Hotels in Nairobi City County, Kenya.' I kindly request your participation in completing a questionnaire. Rest assured, your involvement will be anonymous, and all information shared will be kept confidential. Participation is voluntary, and you may opt out at any time without consequence. The data gathered will be used solely for this research and will be handled exclusively by me.

Thank You.

Yours sincerely,

Appendix II: Questionnaire for 3-5 Star Employees

Instructions

This questionnaire aims to gather data on the impact of staff appraisal systems on the performance of 3–5-star hotels in Nairobi City County, Kenya. Your responses will be treated with strict confidentiality. Some questions will ask you to choose one option from the provided alternatives by marking (√) your selection.

Section A: Demographic Information

1. Indicate your Gender:

Male [] Female []

2. Your age bracket (Tick whichever appropriate)

18 – 24 Years []

25 - 30 Years []

31 - 34 years []

35 – 40 years []

41 – 44 years []

45 – 50 years []

Over 51 years []

3. For how long have you served in the organization (hotel)?

Less than 2 years []

2 – 5 years []

6 – 10 years []

11 years and more []

4. What is your highest level of education?

Certificate []

Diploma []

Bachelors []

Masters []

PhD []

Section B: Staff appraisal Systems

5. What is your level of agreement with the following statements on staff appraisal systems? Use a scale of 1-5 where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5 = strongly agree.

Appraisal Systems						
Management by Objectives		1	2	3	4	5
1	Implementing an objective-based staff appraisal system can result in salary increases or promotions.					
2	Objectives set are clearly understood					
3	The appropriate tools and conducive environment are available to support the attainment of set objectives.					
4	Work is fairly distributed among team members					
5	Objectives aid in identifying both the strengths and weaknesses of employees.					
360 degree feedback		1	2	3	4	5
1	360 degrees review leads to improvement in performance					
2	The areas for improvement highlighted in a 360-degree evaluation are utilized solely for self-development purposes and are not used for assigning ratings.					

3	Feedback is diligently followed up on to address areas requiring improvement, thereby facilitating the achievement of goals.					
4	360 degree feedback gives rise to constructive criticism					
5	Corrective measures are taken to correct a poor 360 degrees review					
	Graphical Rating Scales	1	2	3	4	5
1	A poor numerical rating will lead to improvement of performance for a member of staff.					
2	The performance manager is impartial when assigning ratings					
3	The numerical rating scale is fairly assigned to ensure accuracy and impartiality.					
4	Performance ratings contribute to a motivation to achieve organization goals and job satisfaction					
5	Numerical ratings provide an atmosphere where team members are encouraged to be high achievers					
	The Secret Appraisal Method	1	2	3	4	5
1	A poor the secret appraisal method will lead to improvement of performance for a member of staff.					
2	The secret appraisal method is impartial when assigning ratings					
3	The secret appraisal method is fairly assigned					
4	The secret appraisal method contributes to a motivation to achieve organisation goals and job satisfaction					
5	The secret appraisal method provides an atmosphere where team members are encouraged to be high achievers					

Section C: Organizational Performance

6. What is your level of agreement with the following statements on staff appraisal systems? Use a scale of 1-5 where 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5 = strongly agree.

	Organizational Performance	1	2	3	4	5
1	The organization has increased its sales					
2	High profits have been reported by the organization					
3	More customers have been coming to the hotel					
4	Customers prefer our hotel than others					
5	The organization is perceived as a successful hotel					
6	Customers are highly satisfied					
7	The organization has increased its market share					
8	There are new products and services					

Appendix III: Interview Schedule for Human Resource Managers

1. Does your organization have a staff appraisal policy? What are the objectives of the staff appraisal as outlined in the policy manual?
2. In your opinion, is the staff appraisal system in your organization fulfilling its intended purpose?
3. In your view, do you believe that the staff appraisal systems effectively distinguish between effective performers and non-performers across all levels?
4. Could you please provide a description of the staff appraisal systems utilized in your organization?
5. Explain how staff appraisal systems affect sustainability of organizational performance?
6. Lastly, do you have any comments or feedback regarding the staff appraisal system in your organization?

Appendix IV: Work Plan

Activity	Time	Responsible
Develop a Concept	By September 2018	Researcher
Proposal writing	Between September 2018 and March 2019	Researcher
Proposal Presentation	By May 2019	Researcher
Pre-testing of the questionnaires	By June 2019	Researcher
Collect data in the field work	Between July and September 2020	Researcher, research assistants and supervisors in selected hotels
Data analyses and interpretation	By October 2020 to December 2021	Statistical data analyst
Writing of draft research report and presentation	By January 2022 to June 2025	Researcher
Submit final report in hard copies	October 2025	Researcher

Source: Researcher (2019)

