

**EMPLOYEE PERCEPTION ON THE EFFECTIVENESS OF
PERFORMANCE APPRAISAL SYSTEM AT THE TEACHERS'
SERVICE COMMISSION, KENYA**

SCHOLASTICA SEEM MATUNGE

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE
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DECLARATION

This project is my original work and has not been submitted to any other university for award of a degree.

Signature.....Date.....

Scholastica Seem Matunge
REG NO: D61/73621/2009

This project has been submitted for examination with my approval as the university supervisor.

Signature.....Date.....

Dr. S.N.M. Nzuve
Department of Business Administration
School of Business
University Of Nairobi

DEDICATION

This dedication to a major extent is extended to the memory of my dear son Desmond Silankei Ole matunge who passed on as I undertook this study. Your words “soldier on” kept me going even as I felt like backing off. Through you I experienced the gift of motherhood for the first time. Forever you remain a patriot and a patriarch for this family. I soldier on with the rest of the family in great memory of your love.

To my other children, Jesse Saruni, Brenda Nesotua and Ryan Topoika thank you for your unwavering support, to Peter Ole Matunge, my husband and friend, you have been my pillar of strength, thank you in a special way. Finally to my deceased grandfather Lesingo Ole Kisio who gave me his name, took me to school when most girls of my age were married off. He gave me the greatest inheritance. I am profoundly grateful.

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On the premise, I wish to thank the Almighty God for His favour and grace that has brought me this far in my study.

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ABSTRACT

The objective of this study was to investigate employee perception of the effectiveness of performance appraisal system at the Teachers Service Commission, Kenya. The study adopted a descriptive survey of the Teachers' Service Commission. The researcher collected primary qualitative data from employees of TSC. Stratified and simple random sampling techniques were applied in arriving at the sample size. The sample size for the study was 49 respondents out of 3000 employees and the researcher managed to collect data from all the 49 respondents. The study established that the performance appraisal system used by the Teachers Service Commission is simple and has been consistent over time. All the employees of the commission are subjected to the same standards as far as the performance appraisal system is concerned. However, it is clear that the system does not seem to involve all the employees during the development process. It also has a number of loopholes that encourage subjective evaluation of the employees. They include: lack of knowledge of the appraisee, lack of clarity on the parameters used, lack of communication to enhance feedback on performance, personal differences between appraiser and appraisee and collective responsibility in organizational activities. The study recommends that the entire system needs to be overhauled since it has some loopholes that need to be addressed. The study also recommends that the performance appraisal system needs to be reviewed in order to ensure that it is based on ideals that are more realistic.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In an increasingly competitive world and changing business environments, organizations need effective strategies to manage businesses, deliver services and goods to customers. Markets, products, technology and competitive conditions are rapidly changing; therefore all organizations must possess the capacity to adapt to these changes effectively. According to (Armstrong 2000), strategies for managing performance aim at achieving increased organizational effectiveness, better results for individuals and teams and higher levels of skill, competence, commitment and motivation. Managing performance is a continuing responsibility for managers and team leaders. Strategies for managing performance are concerned with how the business should be managed to achieve its goals and they will refer to the performance measures such as the balanced scorecard (Kaplan and Norton, 1992).

Performance management process has come to the fore in the recent years as a means of providing a more integrated and continuous approach that was provided by previous isolated and inadequate merit rating or performance appraisals. Performance management is based on the principle of management by agreement or contract rather than management by command. Performance management can be defined as a strategic and integrated approach to delivering sustained success to organizations by improving performance of the people who work in them and by developing the capabilities of teams and individual contributors (Armstrong 2000).

The process of performance management involves the identification of common goals between the appraiser and the appraisee. These goals must correlate to the overall organizational goals. If such a process is conducted effectively, it will increase productivity and quality of output (Davis, 1995). Armstrong (2001) notes that in performance appraisals, accuracy and fairness in measuring employee performance is very important. Performance management is a control measure used to determine deviations of work tasks with a view of taking corrective action. It is also used to reflect on past performance as the organization plans ahead. Provision of feedback on the required corrective action is critical in the process. According to the Directorate of Personnel Management, Kenya (in Kipchumba et al, 2010), in order to have a balance of employee work load or over load, the appraisals must be conducted regularly. For the appraisals to be effective, the top management must be supportive in providing information, clear performance standards must be set, the appraisals must not be used for any other purpose apart from performance management, and the evaluations must be free from any rating biases (Goff & Longenecker, 1990).

