EMPLOYEES PERCEPTIONS OF PERFORMANCE APPRAISAL PRACTICE AT KEMRI

BY

SUSAN WANJIKU MWANGI

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DECLARATION

This is to declare that this research project is my original work that has not been presented to any other University or Institution of Higher Learning for examination.

Signed ______________________________ Date ____________________

SUSAN WANJIKU MWANGI

D61/72063/2008

This Project has been submitted for examination with my approval as University Supervisor

Signed _______________________________ Date ____________________

PROF. P. K'OBONYO

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

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Thanks also to my dear colleagues who found time out of their tight schedules to participate in my research.

DEDICATION

This Project is dedicated to my husband Peter and my sons Edwin and Martin for their endless love, tolerance, encouragement and support. May this be an inspiration to you to strive for even greater heights.

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ABBREVIATIONS

KEMRI	-	Kenya medical Research Institute
TQM	-	Total Quality management
BARS	-	Behaviorally Anchored Rating Scales
MBO	-	Management by Objectives

ABSTRACT

KEMRI like any other organization spend billions of Shillings yearly on employee performance evaluation. Employees give their best if they perceive to be working in an environment which is not contaminated by patronage, maneuvering, when rewards are linked to performance promotions, based on merit and complaints are addressed. The study sought to determine employee's perception of performance appraisal practice at KEMRI.

The study used a descriptive survey approach in collecting data from the respondents. Random sampling was then used to select the study population of 280 respondents who were employees of the Kenya Medical Research Institute. Questionnaires were used to collect data. The questionnaires were structured in such a way that they elicit specific information from the respondents. The data was edited and coded before it was analyzed using Statistical Packages for Social Scientists (SPSS). Frequency tables and charts were used to present the results for easier understanding and interpretation.

The study found that appraisal process enabled the management in KEMRI to identify areas of strength and opportunity, provide an indication of areas of training need as well as direction for leadership development and performance improvement and succession planning. The appraisal process was also faulted on the basis that it failed to address the shortcomings such as lack of materials and equipment necessary to carry out duties allocated to employees effectively. It was indicated that it was too general as it should be made depending on different level of job description.

The study concluded that processing performance appraisals must be done in order to identify employee's rewards, provide an opportunity to set individual development plan, encourage the individual work planning, develop employee's professional and career, accountability check, recognize and compensate, reference the disciplinary procedure as well as to determine salary increment and promotion exercise.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Performance appraisal is seen as key function in most established models of human resource management, and may be directly or indirectly connected to payment systems as well as other components of performance management approaches (Shelly, 1999). The practice of formally evaluating employee's has existed for centuries (Murphy & Cleveland, 1991: Wiese Buckley, 1998) and according to Johnson (1995) and Vallance and Fellow (1999), as early as third century A.D. in China.

Despite its long history, performance appraisal is one of the most debatable human resource management activities. Its supporters deem it necessary to a successful human resources strategy, while its critics view it as necessary and potentially destructive to workplace harmony (Roberts, 2003, Simmons, 2002, Vallance & Fellow, 1999). Critics such as Scholtes (1998) argue that there is no right way to conduct performance appraisal, and that the process hurts both those who were evaluated and those who conducted the evaluation. Deming (1986 p. 97), the most vocal of the critics, argue that is unnecessary and one of the seven "deadly diseases to afflict most organizations in the western world". Others believe that it will remain as it serves a number of valuable organizational purposes (Thomas & Bretz, 1994: Wiese & Buckley, 1998) and that those who opposed it according to Simmons (2002) are less forthcoming how key decisions on performance could be made.

Harrington (1998) argues that measuring and rewarding employee's honestly and fairly will result in world-class performance, that performance will continue to relate to salaries and that this is a sound principle for any organization to adopt to achieve a competitive edge. He also said that Deming was not opposed to performance evaluation of individuals, but more the way it was conducted. Wright and Race (2004) agree that a well administered and fair performance appraisal which consists of agreed measurable objectives and development needs for employee's will assist an organization to achieve its competitive edge, but they cautioned that any action plans discussed, must be followed through to ensure that the system does not lose credibility.

Many authors (Oberg 1972, Colby & Wallace 1975) have pointed out the shortcomings of existing appraisal systems. They have noted that many appraisal systems are: (a) not relevant to organizational objectives, (b) subject to personal bias, and (c) are often influenced more heavily by personality than by performance.

Despite its shortcomings, employee's regardless of national culture have a strong desire to seek feedback regarding their performance, to know how well they are doing against set standards and whether they are meeting organizational expectations and work requirements (Lee & Shin, 1999; Tziner & Latham, 1989). Tziner and Latham go on to suggest that appraisal plays a motivational role because it allows the individual to experience positive feelings about themselves, even when there are negative comments given (as it will be seen as trying to help them to remedy their weaknesses). Employee's in this study encompass those who work in research institutions either as research scientists, technical or administrative staff and it would be fair to state that they also have a strong desire to seek feedback regarding their performance.

1.1.1 The Concept of Perception

Employees are complex beings. Even though one may be an employee of an organization his/her interests may not necessarily coincide with those of the organization. This is because human beings are influenced by and can act on the basis of their perception. Bennet (1977) considers perceptions as a process in which one interprets sensory inputs such as sight, sound, smell or feelings. Two people may physically see the same thing but they may have their own individual interpretations of what it is.

Bennett (1977) and Mullins (1999) stress the need for managers to be aware of the perceptual differences between themselves and their employee's, which may give rise to conflicts. Perception is influenced by intelligence, personality expectations, motivations and interest. Attitudes and perception are developed over time and can change how information and experience are acquired. Employee's give their best if they perceive to be working in an environment which is not contaminated by patronage, maneuvering, when rewards are linked to performance promotions, based on merit and complaints are addressed (Milkovich and Widgor 1991).

Williams and Fletcher (1998) recognize that perception of fairness by ratees has a bearing on their performance and other outcomes such as low rate of labour turnover, absenteeism, and improved future performance while Fletcher (1997) acknowledges that removing apprehension and uneasiness of the appraisal improves morale and enhances overall productivity of the organization which appraisal system is supposed to achieve. Nurse (2005) studied workers' perception of performance appraisal to determine whether they experienced fair outcomes, and whether was appraisal seen to contribute towards career advancement. Non-union respondents expressed few unfavourable perceptions about the interaction than did their trade union counterparts. The study found moderate relationships between perceptions and treatment of performers and their expectations about career advancement, as expressed through opportunities for training and development, pay for performance and promotions.

1.1.2 Performance Appraisal Practice

There are large numbers of performance appraisal methods by which the performance of the employees can be practically carried out. The most common method for performance appraisal methods is based on the job results, which has tremendous data source related to the employee on the basis of whom the performance appraisal can be carried out properly. As is the typical practice the results pertaining to employee being subjected to performance appraisal methods get compared against the set out objectives defined in the standard performance appraisal methods. The type of objectives choices made can be either absolute or relative to the employee's working the organization (Landy and Farr 1980).

All performance appraisal methods carried out by every company have some similarities. They often include a critical incident file, rating scales, BARS or the behaviorally anchored rating scales, ranking, management by objectives and the narrative method just to mention a few. In order to make an effective evaluation among the personnel and to improve the quality of performance in each and every subordinate, these performance appraisal methods will prove to be extremely helpful. An appraisal is the best tool that can be used by management to increase staff motivation, behavioral development, communication between the management and the staffs, setting the organization's aim and that of an individual alike. It is also a way to develop a healthy relationship between the management and its staff and to improve competence of the employee's. Performance appraisal gives way for an effective management and an energetic, enthusiastic group of employee's working in an organization (Heneman, & Gresham 1998).

1.1.3 Kenya Medical Research Institute (KEMRI)

The Kenya Medical Research Institute (KEMRI) was established in 1979 under the Science and Technology (Amendment) Act of that year to represent the national body responsible for carrying out health science research in Kenya. Prior to the establishment of KEMRI, health research in Kenya was conducted under the auspices of the East African Medical Research Council which had been established in 1957 to serve the countries of the East African Community. Following the breakup of the East African Community in 1977, the Kenya Parliament passed the Science and Technology Act in 1977 and amended it in 1979 to provide for the establishment of research institutions. KEMRI's mandate is stated in the Science and Technology (Amendment) Act of 1979, and has further been translated to be in harmony with the Institute's current health research and development realities, and the envisaged future direction.

At its inception in 1979, the Institute had only 5 members of staff - 2 Research scientists and 3 non-research staff. As at July 2008, the Institute had a total of 3,408 comprising 1075 permanent and 2333 project personnel on contract employment. (Source: Human Resource Department Records, 2008). Currently, the institute has a total staff population of 1024 which are divided in to four categories namely; Research Staff, Technical Staff, Administrative Staff and other staff. (Human Resource Department Records, 2011). KEMRI uses Essay method to appraise its employee's which involves an evaluator's written report usually in terms of job behaviors and/or results. The subject of an essay appraisal is often justification of pay, promotion, or termination decisions, but essays can be used for developmental purposes as well. Results of the appraisal are communicated to the employee's through their respective heads of departments.

1.2 Research Problem

Knowing that performance appraisal methods are a significant and crucial part of every organization, it is no surprise there are many different performance appraisal methods in use. Performance appraisal is a means of identifying the strengths or weaknesses of an employee and to look for possible skill development and improvement strategies for that particular employee. Performance appraisal results indicate both the employees who are performing well and who deserve increased merit pay, promotion or bonus as well as those who are somehow lacking in terms of performance, thus requiring some counseling or in worst cases, dismissal or demotion just to mention a few (Mayhew, 1985).