Appendix V: Budget

Type of Expenditure	Number required	Cost per each	Number of Days	Amount Budgeted (KES)
Equipment and Stationery				
a) Laptop	1	40,999.00		45,000
b) Data analysis software (SPSS)	1	27,500.00		28,000
c) Envelops	400	10.00		4,000
d) Pens	400	20.00		8,000
e) Pencils	400	20.00		8,000
Training, Transport and Remuneration				
a) Research assistants' remuneration	5	2,500.00	8	100,000
b) Research assistants' training and lunch	5	4,500	1	22,500
Data analysis				
a) Data coding and entry into SPSS	-	-		20,000
b) Analysis and interpretation of outputs	-	-		50,000
Research permit				
a) National Research Fund (NRF) Authorization	1	2,000		2,000
Other overheads				
a) Printing	-	-		15,000
b) Internet bundles	-	-		5,000
Grand Total	-	-		307,500

Source of Funding: Researcher

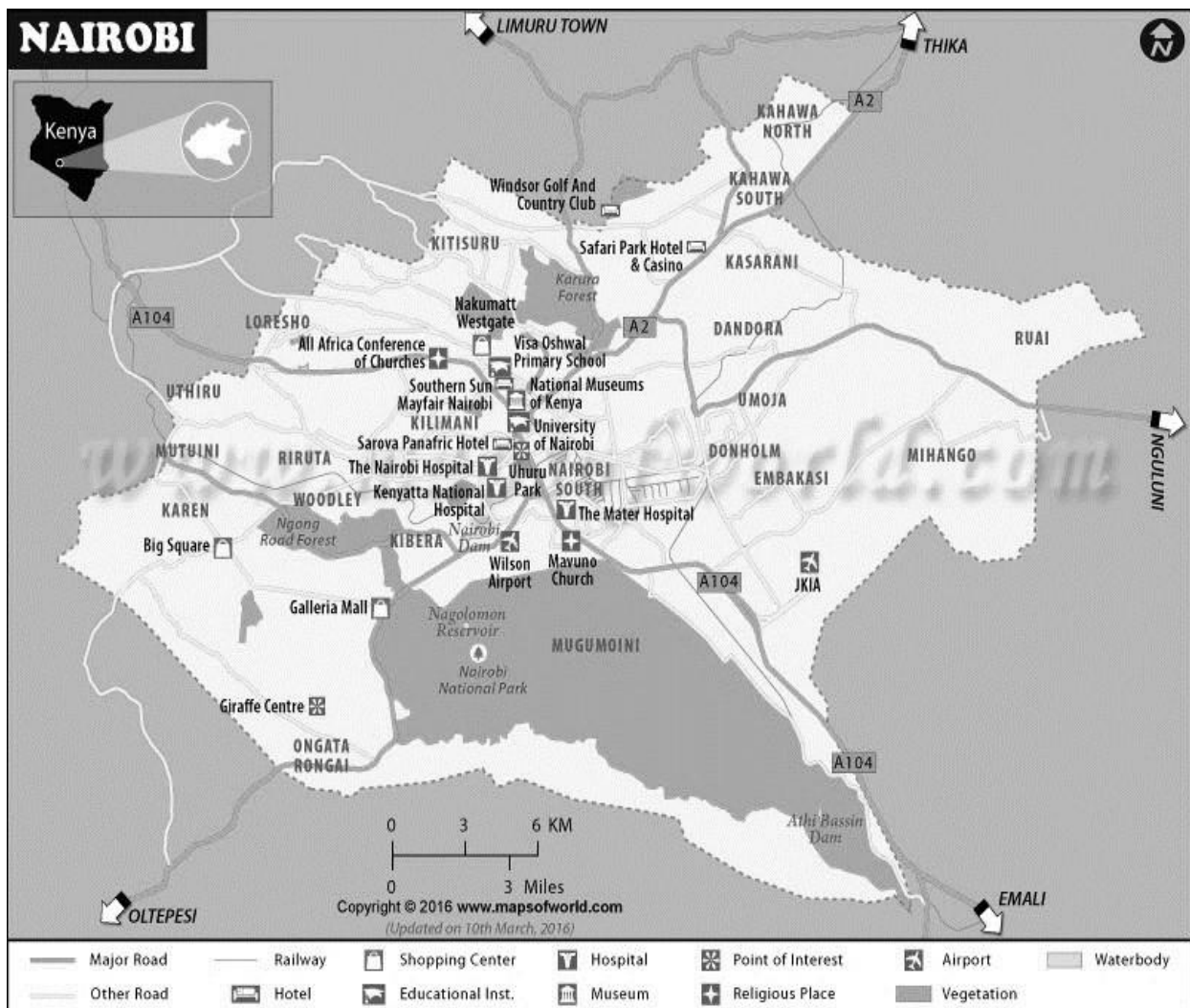
Appendix VI: List of 3-5 star hotels in Nairobi City County, Kenya (Source: Association of Hotelkeepers & Caterers, 2018)