1.1.1 The Concept of Perception

The term perception has been defined by several authors in various ways but there seem to be numerous similarities in the definitions that are coined by different researchers. The Chambers dictionary defines perception as an act of being aware of one's environment through physical sensation, which denotes an individual's ability to understand. Nelson and Quick (1997) define perception as the process of interpreting information about someone or something. According to this definition, the opinion a person forms about

someone or something largely depends on the type of information one has about the person or object and the ability to correctly interpret the information. It is possible for people to have the same information about someone or something but end up with different perceptions depending on how they interpret the information. Rao and Narayan (1998) believe that perception is the process through which people select, organize, and interpret sensory stimulations into meaningful information about their work environment. Their definition suggests that perception is a psychological mechanism that individuals use to understand their environment. According to Michener, DeLamater and Myers, (2004) perception is the process through which individuals form impressions of other people's traits and personalities.

All the above definitions agree that perception is a process that enables one to form some opinion about another person or object. In this study perception will therefore be assumed to have the same meaning as the one fronted by Rao and Narayan (1998) who assert that it is the process through which people select, organize, and interpret sensory stimulations into meaningful information about their work environment. According to Godwin (2009) there are three types of characteristics that influence the perception of an individual. The first is the perceiver's specific characteristics such as the perceiver's familiarity with the object and attitude. The second category of characteristics target specific ones such as the physical appearance of the target and the intention of the target as understood by the perceiver. The last category includes situations specific characteristics such as social context of interaction. Perception largely determines how people relate with others and how they react to various situations in their environment.

1.1.2 Performance Appraisal System

Gary (2003) defines performance appraisal as a means of evaluating an employee's current or past performance relative to the person's performance standard. Appraisals involve: setting work standards, assessing the employee's actual performance relative to these standards and providing feedback to the employee with the aim of motivating that person to eliminate deficiencies or to continue to perform above par. Performance appraisal is a method of evaluating employee behavior at the work place. It includes both quantitative and qualitative analysis. These are: an organization's evaluation of individual's level of performance and a review of how well an employee is carrying out the tasks associated with his job.

Performance appraisal is a feedback system that involves the direct evaluation of individual performance by a supervisor, manager or peers. Most organizations have some kind of evaluation that is used for performance feedback, pay administration and in some cases counseling and developing employees. Thus performance appraisal represents an important link between goal setting and process and reward systems. Managers should do three things well in the process of performance management. These are: to define performance through goal setting, measures and assessment; facilitate performance by identifying obstacles to good performance and providing resources to accomplish objectives; and encourage performance by providing a sufficient number of rewards that people care about and doing so in a timely and fair manner (Cascio, 1998, Cummings & Worley, 2005).

Performance appraisal is therefore a systematic and objective way of judging the relative worth or ability of an employee in performing his tasks. According to School (2004) a well defined performance framework is imperative for effective work outcomes. A well defined performance framework springs from a proper Performance Appraisal policy. It states that effective management involves a clear vision, collaboratively arrived at by the staff, an open school culture in which professional collaboration is at a premium, conditions of work which encourage active reflection, professional scrutiny of service delivery and possible learning on the job. It also entails an acceptance of professional accountability and strong purposeful leadership, which encourages commitment to quality service provision.

1.1.3 Factors Affecting Effectiveness of Performance Appraisal System

Leigh and Media (2013) assert that performance appraisal is an important process for any organization whether it is large or small. The effectiveness of a performance appraisal system will therefore depend on a number of factors, including how well documented and communicated the process is, training for managers and supervisors, the evaluation and analysis of results and ongoing improvement efforts. They further argue that effective performance appraisal is formal and not left to chance. It entails more than just asking supervisors and managers to evaluate staff performance. Effective systems provide step-by-step guidance and standardized evaluation forms for all managers to evaluate all employees. This not only leads to consistency, but also allows the results of the overall evaluations to be reviewed and compared to identify areas of strengths and those in need

of improvement. Making the process as easy as possible for managers to follow will help ensure that performance appraisal is effective.

1.1.4 Teachers Service Commission

The origin of the Teachers Service Commission can be traced back to 1967 when the Kenyan parliament passed an Act to establish it. Since then, the Commission has been recognized in subsequent legislations including the constitution of Kenya that was promulgated in the year 2010 where it is mentioned in Part three of the Thirteenth chapter. The new constitution acknowledges the existence of a teachers service commission that performs numerous functions that relate to recruitment and deployment of teachers into public schools across the country (www.tsc.go.ke).

Performance appraisal for the employees of the commission is usually carried out on a quarterly basis from July of every year to June of the following year. This is in line with the government of Kenya financial year. The performance appraisal system at TSC is aimed at assessing the performance of employees of the commission in line with the job description of each one of them. The report that comes out of the performance appraisal system is used to determine training needs as well as potential for promotion. The performance appraisal is only applicable to the staff of the commission except the commissioners and the commission secretary. The commission staff is usually supplied with the appraisal form and performance targets at the beginning of the review period. After this the employees prepare a workplan that forms the basis of the performance appraisal (www.tsc.go.ke).