A wide range of methods are used to conduct performance appraisals, from the simplest of ranking schemes, to complex competency and/or behavioural anchored ratings schemes (Snape, Redman & Bamber, 1994). The nature of an organization's appraisal scheme is often a reflection on its resources and expertise. Evaluating and ranking the employee's working in organizations are challenging tasks involving several factors. In order to make an effective evaluation among the personnel and to improve the quality of performance in each and every subordinate, these performance appraisal methods will prove to be extremely helpful. An appraisal is a tool that can be used by management to increase staff motivation, behavioral development, communication between the management and the staffs, setting the organization's aim and that of an individual alike. It is also a way to develop a healthy relationship between the management and its staff and to improve competence of the employee's. Performance appraisal gives way for an effective management and an energetic, enthusiastic group of employees working in an organization (Redman & Wilkinson 2001).

Essay appraisals used in KEMRI are to a large extent unstructured and open-ended, lack and thus lack standardization. The open-ended, unstructured nature of the essay appraisal makes it highly susceptible to evaluator bias, which may in some cases be discriminatory. By not having to report on all job-related behaviors or results, an evaluator may simply comment on those aspects of performance that reflect favorably or unfavorably on an employee. This does not usually represent a true picture of the employee or the job, and thus content validity of the method suffers. While performance management is a continuous process, appraisals are periodic while most organizations have at least annual performance review KEMRI takes three years or more. There is no formal training process for KEMRI appraisees or appraisers, and this is considered a major weakness. This has affected the rewarding process of employee's.

KEMRI policy guidelines give passing reference to setting clear performance objectives, which are linked to the corporate and business plan, but the guidance stops there. They are therefore poorly conducted, with little regard for ensuring that organization and individual objectives are aligned as closely as possible. This translates to poor performance for both the employee's and the employer. Due to lack of formalized performance appraisal at KEMRI, goals are not clearly defined so both the supervisor and the employee do not participate in setting the goals so there is no feed-back to the employee's as to how well they are progressing towards the goals. Goals can stimulate employee's effort, focus attention, increase persistence and encourage employees to find new and better ways to work. Due to the nature of KEMRI appraisal process which does not report on all job-related behaviors or results, KEMRI does not include the measurement of competencies which has a number of benefits, most importantly; being able to direct employee's towards areas where there is scope for behavior.

Most research that has been carried out in this area has been done in the western world where the main focus has been on the usage of performance appraisal rather than the effect of the process on employee's and their perception. The limited research which has been done locally includes the work of Kachero (2006) who studied on Employee's perception of the staff promotion process: The Case of Middle Grade Staff in the University of Nairobi. His study revealed that employee's attitudes were affected by their perceptions and that arbitrariness and secrecy sometimes diminished the effectiveness of the process. Muchiuri (2010) studied Employee Perception of Strategic change at Sphinx Pharmaceuticals whose findings were that employee's preferred to be more involved in the entire change process from identification of the need and not just in the implementation of the changes. Komora (2010) focused on Factors affecting perception of performance contracting by Teacher: A survey of Teachers in Thika municipality public primary schools. The study revealed that teachers had little knowledge of performance contract so they opposed it. The researcher did not find any study focusing on Employee's Perception of Performance Appraisal Practice, yet such employee perceptions are critical for the success of the system. This study is an attempt to fill this knowledge gap. The following question is drawn from the statement of the problem. What is employee's' perception of performance appraisal practices at KEMRI?

1.3 Objective of the Study

To determine employee's perception of performance appraisal practice at KEMRI

1.4 Importance of the Study

The findings of this study will help KEMRI ascertain the gaps in the implementation of performance appraisals which if implemented will improve the process leading to enhanced productivity.

It will be of great value to the researcher since it will form a basis of her academic evaluation. The researcher will also benefit by applying the skills and knowledge acquired throughout her study to present the research paper while the research exercise itself is an additional source of knowledge.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of literature focusing on the employees' perceptions of performance appraisal practice in parastatals.

With rapid changes taking place in the environment, there is need for individuals and organizations to embrace performance management in order to remain competitive.

Successful organizations stress the need for performance management and use performance appraisal as tool for promotion, identifying gaps for training of their employees and others. It is therefore important for employees to believe in the methods used to evaluate their job performance for organizations to achieve their set goals and objectives.

2.1.1 Performance Appraisal

Performance appraisal is a method by which the job performance of an employee is evaluated by the line manager or supervisor. It is a key factor in order to develop an organization effectively and efficiently. Individual performance appraisal is very beneficial for the growth dynamics of the organization as a whole. Regarding definition of performance appraisal Grote (2002) stated that "Performance appraisal is a formal management system that provides for the evaluation of the quality of an individual's performance in an organization." Performance appraisal is "the process of evaluating how well employees perform their jobs when compared to a set of standards, and then communicating that information to that employee's" (Mathis and Jackson, 2000).

Tznier, et. al., (2000) suggest that organizations generally use performance appraisal for two broad purposes. First performance appraisals are used in administrative decisions such as promotions, salary allocations, and assignments. And second, performance appraisals are used as a tool for employee development processes such as offering feedback, critiquing performance, and setting goals for improvement. With these broad purposes organizations establish their own often unique performance appraisal systems to evaluate and develop their employee's. But, it is often difficult for organizations to evaluate whether their performance appraisal system is accomplishing their desired outcomes. The purpose of the performance appraisal system is set by those in the organization who establish the performance appraisal system itself. It is clear that in order to get the desired results the organization must develop, evaluate and reward the desired behaviors.

Cash (1993) indicates that from the employee's view point, the purpose of performance appraisal if four-fold: Tell me what you want me to do, let me know how well I have done it, help me improve my performance and reward me for doing well. Performance appraisal therefore is an important human resource function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities of human resource. It should be a continuous process. The supervisors should continuously determine how effectively their subordinates are performing different tasks. For effective development and utilization of the human talent, performance appraisal plays a key role since it enables an organization to identify objectively the employee's strength and weaknesses. The organization will then be able to counsel the employee's to improve the weak areas. This will help all the employee's to contribute positively to the attainment of the organizational objectives.

According to Daley, Dennis, (1992), performance appraisal is an analysis of an employee's recent successes and failures, personal strengths and weaknesses, and suitability for promotion or further training. It is also the judgment of an employee's performance in a job based on considerations other than productivity alone.

Fletcher (2001) defines performance appraisal as a process designed to evaluate, manage and eventually improves the performance of employee's. The supervisor and the employee should openly discuss expectations of the organization and the employee's' achievements especially for future development for future development of the employee. It becomes part of a more strategic approach to put together human resource activities and business policies. It is important to assess employees and develop their competencies, enhance performance and distribute rewards.

Vroom (1964) in his fundamental book "Work and Motivation" describes an expectancy theory of motivation. Expectancy theory suggests that the motivation behind a supervisor accurately and effectively completing the performance appraisal process with a given employee is dependent on the degree of the supervisor perception that effort put into the performance appraisal process will result in an accurate performance appraisal rating , the degree of the supervisor's perception that an accurate performance appraisal rating will produce performance appraisal effectiveness, and the value that the supervisor places on an effective performance appraisal.

In order to capture the effectiveness of the performance appraisal process it is important to look at the performance appraisal interview and those involved. The supervisor and the employee are typically the two individuals involved in the interview (see Lam & Schaubroeck (1999) for an exception, also excluding the work on the 360 degree feedback). In capturing what leads to a successful performance appraisal interview there are supervisor and employee characteristics that must be taken into consideration.

Managers and employee's dislike the appraisal process for various reasons. Longenecker (1989) argues that accuracy in performance appraisal is impossible to achieve, since people play social and political games, and they protect their own interests. Feedback-Seeking is another proble. Larson (1989) has described a social game played by poor performers. The aim of the game is that the feedback-seekers want to deflect responsibility for their own poor performance.

Gabris & Mitchell (1989) have reported a disruptive bias in performance appraisal known as the Matthew Effect. That is, their appraisal results tend to become self-fulfilling for example if they have done well, they will continue to do well; if they have done poorly, they will continue to do poorly while a study by Heneman, Greenberger & Anonyou (1989) reported that subordinates are divided into two groups; In-groupers and out-groupers. In groupers are subordinates who seem to be favored by their supervisors. In their relationship with the boss, they enjoy "a high degree of trust, interaction, support and rewards."

According to Krein (1990), appraisees should not confront employees directly with criticism. Rather, they should aim to let the evidence of poor performance emerge "naturally" during the course of the appraisal interview. This is done by way of open-ended questioning techniques that encourage the employee to identify their own performance problems. Judgment Aversion is another factor where many people have a natural reluctance to "play judge" and create a permanent record which may affect an employee’s future career. This is the case especially where there may be a need to make negative appraisal remarks (Greenberger & Anonyou, 1989).

Some interesting insights into what can go seriously wrong in a system of reward-linked performance appraisal is found in the work of Deets & Tyler (1986). The question of whether appraisal results should be allowed to directly influence decisions about pay increases has been hotly contested. Naturally, the typical appraisee is not eager to admit to anything that might impair their chances of a pay rise or other reward. There is also the work of Bannister & Balkin (1990), which has reported that “discussions of pay at the time of perormance appraisal” increases employee acceptance of appraisal and their satisfacation with the process. Pay increases and promotions send powerful messages to employee’s. If these messages do not mach up with the appraisal results, employee’s are quick to dismiss th whole process as a farce. Lack of Employee Participation is another issue. Employees should participate with their supervisors in the creation of their own performance goals and development plans. This sense of ownership provides an effective basis for stimulating change and development (Thomas & Bretz Jr.,1994).