No.	Establishment	County	Rating
1	Villa Rosa Kempinski	Nairobi	*****
2	Hemingway's Nairobi	Nairobi	*****
3	Sankara Nairobi	Nairobi	*****
4	Fairmont The Norfolk	Nairobi	*****
5	Tribe Hotel	Nairobi	*****
6	The Sarova Stanley	Nairobi	*****
7	Radisson Blu Hotel Nairobi	Nairobi	*****
8	Sovereign Suites	Nairobi	*****
9	Dusit D2	Nairobi	*****
10	Intercontinental Nairobi	Nairobi	*****
11	The Boma Nairobi	Nairobi	*****
12	Serena Hotel	Nairobi	*****
13	Hemingways Hotel	Nairobi	*****
14	Safari Park Hotel	Nairobi	****
15	Eka Hotel	Nairobi	****

16	Crowne Plaza	Nairobi	****
17	Ole Sereni Hotel	Nairobi	****
18	House of Waine	Nairobi	****
19	Wasini Luxury Suites and Hotels (Kivulini Restaurant)	Nairobi	****
20	Weston Hotel	Nairobi	****
21	Southern Sun Mayfair Nairobi	Nairobi	****
22	Laico Regency Hotel	Nairobi	****
23	Golden Tulip Westlands	Nairobi	****
24	Fairview Hotel	Nairobi	****
25	Sarova Panafric Hotel	Nairobi	****
26	Silver Springs Hotel	Nairobi	****
27	Hilton Nairobi Limited	Nairobi	****
28	Nairobi Safari Club	Nairobi	****
29	Windsor Golf Hotel and Country Club	Nairobi	****
30	The Clarion Hotel	Nairobi	***
31	Ngong Hills Hotel	Nairobi	***
32	The Heron Portico	Nairobi	***


33	Utalii Hotel	Nairobi	***
34	The Panari Hotel	Nairobi	***
35	Marble Arch Hotel	Nairobi	***
36	Kenya Comfort Suits	Nairobi	***
37	Sportsview Hotel Kasarani	Nairobi	***
38	Boma Inn Nairobi	Nairobi	***
39	La Masion Royale	Nairobi	***
40	Pride Inn Lantana Suites Hotel & Conferencing	Nairobi	***
41	Lavington Hill House	Nairobi	***
42	Land Mark Hotel	Nairobi	***
43	Ambassadeur Hotel	Nairobi	***
44	Sarovar Portico The Heron	Nairobi	***


Appendix VII: Map of Nairobi City County



Source: Retrieved from: <https://www.mapsofworld.com/kenya/cities/nairobi.html>


APPENDIX VIII: NACOSTI


REPUBLIC OF KENYA


NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

RefNo: 175225 Date of Issue: 14/January/2021


RESEARCH LICENSE




This is to Certify that Mr.. Cosmas Makori Omboga of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: "staff Appraisal and Sustainable Organizational Performance: An Analysis of Hospitality Sector in 3-5 Star Hotels in Nairobi City County-Kenya" for the period ending : 14/January/2022.

License No: NACOSTLP/21/8372

175225
Applicant Identification Number


Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document,
Scan the QR Code using QR scanner application.

Appendix VIII: Research Authorization Letter to Collect Data at Kenyatta University



**KENYATTA UNIVERSITY
GRADUATE SCHOOL**

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Our Ref: T129/OL/CTY/26875/2015

DATE: 10th December, 2020

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

**RE: RESEARCH AUTHORIZATION FOR MR. OMBOGA COSMAS MAKORI –
REG. NO. T129/OL/CTY/26875/15**

I write to introduce Mr. Omboga Cosmas Makori who is a Postgraduate Student of this University. He is registered for M.Sc. degree programme in the Department of Hospitality & Tourism Management.

Mr. Omboga intends to conduct research for a M.Sc. thesis Proposal entitled, "Staff Appraisal and Sustainable Organizational Performance: An Analysis of Hospitality Sector in 3-5 Star Hotels in Nairobi City County-Kenya."

Any assistance given will be highly appreciated.

Yours faithfully,

**PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL**

**/C/000

Appendix IX: Research Approval Letter From Kenyatta University



KENYATTA UNIVERSITY GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Website: www.ku.ac.ke

Internal Memo

FROM: Dean, Graduate School

DATE: 10th December, 2020

TO: Mr. Omboga Cosmas Makori
C/o Department of Hospitality &
Tourism Management

REF: T129/OL/CTY/26875/15

SUBJECT: APPROVAL OF RESEARCH PROPOSAL

We acknowledge receipt of your Research Proposal after fulfilling recommendations raised by the Graduate School Board of 29th January, 2020.

You may now proceed with your Data collection, subject to clearance with the Director General, National Commission for Science, Technology & Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and Progress Report Forms per semester. The Forms are available at the University's Website under Graduate School webpage downloads.

Thank you.

HARRIET ISABOKE
FOR: DEAN, GRADUATE SCHOOL.

CC. Chairman, Department of Hospitality & Tourism Management

Supervisors:

1. Dr. Rahab M. Mugambi
C/o Department of Hospitality & Tourism Management
Kenyatta University
2. Dr. Monica A. Wandolo
C/o Department of Hospitality & Tourism Management
Kenyatta University

HH/eww