1.2 Research problem

In many organizations both private and public, performance is measured regardless of how good the output is. Some organizations continue to lose top officials as a result of poor measurement of performance hence there is need to investigate the problem that organizations go through as a result of implementing performance measurement (Leigh and Media, 2013). An unfair practice or one that is deemed to be unfair will usually have a negative effect on employee attitude and perception often towards that which is being measured and towards those tasked to do the measuring. In most cases, organizations focus on output, general performance, efficiency, and organizational profit above all other objectives. Also common is the linking of most human resource functions with performance appraisal (Faizal, 2005).

The Teachers service Commission has adopted a performance appraisal system in line with the the Government of Kenya (GOK, 2009) requirement. The performance appraisal system involves rating employees to establish whether they are meeting their objectives and targets. Studies have linked employee perception to various activities in organizations. For instance Kachero (2006), did a study on employee perception of staff promotion process: a case study of university of Nairobi and Kiboi (2006), undertook a study on management's perception of performance contracting in state corporations. Ochoti et al (2010) carried out a study on the factors influencing employee performance appraisal system: a case of the ministry of state for provincial administration & internal security, Kenya. The study findings revealed that 55.1% of the variation in performance

appraisal system can be explained by the changes in implementation process, interpersonal relationships, rater accuracy, informational factors and employee attitudes.

None of these studies focused on employee perception on the effectiveness of the performance appraisal system in the public sector and more specifically at the Teachers Service Commission. This study will therefore seek to establish the employee perception of the performance appraisal system at TSC. It seeks answers to the following question: What is the Employee perception on the effectiveness of performance appraisal system used by Teachers Service Commission?

1.3 Objective of the study

Establish Employees perception of on the effectiveness of the performance appraisal system used by Teachers Service Commission.

1.4 Value of the study

The findings of this study will be very important to those in the academic realm since it will assist them with relevant literature on performance appraisal. It will shed more light on employee perception of the Effectiveness of performance appraisal system.

The study will also assist the Teachers Service Commission to get a better understanding of employee perception of the performance appraisal system. This will enable them to get more information on how to improve the state of the performance appraisal system at the Commission secretariat.

The findings may also be beneficial to other organizations that have challenges with their performance appraisal systems. It will enable them to benchmark with the TSC situation in order to perfect their performance appraisal systems.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter contains the review of previous studies that have been carried out on performance appraisal. The literature that is reviewed relates to performance appraisal system overview; the benefits of performance appraisal as well as the factors affecting performance appraisal systems.

2.2 Review of Performance Appraisal Systems

The introduction of modern performance appraisal systems such as management by objectives (MBO) and evaluation approaches such as Behaviorally Anchored Rating Scales (BARS) has not prevented many organizations from continuing to rely on old methods such as Essay Forms, peer ranking and trait rating scales. Saunders and Thornhill (2000) observed that systematic use of performance appraisals in the U.S.A. began early in this century with the government and military, where pressures for merit systems of promotion have traditionally created a demand for an objective measurement of performance. The modern versions of techniques such as peer ranking, forced choice measures, and trait rating scales were developed in the armed forces. In civilian life, performance appraisals were uncommon limited to hourly industrial employees. The appraisal of managerial employees did not become popular until after the First World War

Terry Gillen (1995) observed that the 1980s and 1990s have seen growing emphasis on performance and hence on performance reviews. In the U.K., at least this impetus continued with the focus on performance caused by successive economic recession, the application of commercial philosophies to the public sector and with the widening adaption of performance related pay. Agere Sam and Noella (2000) after conducting research in commonwealth countries argued that many countries are already implementing various approaches to improved performance management as part of economic and administrative reform. The advantages of the reform are being shared internationally through improved technology and skills. To this extent, performance management has become part of the global village hence an effect of the globalization process. Within the public service reforms in the commonwealth countries, the objectives of the performance appraisal and development system have been stated by Noella Jorm as: developing a culture of new professionalism in the public sector through: provision of an opportunity for improved dialogue between managers, supervisors and employees, encouraging the early identification and turnaround of unsatisfactory performance, recognizing and rewarding good performance through appreciation and incentive awards and opportunities for career development, appraising the performance of all employees in an open, objective, fair and consistent manner.

Brown (2003) states that modern appraisal system increasingly seeks to incorporate objective setting measurements of results and potential for performance improvement. Appraisals are therefore designed around targets set for each employee. However, a balance must be struck so as not to lose the personality traits altogether. Ways of striking a balance include: - behavior based generic tasks, performance indicators, standards in

the annual appraisal, developing value statements for the Commission, assessment of whether the code of conduct has been adhered to and developing and including a set of desired core competencies in the appraisal.