A new detailed survey of Fortune 100 firms conducted by Cornell University researchers, Bob Bretz and George Milkovich (1992), provide some perspective on the performance appraisal enigma. The survey reveals a great deal about the format, design, and process of performance appraisal as currently practiced by the country's largest employers. The results, stacked up against recent performance appraisal research, suggest that the interests of the practicing managers and those of the researchers have surprisingly little in common.

Two fundamentally different perspectives have served to create a gap between research and practice. Managers, for example, tend to focus on the processes and behaviors (fairness and usefulness) of performance appraisal, while researchers are more concerned with the cognitive aspects of the rating process. While research, on one hand, has done little to improve the usefulness of performance appraisal as a management tool, organizations, on the other hand, have been guilty of ignoring research findings that have potential to improve the appraisal process (Thomas and Bretz Jr., 1994).

2.2 Performance Appraisal Methods

There are numerous methods which have been devised to measure quantity and quality of employee’s job performance. Each of the methods discussed could be effective to different organizations. According to Landy and Farr (1980), each method has several techniques and implications for the application of appraisal results. Traditional methods consists of essay method, straight ranking method, paired comparison, critical incidents method, checklist method, graphic rating scale and forced distribution among others while modern appraisal methods consist of assessment centres, behaviorally anchored rating Scales (BARS), 360 feed-back method, management by objectives (MBO) and human resource accounting. Only a few techniques will be discussed in details as below:

Paired Comparison is a comparative method of performance assessment in which a superior assess the performance of pairs of individuals, until each employee has been judged relative to each other employee, or until every possible combination of employee's has been considered. A rating scale is devised to show the number of times an individual employee was judged as 'better' (Roberts, 2001:542).

Management by objectives (MBO) compares the employee against a standard of expected results. It clearly differs from behavioral checklists and the critical-incident methods, which focus on behavior. MBO requires three things: (1) a set of clearly defined goals, (2) participation of both manager and employee in setting the goals, and (3) feedback to the employee as to how well he or she is progressing toward the goals (Grote, Op Cit). Theoretically, MBO ought to be an effective method of appraising employees and, as its name implies, managing people. Its principles virtually coincide with Locke's goal theory of motivation (Lathan & Locke, 1979). And from a practical standpoint it is job outcomes that are important to the organization, for it is these outcomes that the organization most likely wishes to pay for.

Rate Scales is the simplest and most popular technique for appraising employee performance. The typical rating scale system consists of several numerical scales, each representing a job-related performance criterion such as dependability, initiative, output, attendance, attitude, co-operation and the like. Each scale arranges from excellent to poor. The rate checks the appropriate performance level on each criterion, and then computes the employee's total numerical scores. There is typically a minimum required grade an employee must receive in order for the performance appraisal to be considered a success. Those that do not make the grade are often put on a performance improvement plan. This method is viewed by some management theorists as an egalitarian way of measuring individual performance (Mount, judge, Scullen, Sytsma, and Hezlett, 1998).

Behaviorally Anchored Rating Scales (BARS) is a relatively new technique which combines the graphic rating scale and critical incidents method. It consists of predetermined critical areas of job performance or sets of behavioral statements describing important job performance qualities as good or bad (for eg. the qualities like inter personal relationships, adaptability and reliability, job knowledge etc). These statements are developed from critical incidents. An employee's actual job behaviour is judged against the desired behaviour by recording and comparing the behaviour with BARS. Developing and practicing BARS requires expert knowledge (Schneider and Beatty 1979). Unfortunately, this method also suffers from distortions inherent in most rating techniques (Larson, 1984).

Forced Distribution method operates under an assumption that the employee performance level conforms to a normal statistical distribution. Generally, it assumes that employee performance levels conform to a bell-shaped curve. For example, the following distribution is assumed to exist - excellent 10 percent, good 20 percent, average 40 per cent, below average 20 per cent and unsatisfactory 10 per cent. One merit of this approach is that it seeks to eliminate the error of leniency. The major weakness of this method lies in the assumption that employee performance levels always conform to a normal distribution. The error of central tendency may also occur, as the rate resists from placing an employee in the lowest or highest group, (Sanches and De La Torre, 1996).

360-degree feedback performance appraisal method has grown in popularity and when undertaken correctly is effective, reasonably inexpensive, widely applicable and clearly focused on individual performance. The idea behind 360-degree feedback is that employee's benefit from feedback gathered from a wide range of sources. Characteristically this includes peers, superiors, subordinates and customers; essentially it is designed to obtain comments from 'all directions,' above, below and to the side of the employee concerned. It is intended to give a more complete and comprehensive picture of the individual's performance and contribution. The process typically follows a procedure in which competences have been established and defined and employees are then requested to nominate up to six significant others who cover the range of suitable respondents. Those giving feedback are then asked to use a rating scale or comment on each of the dimension. For example, Roberts (2001) suggests managers might be assessed by their employee's on 'softer' people issues such as communication and support, and their peers on issues such as teamwork. Indicators of both internal and external customer satisfaction may be used, and suppliers and subcontractors may also be asked to give feedback on the individual manager's performance and demonstration of competences (Edwards & Ewen 1996).

However, there are drawbacks associated with this method. Receiving feedback on performance from multiple sources can be intimidating. It is essential that the organization create a non-threatening environment by emphasizing the positive impact of the technique on an employee's performance and development. It takes a long time selecting raters, designing questionnaires and analyzing the data. Raters can have enormous problems separating honest observations from personal differences and biases (Kaplan, 1993).

2.3 Performance Appraisal Practice

Organizations may vary on a wide array of factors (including for example size, product, market, technology, culture, competitive environment, strategy, and union representation) that are likely to affect performance appraisal practices. Therefore, describing the modal setting in which a appraisals take place is exceedingly difficult and should be approached cautiously. Three surveys of current performance appraisal practices were done including a 1989 survey by the Wyatt Company of the performance appraisal practices in 3052 organizations (Wyatt, 1989), and a 1990 survey by the Conference Board of the performance appraisal practices in 435 of its member organizations (Milkovich & Wigdor, 1991). The organizations represented in these three surveys varied in terms of size, location and industry and prepared to adequately represent the diversity of

U.S. private sector organizations. In all three surveys, the questionnaire was completed by middle to high-level human resource manager. The survey results considered four dimensions; system design and characteristics; system management; important issues and current uses and performance distribution.

2.3.1 Designing Effective Performance Appraisal Systems

Developing an appraisal system that accurately reflects employee performance is a difficult task. Performance appraisal systems are not generic or easily passed from one company to another; their design and administration must be tailor-made to match employee and organizational characteristics and qualities (Henderson, 1984, p. 54). Performance appraisals are most commonly undertaken to let an employee know how his/her performance compares with the supervisor's expectations and to identify areas that require training or development. Employees have a legitimate need to know how their performance is viewed. At a basic level, without adequate communication between the employee and the supervisor, undesirable work habits may be formed or good work habits may be modified. Lack of such communication may be viewed by the employee as approval of their current work habits and performance. The supervisor also has a legitimate reason to conduct performance appraisals. Unsatisfactory performance needs to be conveyed in order to arrange for improvement. Indeed, if performance is satisfactory the supervisor wants to promote continued satisfactory performance. In either case, it helps to have a systematic framework to ensure that performance appraisal is "fair" and consistent.

One of the first steps in developing an effective performance evaluation system is to determine the organization's objectives. These are then translated into departmental and then individual position objectives working with employee's to agree their personal performance targets. This allows the employee to know "up front" the standards by which his/her performance will be evaluated. This process involves clarifying the job role, job description and responsibilities; explaining how the role and responsibilities contribute to wider goals, why individual and team performance is important and just what is expected within the current planning period. Objectives developed in this way should be reflective of the organizational goals and provide linkages between employee and organizational performance. Within a given department some (and in some cases, many) objectives will be shared within a team or standardized across a number of similar employee's. However, it is important to ensure that, where necessary, an individual focus is maintained. Within any group of employee's performing the same job function there may be wide gaps in experience and technical knowledge.

In order to keep each individual employee motivated and committed to performing at his/her best, some objectives need to be customized to allow for continued growth. A significant portion of an employee's performance should be based on these jointly (supervisor and employee) developed objectives. It is important that the process ensures that employee's understand how their personal job performance contributes to the overall performance of the company. This direct linkage helps to create team-working and shared responsibility. Team effort stems from shared objectives reflecting organizational goals and clarification and understanding of the roles and responsibilities of each member (Kellogg, 1975, p. 22). Within such a framework, performance appraisal has higher acceptability. Although (at least some of the) performance objectives should be individual and agreed between employee and supervisor, this does not mean that they should be easy to attain. All objectives, while being attainable, should challenge the employee to extend him/herself to exceptional levels.

A major aspect of developing an effective performance system is training for those individuals involved as raters. This training should start with a focus on providing the manager with a systematic approach to the practice of effective people (Goff and Longenecker, 1990). This training management needs to focus on the process of managing, motivating and evaluating employee performance: performance appraisal is only a part of this overall process and it is important that managers see it within its wider context and not as a simple "quick fix" solution.

Thus training should begin with those levels of management that will be involved in administering the programme and providing training for lower levels of supervision. Once these senior managers have “bought into” the system, skills’ training is needed for junior managers and supervisors. This specific training should include at least supervision skills; coaching and counseling; conflict resolution; setting performance standards; inking the system to pay (assuming this is an aim of the appraisal system); providing employee feedback (Evans, 1991).

Once an individual rater has been through the necessary training, periodic refresher courses will be required to help the rater maintain necessary skills in performance assessment. Raters involved in the appraisal process should also be evaluated on how they conduct performance appraisals. This will help to make sure that evaluations are performed in a similar and consistent manner throughout the organization. Since we are asking employee’s to contribute to the process (by being involved in the setting of personal objectives and obviously in the review process), some training is required for all employee’s. This training should include how to set objectives, how to keep accurate records, and how to communicate all aspects of performance.

Employee reviews should be performed on a frequent and ongoing basis. The actual time period may vary in different organizations and with different aims but a typical frequency would be bi-monthly or quarterly. By conducting reviews frequently two situations are eliminated: (1) selective memory by the supervisor or the employee; and (2) surprises at an annual review. People generally tend to remember what happened within the last month or high profile situations (good or bad). Frequent reviews help eliminate the effects of this, generally unconscious, selective memory. Eliminating surprises in the appraisal process is also important. Both the supervisor and employee need to know that there is a performance problem prior to any major annual review. The longer a problem is allowed to continue, the more difficult it is to take corrective action. Frequent performance appraisals should eliminate the surprise element and help to modify performance prior to any annual review.

If there is a good relationship between supervisor and employee, informal reviews of an employee’s performance may be undertaken almost continually. Poor performance should not go unchallenged just because the quarterly review is not due for two months. Frequent reviews also allow for clarification and revision of objectives. This leads to better informed employees who are better equipped to perform their job satisfactorily. In addition frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives (Sahl, 1990). Job demands can frequently prevent employees from achieving specified objectives. In this case the supervisor must either re-assign work to allow the completion of this objective or modify the objective to reflect the changing conditions of the job.

Another key to ensuring the effective use of a performance appraisal scheme is keeping and maintaining accurate records of employee’s performance. Carefully maintained, they establish patterns in an employee’s behaviour that may be difficult to spot by typical incident supervision (Crane, 1991). Careful review of the records helps avoid the selective memory mentioned earlier and helps plot appropriate actions. Well maintained records are essential if the need arises to discipline, demote or dismiss an employee. It is particularly helpful if employees are themselves responsible for part of the process of record-keeping. This helps reinforce the fact that a major part of the process is devoted to employee development and that employees have a responsibility for their own development. Such an approach to dual documentation also helps in the elimination of surprises.

The actual measurement or grading system used to rate employee’s performance needs to be designed carefully. A performance appraisal system which ranks employee’s according to a numerical rating tends to lead to a great deal of average performers. For example, if a 1-5 scale is used, five being best, a majority of employee's will be rated a three. While this may be reflective of their actual performance, few people take gratification in being called average. Another problem arises from the supervisor and allows him/her to focus on coaching and developing the employee. Some multiple rater systems go as far as involving the use of subordinates in the evaluation process. This is especially effective in a work environment which is self-governing.

As part of the overall process, employee self-appraisals should be encouraged (Goff and Longenecker, 1990). This helps the employee to be less defensive and passive in the appraisal review. Self-appraisals can lead to self-improvement. The employee's self-appraisal can also be helpful for the supervisor in opening a communication link and allowing for comparison of performance results. Self-appraisals give the supervisor helpful insight as to how the employee views his/her performance. Generally speaking people will be at least as tough on themselves as the formal rater. A proper process of employee and supervisor (or multiple rater) review can help employee's agree on areas for development and how the organization can help (Gates, 1991).

2.3.2 Pay for performance

Many performance appraisal systems attempt to relate pay to performance. However, this link is often unsatisfactorily established and even less often maintained to the satisfaction of employee's and supervisor/organization. The People's Natural Gas Company, a regulated utility based in Pittsburgh, Pennsylvania discovered that in order to remain competitive, it is important that this linkage be obtained and maintained. While researching a potential new system, both the supervisors and employees were interviewed. An unexpected finding from the employee interviews indicated the company's six-month separation between performance appraisal and the resulting merit increase was blurring the perceived link between an employee's performance and pay (Guinn and Corona, 1991). When pay is not directly related to performance, it is possible that employee's will discount the appraisal process. In order for an appraisal system to be truly effective in a pay for performance environment, adjustments to pay should come as close in time as possible to the conducted performance review. The preferable length would relate review to the next full pay check or at the most the beginning of the next month. This immediate effect helps motivate and commit the employee to the appraisal process. It also allows the employee to distinguish clearly how successful or unsuccessful completion of objectives affects them directly.

2.3.3 Legal issues

While the basic intent of developing an effective performance appraisal system is to make a company more productive, profitable and to let employee's know their level of performance, there are also legal reasons for developing an effective performance appraisal system. Failure to conduct appraisal "properly" (failing to maintain adequate records, for example) may result in employee's (or their trades unions) taking legal action. Where an employee handbook makes reference to performance appraisal or review, they must be carried out to acceptable levels of details. Many states have recognized statements in employee handbooks as implied contracts of employment. If an employer states annual performance reviews will be conducted and then fails to do so, the employer could find him/her liable for breach of an implied promise. Employers must ensure, therefore, that they adhere to their commitments to conduct such reviews (Nobile, 1991). It is extremely important that all strengths and weakness be clearly documented in the performance review and follow up action on unsatisfactory performance pursued. This is especially important in the case of termination of an unsatisfactory employee.

2.3.4 Management of Performance Appraisal System

Bretz, Milkovich & Reed (1992) observe that it is common to spend about 7 hours per year assessing the performance of each employee at higher organization levels and about 3 hours per year for each employee at lower levels. However, there is considerable variability on this issue. Many organizations report spending less than 1 hour per appraisal, while a few organizations spend considerable amounts of time. For example, one reported spending between 20 and 40 hours per employee per year on the appraisal process. Decision Making: Performance appraisal policy decisions (e.g. whether to conduct formal appraisal, whether to link pay to performance e.t.c) tend to be made at the corporate level in most organizations, but they are likely to be made at the business unit level in decentralized organizations. Decisions regarding appraisal practices (e.g. type of format to use, rater training issues, e.t.c), however, are as likely to be made at the business unit level as they are at the corporate level. Very few organizations allow decisions about performance appraisal policies or practice to be made at the facility level.

Most organizations report extensive use of rater training programs. However, training is most likely to occur when new systems are introduced, and few organizations provide rater training on an on-going (yearly) basis. Rater training is most likely to focus on conducting appraisal interviews and providing feedback, proper use of the new forms, setting performance standards, recognizing good performance and avoiding errors. It seems therefore, that performance appraisal practice has benefited from previous rater training research. However, raters receive virtually no training in how to best use the process to receive feedback or improve performance. Training remains focused on the rater. (Supervisor/Manager); preparing employees for their role in the appraisal process simply does not occur. Rater Accountability: It remains uncommon for managers to be evaluated on how they manage the appraisal process. Basic motivation models suggest that people will tend to behave in ways that maximize their expected payoffs or in ways for which they are reinforced (e.g. Vroom, 1964). In spite of this, only about one-quarter of the organizations surveyed attempted to hold raters accountable for how they managed the appraisal process. Among those that did, the common method for doing so was to include it as a dimension on the rater's own appraisal form.

2.4 Outcomes of the System

2.4.1 Improving Performance

Rogers (1999) suggest that one of the key components of performance appraisal is solving problems. He also suggests that while many managers may have the skills to identify the need to improve performance, they may need much more support than is currently made available to sort them. Poor performance can arise from a host of reasons, including inadequate leadership, bad management or defective work systems (Armstrong 2000); Pigott-Irvine (2003 cited research that suggested the need to distance appraisal and disciplinary processes. This is also argued by Armstrong who suggests that capability issues should be taken outside of the appraisal process. This appears sensible but unrealistic to some extent. A key feature of the appraisal system is achievement of goals, and a lack of achievement must at least give a manager an early warning that something is not right.

2.4.2 Appraisal outcome and reward

Performance Related Pay is best described as the explicit link of financial reward to individual, group or company performance (Armstrong & Murlis 1991). There is much research on the subject of appraisal leading to pay. Mardsen and French (1998) undertook research at the Inland Revenue on the impact of an appraisal scheme linked to performance related pay. They found that the scheme had the general effect of reducing motivation and teamwork. A new system of performance appraisal introduced at Rother Homes was considered a major success (Langridge 2004) and one key element was separation of pay and bonuses from the appraisal system. Research into the link between performance appraisal and financial reward was undertaken in 1995. That piece of work concluded that there is no evidence to suggest that pay itself rewards motivation. Moreover, poor implementation of Performance Related Pay (PRP) can cause resentment and de-motivate staff (Audit Commission 1995).

2.4.3 Personal Development and Training

All commentators on performance appraisal agree that identifying and implanting development plans is a key outcome of the performance appraisal process. Performance is measured, and then from that appraiser and appraisee agree a plan to improve performance. Appraisal will focus on both short term issue and also long term career needs (Shelley 1999). Research by Wilson and Western (2000) suggest that appraisees take the lead in determining the training and development to take place. If this is the cases, it is of concern, as personal development requirements may take a poor second place to immediate on the job training. Rees and Porter (2003) suggest that care needs to be taken in establishing realistic priorities and to recognize the potential conflict between individual aspirations and organizational needs.

2.4.4 Motivation and Job Satisfaction

There is much research on how raters may distort final evaluation scores through their own motivation (Poon 2004). Some research has uncovered examples of managers deliberately distorting staff performance ratings for political reasons (Longenecker, Sims and Gioia (1987) or avoiding confrontations (Fried and Tiegs 1995). Longnecker et al (1987) research concluded that managers were more concerned about the consequences of their employee ratings on themselves. Poon's (2004) detailed research into this area concluded that manipulation of ratings or inconsistent ratings did have an effect on job satisfaction. However, a well-developed and executed performance appraisal system can have a positive impact. Resarch by Langridge (2004) concluded that new systems of performance appraisal and management development have helped to revitalize a UK housing association. The system implemented separated out financial bonuses from the individual performance review, which was overwhelmingly supported by all staff.

2.5 Perception of Performance Appraisal

In a study undertaken by Johnson (1995) in 1992, to examine the attitudes of nearly 32,000 American federal employees toward performance appraisal, he concluded that the employees were dissatisfied with the way performance appraisal was conducted and that less than one-fifth felt that the process motivated employee's to perform well. He claimed however that there is no empirical evidence that performance appraisal itself is undesirable, because from his study almost half (46 per cent) liked the concept of the process as it gave them an indication where they ranked among co-workers.

In 1997 Waston Waytt Worldwide, a consulting firm with global interest undertook a national survey of 2,004 cross-section Canadian workers (Davies & Landa, 1999). The study looked at the internal systems within organizations acknowledged to be intrinsic to its success. The key were that less than two-thirds (60%) said that they understood the measures used to evaluate their performance, even fewer (57%) thought that their performance was rated fairly, less than half (47%) said that their managers clearly expressed goals and assignments, even fewer (39%) reported that their performance review was helpful in improving their on-the job performance, and 19% reported a clear, direct and compelling linkage between performance and their pay. At its best, most employee's saw the process as highly stressful process with little or no perceived connection to their compensation, and at its worst as a symbolic whip in the hands of management. The study did not conclude that the process be removed, but that practitioners must recognize its weakness and also a need to foster upward communication in the organization.

As a motivational tool, Mani (2002) found from the East Carolina University (US) study (assessing the attitudes and opinions of a limited number of lower graded employee's- grounds workers, library clerk III, patient relations representatives IV, and medical records assistant V), that many employees were motivated by factors that did not relate to the performance management system, that many were self-motivated or motivated by the enjoyment of their work (intrinsic rewards), and pay, an extrinsic reward ranked third among the things that motivated these employee's. However, she warned that self-motivation and enjoyment of work will cease if employee's pay is not adequately increased and pay was also seen as a symbol of recognition. Ultimately, lack of pay increase may result in these employees leaving the University.

In an earlier study conducted by Boswell and Boudreau (2000), it was found that employees were more likely to be satisfied with the performance appraisal process if it was used for career advancement and training and development. Their study brought renewed support for the importance of individual development in the performance appraisal process. When performance appraisal is used for development it is a way to support employee's' growth, but more importantly, it can directly influence employee's' attitudes. These attitudes may in turn influence turnover, absenteeism and the performance of the organization. Boswell and Boudreau surveyed 128 manufacturing employee's investigating the relationship between perceptions of performance appraisal use, specifically evaluative (salary, promotion and identifying poor performers) and developmental (performance feedback, identifying training needs, determining transfers and assignments) use, and employee attitudes toward both the appraisal and appraiser. Interestingly, they suggested that because employee's expected that the appraisal is used for evaluation therefore the process did not influence attitudes one way or another. They concluded that when used for development, the appraisal process promoted positive attitudes, whereas when used for evaluation the process may not be well received.

According to Henderson (1980), the most important issue for all employee's in any appraisal of performance is job security, as they recognize that their survival at the organization and the extent of promotional opportunities are dependent on the judgment, consideration and feelings of the immediate manager and others holding a position of authority. It is surprising to find that many organizations do little to motivate or prepare managers to conduct effective appraisals. Few organizations conduct rigorous, skills-based training, instead most either had performance rating forms and corresponding instructions to managers and tell them to evaluate their subordinates by a specific date or hold a short meeting to explain the rating purpose and procedure to answer any questions that managers might have (Fink & Longenecker,1998).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section of proposal includes research design, population of study, sample design, sampling frame, data collection methods and data analysis.

3.1 Research design

In this research a descriptive survey approach was used. Since the study was aimed at determining the impact of employee's perceptions of performance appraisal, a descriptive research was the best since data was collected at one point in time and analysis was comparative. The organization employees were categorized according to their cadres. From the strata, a specific sample assigned to was selected randomly. This ensured that different categories of population were adequately represented in the sample so as to increase the level of accuracy. A descriptive survey approach has been used by other researchers to draw samples successfully.

3.2 Population of Study

The population of interest in this study was the entire 1024 employees of the Kenya Medical Research Institute (KEMRI).

3.3 Sample design

Since KEMRI employees were classified according to their specialization i.e Research, Technical, Administrative, and other staff, a stratified random sampling method will be used for this study. Random sampling was then used to select subjects from each stratum until the number of subjects in that stratum is proportional to its frequency in the population. This ensured that different categories of population were adequately represented in the sample so as to increase the level of accuracy.

The desired sample size was determined using the following Fisher et al. (1991) formulae:-

$$n = \frac{Z^2 \ pq}{\mathbf{d}^2}$$

Where:

n = the desired sample size (when population is greater than 10,000).

Z = the standard normal deviation, set at 1.96, which corresponds to 95% confidence level.

p = the prevalence proportion set at 0.50 in accordance with the Fisher (1991) guide.

q = 1.0 – p

d = degree of accuracy desired, here set at 0.05 corresponding to the 1.96 z-statistic used in the numerator.

In substitution,

$$n = \frac{1.96^2 \times 0.5(1 - 0.5)}{0.05^2} \qquad = 384$$

KEMRI has a staff in post of N=1024 and since N is less than 10,000 the second formula was applied in determining the sample size. Thus: -

$$nf = \frac{n}{1 + \frac{n}{N}}$$

Where: -

nf = desired sample size for a population less than 10,000.

n = desired sample size for population more than 10,000 which was found to be 384.

N = Population which is 1024.

Substituting, $nf = \frac{384}{1 + \frac{384}{1024}} = 279.3$ Therefore, the desired sample size, n = 280.

Table 3.1 Sampling frame

Category	Population	Sample
Research Staff	213	58 (20.7%)
Technical Staff	300	82 (29.3%)
Administrative Staff	330	90 (32.1%)
Other Staff	181	50 (17.9%)
Total	**1024**	**280 (100%)**

Source: Human Resource Department Records, 2011

3.4 Data Collection Methods

Questionnaires were used to collect data. The questionnaires were structured in such a way that they elicit specific information from the respondents. The questions comprised of structured closed and open-ended questions. In the proposed study, both primary and secondary data was used. Primary data was collected using a questionnaire which was divided into two sections A and B. Section a contained Bio Data and Section B contained questions relating to factors affecting employee perceptions of performance appraisal process.

3.5 Data Analysis

The collected data was entered into excel worksheet, edited and coded before it was analyzed using Statistical Packages for Social Scientists (SPSS). This ensured accuracy of the data. Frequency tables and charts were used to present the results for easier understanding and interpretation.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter discussed the interpretations and presentations of the findings. The objectives of this study were to determine employee's perception of performance appraisal practice at KEMRI. This chapter focused on data analysis, interpretation and presentation and presents the discussion of the research findings.

The target population was 280. 221 respondents completed and returned the questionnaires. This constituted a 78.92% response rate. The data was presented using frequency tables and percentages.

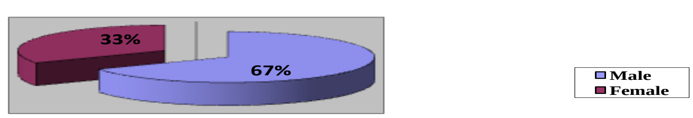
4.2 Demographic Information

The respondents' demographic profile comprising gender, age and marital status, area of service, job title and centre /department is presented in this section.

4.2.1 Gender Distribution

The respondents' demographic profile comprising gender, age, marital status and area of service

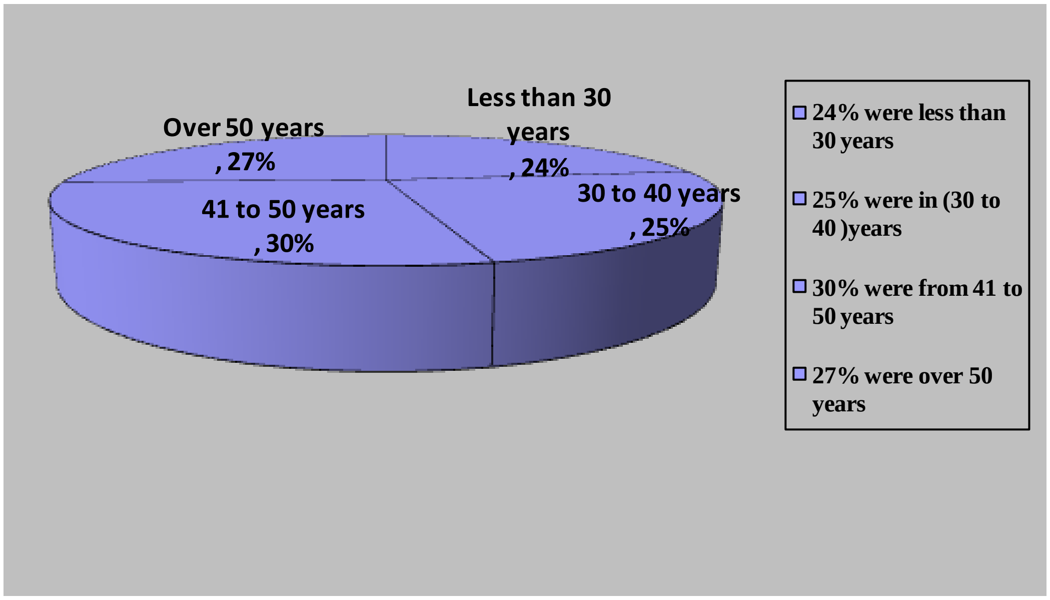
Figure 4.1 Distribution of Respondents by Gender



The respondents were requested to indicate their gender. The results are presented in Figure 4.1. From the findings, 67% of the respondents were male while 33% were female. This implies that management at the KEMRI was gender sensitive in its employment practice.

4.2.2 Age Distribution

Figure 4.2 Distribution of the Respondents by Age



The study requested respondents to indicate the age brackets in which their ages fell. From the findings, majority (30%) of the respondents indicated that they were aged between 41-50 years, (27%) of the respondents indicated that they were aged between over 50 years, (25%) were aged between 30 to 40 years while 24% of the respondents indicated that they were less than 30 years of age. This implied that KEMRI employees were of age and were in a position of offering valid responses for the study.

Table 4.1 Distribution of Respondents by marital Status

	Frequency	Percent
Single	86	38.9
Married	135	61.1
Total	221	100.0

The respondents were required to indicate their marital status. The findings in table table 4.1 shows that majority (61%) of the respondents were married while 39% were single. This clearly indicates that data on employees' perception of performance appraisal process at KEMRI was collected from diverse respondent characteristic that were crucial to their life.

4.2.3 Distribution of Respondents by Area of service

Table 4.2 Proportion of Employees in each Area of service

	Frequency	Percent
Research Scientists	40	18
Technical	55	21
Administration	122	55
Other staff	4	6
Total	221	100.0

The study sought to know the respondents' area of service. As shown in table 4.2, majority (55%) of the respondents indicated that they were in administration, 21% were in technical area, and 18% were research scientists while 6% of the respondents specified that they were in other areas of service such as cleaning and security. This clearly indicated that the information on employee's perception on performance appraisal was collected from all the areas of services in KEMRI.

4.2.4 Respondents Job Title and Centre /Department

From the findings, the study show that, 14% of the respondents were administrators, 31% were research officers, and 45% were technical staff and10 % were staff such as, cleaners and cooks. This implied that data was collected from employees working in KEMRI in various departments on their perception on performance appraisal practices at KEMRI.

The researcher further sought to know the centres and departments to which the respondents belonged. From the findings, 2% of the respondents indicated that they were working in Centre for Public Health Research (CPHR), 3% indicated that they were in Centre for Traditional Medicine and Drug Research (CTMDR) while 15% of the respondents were working in Centre for Clinical Research (CCR). The study found that 2% of the respondents were working in the Centre for Global Health Research (CGHR), 4% of the respondents indicated that they were working in (ESACIPAC) while 5% of the respondents were working in Centre for Infectious and Parasitic Diseases Control Research (CIPDCR). The study further found that 14% of the respondents indicated that they were working in Centre for Microbiology Research (CMR), 13% were indicated they worked in Centre for Virus Research (CVR) and 12 % were from Centre for Biotechnology Research and Development (CBRD). The study further found that 3% of the respondents were working in Security, 2% in transport, 6% in marketing, 8% in Human Resource and 1% in corporate affairs departments. The study also found that 10 % of the respondents were working in the administration department in KEMRI Headquarters. This implies that the respondent were working in different departments and centers at KEMRI enabling the study to collect representative data.

4.2.5 Length of Service

Table 4.3 Respondents years of service

	Frequency	Percent
Less than 5 years	36	16
5 to 10 years	24	11
11 to 15 years	53	24
16 to 20 years	20	9
Over 20 years	88	40
Total	221	100.0

The respondents were requested to indicate the years of service they had been working at KEMRI. From the findings, most 40% of the respondents had been in the service for over 20 years, 24% had been in the service for 11 to 15 years, 16% of the respondents had served for less than years, 11% had been in service for 5 to 10 years while 9% of the respondents indicated to have been in the service for 16 to 20 years. This clearly indicates that the majority of the respondents had worked in KEMRI for a long period and had experience that made them suitable for the study.

4.3 Factors affecting Employees' Perception of Performance Appraisal

The factors that were affecting employees' perception on performance appraisal included on how training of both the appraiser and the appraisee affected performance appraisal process; feedback after the process; if the performance appraisal process is linked to reward; the objectivity of the process and the effectiveness of the performance appraisal instrument.

4.3.1 Effect of Training on Employees' Perception of Performance Appraisal

Table 4.4 Employees perception of training

	Mean	St dev
Training workshop offered by KEMRI in preparation for performance appraisal	4.53	0.53
Training of appraiser and appraise before the performance appraisal process	4.71	0.87
Training before performance appraisal begins	4.78	0.69
Ascertaining the validity of performance appraisal result	4.86	0.77

The study sought to investigate the extent to which various aspects of training employees' perception of performance appraisal process. A five point likert scale was used to interpret the respondents' extent of perceived effect of training on performance. Those issues that were rated to no extent (i.e as having no effect) were awarded 1 while those which were rated to a very great extent were awarded 5. Within the continuum are 2 for less extent, 3 for neutral and 4 for great extent. Mean scores and standard deviations were used to analyze the data. Those factors with a mean score close to 4.5 were classified under "to a very great extent" while those with a mean score close to 3.0 were classified under "to no extent" or even not considered at all. The higher the standard deviation the higher the level of disagreement or dispersion among the respondents.

From the findings, majority of the respondents (78%) indicated that the validity of performance appraisal result was certain, training before performance appraisal process was important to appraiser and appraisee to a very great extent as indicated by a mean score of 4.86, 4.78 with standard deviation of 0.77, 0.69. The study also found that training of employees before conducting performance appraisal and training workshop organized by KEMRI in preparation for performance appraisal affected employees' perception of performance appraisal process to a very great extent as indicated by a mean of 4.71 and 4.53 with standard deviation of 0.87 and 0.53. This implied that training of appraisee and appraised was critical in performance appraisal process at KEMRI. This clearly indicates that management of KEMRI offers training to employees to enable them know how to set objectives, how to keep accurate records, and how to communicate all aspects of performance. The findings concurred with Goff and Longenecker, (1990) who found that major aspects of developing an effective performance system was training for those individuals involved as raters; thus training should begin with those levels of management that will be involved in administering the programme and providing training for lower levels of supervision.

4.3.2 Extent to which Feedback affects Employee's Perception of Performance Appraisal

Table 4.5 Employees Perception of Feedback and its Effect

	Mean	Std deviation
Performance results are always given to the appraisees	4.53	0.55
Appraisers communicate problem area(s) to the appraisees	1.24	0.44
Appraisers and appraisees communicate freely	4.84	0.79
Performance results are used throughout KEMRI to improve future performance	4.77	0.61
Scores are based on individual supervisor(s) and not actual performance	4.82	0.68
Results of appraisal are useless. They do not affect one's performance	3.01	0.11
KEMRI conducts performance appraisals frequently	2.91	0.26

Table 4.5 indicates the responses on the extent to which the given statements concerning feedback affected employee's perception of performance appraisal.

From the findings presented in table 4.5, majority of the respondents (85%, 83% 78% and 75%) strongly agreed that appraisees and appraissers needed to communicate freely, scores were based on individual supervisor(s) perceptions and not actual performance, results were used throughout KEMRI to improve employees' performance and performance results were always given to the appraisees thus affecting employees perception of performance appraisal as indicated by a mean of 4.84, 4.82, 4.77 and 4.53 with standard deviation of 0.79, 0.68, 0.61 and 0.55 (see table 4.5). The study also found that most of the respondents (56%) disagreed that appraisers communicate problem area(s) to the appraisees and that KEMRI conducts frequent performance appraisals affecting employee's perception of performance appraisal as indicated by a mean of 2.99, and 2.91 with standard deviation of 0.44 and 0.26. The study further found that most 52% of the respondents strongly disagreed that results were useless and they did not affect one's performance in their area of duty as indicated by a mean of 1.24 with standard deviation of 0.11 (table 4.5). This implies that employee's at KEMRI perceive performance appraisal as biased, results on score being useful, meant to improve employee's performance, encourage feedback on employee's performance and was not done frequently. These findings were in line with Lee and Shin (1999), who found that employees' regardless of national culture have a strong desire to seek feedback regarding their performance, to know how well they were doing against set standards and whether they were meeting organizational expectations and work requirements. Tznier, (2000) suggests that organizations generally use performance appraisal in administrative decisions such as promotions, salary awards, and assignments and as a tool for employee development processes such as offering feedback, critiquing performance, and setting goals for improvement.

4.3.3 Extent to which Reward Affects on Employees' Perceptions on Performance Appraisal

Table 4.6 Perceived Effect of Reward on Employees' Perception of Performance Appraisal at KEMRI

	Mean	Std dvt
Performance appraisal is linked to the reward system in KEMRI	1.66	0.54
Poor performers are sanctioned	4.89	0.91
KEMRI values employee's contribution	4.74	0.87

The Table 4.6 indicated the responses the extent to which reward affects employee's perception of performance appraisal. From the finding, majority of the respondnents strongly agreed that poor performers were sactioned and that management at KEMRI valued employee's contribution as indicated by a mean of 4.89 and 4.74 with a nstandrd deviation of 0.91 and 0.87 respectively. The study also found that employee's strongly disagreed that performance appraisal was linked to the reward system in KEMRI. The study found that employee's perceive performance appraisal process as a tool that encourage them to achieve their targets and as a tool that was not linked to effectively rewarding the employee's. The findings concurred with Boswell and Boudreau (2000) who found that employees were more likely to be satisfied with the performance appraisal process if it was used for rewarding them, enhance career advancement and improve training and development in their areas of specialization.

4.3.4 Extent to which Objectivity of the Process Affects Employees' Perceptions of Performance Appraisal

Table 4.7 Effect of the Appraisal Objectivity of the Appraisal Process on Employees Perceptions of Performance Appraisal

	Mean	Std dvt
Performance appraisal at KEMRI was objective	4.42	0.75
KEMRI had clear standards against which performance appraisal was measured	4.17	0.35
The goals and objectives of KEMRI were clear and measurable	2.73	0.61
KEMRI employees were involved in an interactive appraisal process	2.63	0.66
The objectivity of performance appraisal process was difficult to ascertain.	4.31	0.74

The respondents were requested to indicate the extent to which objectivity of the appraisal process affected employees' perceptions of performance appraisal. From the findings in table 4.7, majority of the respondents (76% and 73%) agreed that the performance appraisal at KEMRI was objective but difficult to ascertain as indicated by a mean of 4.42 and 4.31, respectively. The study also found that respondents disagreed that the goals and objectives of KEMRI performance appraisal process were not clear and measurable and that KEMRI employees were involved in an interactive appraisal process that affected their perception of performance appraisal as indicated by a mean of 2.73 and 2.63, respectively. The study further found that 69% respondents disagreed that KEMRI had clear standards against which performance appraisal was measured as indicated by a mean of 4.17 with standard deviation of 0.35.

4.3.5 Extent to which Performance Appraisal Instrument Affected Employees Perception of Performance Appraisal

Table 4.8 Effect of Performance Appraisal Instrument on Employees' Perceptions of the System

	Mean	Std dvt
Performance instruments are tailored for each job	4.85	0.77
Capture actual performance of employee's	4.71	0.69
Measure items which are relevant to staff performance	4. 40	0.46
Are easy to understand and fill	4.67	0.68
Give enough room to explain about performance	4.80	0.81

Table 4.8 above indicates the respondents' responses on the extent to which performance appraisal instrument affected employees' perception of performance appraisal. From the findings, majority (88%, 84%, 81% and 72%) of the respondents strongly agreed that the performance appraisal instrument was tailored for each job category, give enough room to explain performance, capture actual performance of employees and that are easy to understand and fill as indicated by a mean of 4.85, 4.80, 4.71 and 4.67 with standard deviation of 0.77, 0.81, 0.69 and 0.68, respectively. Most of the respondents (61%) agreed that performance appraisal instrument has items which were relevant to staff performance as indicated by a mean of 4.40 with standard deviation of 0.46.

4.4 Need to Change the Performance Appraisal Process

Table 4.9 Respondents Opinion on the Need to Change the Performance Appraisal Process

	Frequency	Percent
Yes	100	45
No	121	55
Total	221	100.0

The respondents were asked to indicate whether there was any need to change the performance appraisal process at KEMRI. From the findings, majority (55%) of the respondents indicated that there was a need to change the performance appraisal process at KEMRI while 45% of the respondents indicated that there was no need for such a change.

The respondents (56%) were for the opinion that the performance appraisal process at KEMRI need to be changed giving reasons that it does not accommodate employees' decisions and does not address issues affecting the employees. From the findings 148 (67%) respondents stated that there was a need for the management at KEMRI to educate employees before conducting the appraisal exercise, to enhance employee's understanding of the objective of being appraised. 121 (55%) of the respondents indicated that the supervisor needed to address the weaknesses and strengths of the appraised during performance appraisal process while 99 (45%) of the respondents recommended that, the performance appraisal methods should be reviewed as they viewed it as a victimization tool, encourage biasness, fails to measure what it was intended to measure and that performance report card needed to be customized to fit in with each job category and include issues such as publications and inventions.

Further, 132 (60%) of the respondents gave their opinion that KEMRI should change the performance appraisal process to a more job specific appraisal system, develop an appraisal system that will be more interactive and task oriented especially for junior officers who may not further their education but have complete hands on experience. 75 (34%) of the respondents further indicated that the performance appraisal process should be changed to address various professionals and should be evidenced using certificates and other supportive document.

4.5 Failure and Success of the Performance Appraisal Process at KEMRI

The respondents were requested to indicate what they considered to be the greatest failure and success of the performance appraisal process at KEMRI. From the findings, 55% of the respondents stated that the performance appraisal system on awarding of points which they indicated could not really give a true picture of the staff output and could not address issue of nepotism and favourism in evaluating performance. Some respondents (43%) explained that some supervisors may have developed dislike towards some employees and may not carry their appraisal objectively. The study found that the appraisal process was not given sufficient time and therefore failed to have captured all the staff performance. The respondents (57%) further indicated that the performance appraisal process adopted at KEMRI lack clear standards against which performance was measured. 41% of the respondents faulted the appraisal process giving reasons that that it emphasized on academic qualifications in place of ability to achieving targets set.

The appraisal process was also faulted on the basis that it failed to address the shortcomings such as lack of materials and equipment necessary to carry out duties allocated to employees effectively as indicated by 70% of the respondents. It was further indicated that it was too general and should be made depending on different level of job description.

The study found that 78% of the respondents indicated that appraisal process enabled the management in KEMRI to identify areas of strength and opportunity, provide an indication of areas of training needs as well as direction for leadership development and performance improvement and succession planning.

The study further found that 64% of the respondents indicated that through the performance appraisal process, some of members of staff were promoted and this motivated them and were willing to put more efforts in their responsibilities and were encouraged to re-examine their performance towards realization of the desired achievement. The findings concurred with Bennett (1977) who found that standardized performance assessments allow companies to aggregate, calculate and analyze results to show where performance is strong. These areas of strength then can serve as benchmarks and opportunities for sharing of best practices for other areas of the organization.

4.6 Overall Perception of the Performance Appraisal Process at KEMRI

The study sought to know the respondents' overall perception of the performance appraisal process at KEMRI. From the perception training factor, the respondents felt that there were no training workshops for both the appraiser and the appraisee offered by KEMRI in preparation for performance appraisal as illustrated in Table 4.4. This affected the outcome of the appraisal because both parties were ill prepared.

On perception of feedback (Table 4.5), the respondents felt that the appraisers and appraises did not communicate freely therefore scores were based on supervisor's perceptions and not on actual performance. This indicated that the process was biased.

The respondents felt that appraisal process was not linked to appraisal system. It was viewed as a tool that encouraged them to achieve their targets (Table 4.6).

According to the respondents the objectivity of the appraisal process was difficult to ascertain (Table 4.7) as no clear standards against which performance appraisal was measured.

Majority of the respondents felt that the performance appraisal instrument (Table 4.8) was tailored for each job category thus captures actual performance of employees.

The factor on respondents' opinion on the need to change the performance appraisal process (Table 4.9) indicates that the appraisal process should be changed because it does not accommodate employees' decisions and does not address issues affecting the employees.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter provided the summary of the findings from chapter four, conclusions and recommendations of the study based on the objectives of the study which was to determine employee's perception of performance appraisal practice at KEMRI.

5.2 Summary of the findings

Appraising performance plays a vital role in the organization performance. From the findings, it was established that the performance appraisal result is certain, training before performance appraisal process is important, appraiser and appraisees are trained before the performance appraisal process and that training workshop was offered by KEMRI in preparation for performance appraisal affected employee's perception of performance appraisal process . This concurred with Goff and Longenecker, (1990) who found that major aspect of developing an effective performance system was training for those individuals involved as raters, thus training should begin with those levels of management that will be involved in administering the programme and providing training for lower levels of supervision. This implies that management in KEMRI advocates for training for employee's to know how to set objectives, how to keep accurate records, and how to communicate all aspects of performance.

The study established that appraisees and appraisees should communicate freely, scores were based on individual supervisor(s) and not actual employee's performance and results were used throughout KEMRI to improve employee's performance and that performance results were always given to the appraisee affecting employee's perception of performance appraisal.

The study found that employee's disagreed that appraisees communicate problem area(s) to the appraisees and that KEMRI does not conduct frequent performance appraisals affecting employee's perception of performance appraisal. The study further established that employees indicated that performance appraisal results were not useless and they did not affect one’s performance in any way. These findings were in line with Lee and Shin, (1999) who found that employee’s regardless of national culture have a strong desire to seek feedback regarding their performance, to know how well they are doing against set standards and whether they are meeting organizational expectations and work requirements. Tznier, (2000) suggest that organizations generally use performance appraisal in administrative decisions such as promotions, salary allocations, and assignments and as a tool for employee development processes such as offering feedback, critiquing performance, and setting goals for improvement. This implied that KEMRI management by objectives compares the employee against a standard of expected results through offering feedback to the employee as to how well they are progressing toward the goals.

The study established that performance appraisal at KEMRI was objective, difficult to ascertain and that the goals and objectives of KEMRI were not clear and measurable and that KEMRI employees were not involved in an interactive appraisal process affecting employee’s perception of performance appraisal. Most of the respondents disagreed that KEMRI had clear standards against which performance appraisal was measured.

The respondents who were for the opinion that the performance appraisal process at KEMRI need to be changed giving reasons that the performance appraisal process does not accommodate employee’s decisions and failed to address issues affecting the employee’s. The respondents indicated that there was need for the management at KEMRI to educate them before conducting the appraisal exercise for the employee’s to understand the objective of being appraised. The respondents also indicated that the supervisor needed to address the weakness and strength of the appraised during performance appraisal process. Other respondents indicated that the performance appraisal methods should be reviewed as it acted as a victimization tool, encourage biasness , fails to measure what is intended to measure and that performance report card needed to be customized to fit in with each job category and should include issues such as publications and inventions.

The study established that employee's opinion were that KEMRI should change the performance appraisal process to a more job specific appraisal system, develop an appraisal system that should be more interactive and task oriented especially for junior officers who may not further their education but have complete hands on experience. They established that the performance appraisal process should be changed to address various professionals and should be evidenced using certificates and other supportive document.

The study established that performance appraisal system on awarding of points was found to be ineffective as it could not offer critical information on staff output because it could not address issues of nepotism and favourism in evaluating performance. The study established that supervisors may have developed a dislike to employees and may not have carried their appraisal objectively. The respondent also explained that the appraisal process was not given sufficient time and therefore failed to capture all the staff performance. The respondents also indicated that the performance appraisal process adopted at KEMRI lack clear standards against which performance is measured. The appraisal process was also faulted due its emphasis on academic qualifications in place of ability to achieving targets set.

The study was found to be critical as the appraisal process enabled the management in KEMRI to identify areas of strength and opportunity, provide an indication of areas of training need as well as direction for leadership development and performance improvement and succession planning. The appraisal process was also faulted on the basis that it failed to address the shortcomings such as lack of materials and equipment necessary to carry out duties allocated to employees effectively. It was indicated that it was too general as it should be made depending on different levels of job description.

The study further established that through the performance appraisal process, the employees were motivated to put more efforts in their responsibilities and encourage staff to re-examine their performance toward realization of the desire achievement.

The study established that employees viewed performance appraisal process involved observing and evaluating staff members' performance in the workplace in relation to pre-set standards. It is done for professional and career development, accountability check, to be linked with recognition and compensation, references to disciplinary procedure as well as being a mechanism to determine salary increment and promotion exercise.

The study found that, performance appraisal process at KEMRI required great improvement to suit the working environment at KEMRI, should be transparent between the appraisees and appraisee to attain it purpose. The study also found that the performance appraisal process was fair but could open room for abuse by both the appraiser and appraised and therefore there was a need for performance targets to be set for all the staff to ensure the process achieve its objective in evaluating individual employee's performance.

5.3 Conclusions of the study

From the findings, the study concluded that training employees before performance appraisal process in order to know how to set objectives, how to keep accurate records, and how to communicate all aspects of performance should be advocated for.

From the findings the study concluded that offering feedback to the employee as to how well they were progressing toward the goals and achievement of targets could help in comparing the employee against the standard of expected results and therefore should be advocated for. This should be accomplished by allowing appraisees and appraisees to communicate freely, base scores on individual supervisor and allow appraisees communicate the problem area. Performance appraisal would enhance the administrative decisions such as promotions, salary allocations and employee’s development processes such as offering feedback, critiquing performance, and setting goals for improvement.

From the findings, the study concluded that management at KEMRI should adopt performance appraisal practices that will aid in providing opportunities to identifying staff training needs, help employee’s meet performance targets, offer poor performers a chance to improve, help employee’s on time management through planning and setting of deadlines, enable the managers to make informed decisions about promotions and assignments based on applicable facts and improve employee’s synergies.

The study also concluded that processing performance appraisals must be done in order to identify employee’s rewards, provide an opportunity to set individual development plan, encourage the individual work planning, develop employee’s professional and career, accountability check, recognize and compensate, reference the disciplinary procedure as well as to determine salary increment and promotion exercise.

The study further concluded that the appraisal process only emphasized on academic qualifications instead of ability to achieving targets set, did not address the shortcomings such as lack of materials and equipment necessary to carry out duties allocated to employee’s effectively and that KEMRI performance appraisal process was too general as it could not address employees performance depending on different levels of job description.

5.4 Recommendations of the study

From the findings and conclusion, the study recommends that management in KEMRI should appraise their employees to enhance their performance. The performance appraisal system was found to help in achievement of goals set by the management of the organization as failure to achieve the set goals indicated that there are issues that need to be addressed.

From the findings, the study recommend that KEMRI should establish and adopt performance appraisal process that would enable KEMRI management to effectively identify staff training needs, performance targets, improve employees performance and help employees improve on time management through planning and setting of deadlines.

The study recommends that the management at KEMRI should give sufficient time on performance appraisal process because due to lack of enough time, the appraisal process failed to capture all the staff performance.

The study recommends that in constituting performance appraisal process clear standards against which performance is measured should be stated. This will influence developing an effective performance appraisal system which will make the organization more productive, profitable and allow employees to know their level of performance.

The study recommends that management in organizations should adopt performance appraisal process that does not only emphasize on academic qualifications in place of ability to achieving targets set, that address shortcomings such as lack of materials and equipment necessary to carry out duties allocated to employees effectively. This would help management in developing performance appraisal that address performance of the employees depending on different levels of job description and measure what it is intended to be measured.

5.5 Recommendations for further study

The study determined the employee's perception of performance appraisal practice at KEMRI. This study recommends that further study should be carried out to investigate the factors that may hinder effectiveness of performance appraisal process in the organizations.

5.6 Limitations of the study

The limitation that the researcher encountered was the fear from the respondents that they will be victimized because the questionnaire was administered when the organization was also in the process of appraising its members of staff. It was difficult to convince them that the questionnaire was meant for academic purposes only thus wasting a lot of time.

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APPENDICES

Appendix I: Questionnaire

DATA COLLECTION QUESTIONNAIRE

This questionnaire seeks to establish employee's perception of staff appraisal practice at Kenya Medical Research Institute (KEMRI). The information given will be treated in strict confidence and will be used for academic purposes only.

The questionnaire is in two sections: Section A, seeks for information on the personal details of the respondents, Section B, relates to factors affecting employee's perception of performance appraisal process.

SECTION A: BIO DATA

1. Name of the respondent (optional) ______________________________
2. Gender: Male ( ) Female ( )
3. What is your age bracket?
   a) Less than 30 years ( )
   b) 30 to 40 years ( )
   c) 41 to 50 years ( )
   d) Over 50 years ( )
4. Marital Status: Single ( ) Married ( ) Others (Specify)_____
5. Which of the following is your area of service? (Please tick only one choice).
   a) Research Scientist ( )
   b) Technical ( )
   c) Administration ( )
   d) Other staff ( )
6. What is your Job Title ____

7. Please indicate your Centre/Department ___________________________

8. How long have you served at KEMRI? (Tick one)

    a) Less than 5 years ( )

    b) 5 to 10 years ( )

    c) 11 to 15 years ( )

    d) 16 to 20 years ( )

    e) Over 20 years ( )

SECTION B: FACTORS AFFECTING EMPLOYEES PERCEPTION OF PERFORMANCE APPRAISAL PROCESS

A five point likert scale will be used to describe the extent of employee perceptions of the Performance Appraisal practice.

Scale:

(1 - Strongly disagree, 2 - Disagree, 3 - Moderately Agree, 4 - Agree, 5 - Strongly Agree)

Please tick in the box that represents your feelings.

9. **Part 1: Training**

	Statement	**1**	**2**	**3**	**4**	**5**
1.	Training workshop is offered by KEMRI in preparation for performance appraisal					
2.	Appraiser and appraisee are trained before the performance appraisal process					
3.	Training before performance appraisal process is important					
4.	The validity of performance appraisal result is certain					

10. **Part 2: Feedback**

	Statement	1	2	3	4	5
1.	Performance results are always given to the appraisee					
2.	Appraisees communicate problem area(s) to the appraisees					
3.	Appraisees and appraises communicate freely					
4.	Performance results are used throughout KEMRI to improve service delivery					
5	Scores are based on individual supervisor(s) and not actual performance					
6	Results are useless. They do not affect one's performance in any way					
7	KEMRI conducts frequent performance appraisals					

11. **Part 3: Reward**

	Statement	1	2	3	4	5
1.	Performance appraisal is linked to the reward system in KEMRI					
2.	Poor performers are sanctioned					
3.	KEMRI values your contribution					

12. **Part 3: Objectivity of the process**

	Statement	1	2	3	4	5
1.	Performance appraisal at KEMRI is objective					
2.	KEMRI has clear standards against which					

	performance appraisal is measured					
3.	The goals and objectives of KEMRI are clear and measurable					
4.	KEMRI employees are involved in an interactive appraisal process					
5.	The objectivity of performance appraisal process is difficult to ascertain.					

13. **Part 4: Performance Appraisal Instrument**

	Statement	1	2	3	4	5
1.	Performance instruments are tailored for each job category					
2.	Capture actual performance of employee's					
3.	Measure items which are relevant to staff performance					
4.	Are easy to understand and fill					
5.	Give enough room to explain about performance					

14. Do you think there is need to change the performance appraisal process at KEMRI? Yes ( ) No ( )

If yes in 14 above, please explain ____

____

15. What do you consider to be the greatest failure/success of the performance appraisal process at KEMRI? ____

____

16. What is your overall perception of the performance appraisal process at KEMRI?____

____

THANK YOU FOR YOUR PARTICIPATION