Gary (2003) says that employers depend on graphic type rating scales to appraise performance. These performances are susceptible to several problems namely: - unclear standards, halo effect, central tendency, leniency, strictness or bias. The graphic rating scale is objective but probably results in unfair appraisals because the traits and degrees of merit are ambiguous. For example, different supervisors would probably define “good” performance, “unfair” performance and so on differently. The same is true for “initiative” and “creativity”.

2.2.1 Performance appraisal System Standards and Objectives

According to Tobias (2002) performance evaluation calls for appraising the employee’s actual performance against the set standards. It is also said that Management By Objectives (MBO) is a philosophy which emphasizes on goal setting and planning for individual managers and their workgroups. MBO recognizes and encourages participatory approach to goal setting, in which both the manager and staff are involved. The purpose of MBO is to give subordinates a voice in the goal setting and planning process and to clarify for them exactly what they are expected to accomplish within a given time span. The manager is required to set measurable goals with each employee and periodically discuss with the employee the progress made towards the goals. It is on this basis that the study seeks to examine whether the Teachers Service Commission’s

performance appraisal standards and objectives affect the performance appraisal of the staff in the commission.

MBO involves a comprehensive organizational goal setting and appraisal program that consists of six steps: setting of the organization's goals, setting departmental goals, discussing departmental goals, defining expected results, performance reviews, and giving of feedback. Based on the above information, the study seeks to examine whether the Teachers Service Commission's standards and objectives affect performance appraisal of the staff. Brown (2003) indicates that an appraisal system is a mechanism used to translate the organization's corporate or strategic plan into action. The appraisal system used in the Teachers Service Commission focuses on meeting organizational objectives only and fails to factor the perception of the employees towards such a system. Such systems fail to emphasize goal setting assessment and skill development and ultimately contribute little to organization success. Appraisals are designed around targets set for each employee. However, a balance has to be struck so as not to lose the personality traits altogether. Ways of striking a balance includes: behavior based generic tasks, performance indicators and standards in the appraisal process.

According to Gary (2003) performance appraisal involves setting work standards, assessing the employee's actual performance relative to those standards, and providing feedback to the employee with the aim of motivating that person to eliminate deficiencies. He also says that appraising performance means comparing the subordinate's actual performance to the standards that have been set, i.e. the set job standards. Unfortunately, some supervisors tend to be lax when it comes to setting goals

for their employees. One has to quantify their expectations i.e. set measurable standards for each expectation. Based on these claims, the study seeks to examine whether the Teachers Service Commission's performance appraisal standards and objectives affect the performance appraisal of the staff in the commission.

2.2.2 Benefits of Performance Appraisal Systems

It has been proposed that feedback from performance appraisal aid in minimizing employees' perceptions of uncertainty. Fundamentally, feedback and management of employee communication can serve as a guide in job performance. Enhancement of employee focus through promoting trust: behaviors, thoughts, and/or issues may distract employees from their work, and trust issues may be among these distracting factors. Goal setting and desired performance reinforcement: organizations find it efficient to match official worker's goals and performance with organizational goals. Performance Appraisals provide room for discussion in the collaboration of these individual and organizational goals. Performance improvements: and well constructed performance appraisals can be valuable tools for communication with employees pertaining to how their job performance stands with organizational expectations. Determination of training needs: officials training and development are crucial components in helping an organization achieve strategic initiatives. It has been argued that for Performance Appraisals to truly be effective, post-appraisal opportunities for training and development in problem areas, as determined by the appraisal monitoring (Cardy & Dobbins, 1994; Murphy & Cleveland, 1991) and usually involves "evaluating performance based on the

judgments and opinions of subordinates, peers, supervisors, other managers and even workers themselves” (Jackson & Schuler, 2003).

2.3 Factors Affecting Effectiveness of Performance Appraisal Systems

The 360-degree feedback method can be utilized by organizations in performance appraisal. This is a method that combines evaluations from various sources into the overall appraisal (Garavan et al, 1997). The evaluations can be from peers, subordinates, superiors and the employee being rated (Tornow, 1993). Evaluations from clients, suppliers, or customers can also be sought. McDowall and Fletcher (2004) argue that the 360-degree feedback is costly but it is the most comprehensive since feedback is sought from everyone who is directly involved with the employee being appraised. There are however a number of factors such as design of the appraisal system, training, employee development, communication, evaluation of results and follow up and performance improvement that are likely to affect the performance appraisal system.

2.3.1 Design of Performance Appraisal System

An organization must design a performance appraisal system so that it works well with the organization's structure. Employees can give input into the design and feel committed to a new system. If executed correctly, managers will be able to give appraisals to employees under their supervision. If employees perform high levels of autonomous work or belong to work teams, for example, they will need a performance appraisal system, such as "360-degree feedback," that evaluates their real performance. In this system, members of work teams can evaluate each other. If there is a mismatch between organizational structure and the design of the appraisal system, it will be ineffective.

Managers will provide evaluations that are not appropriate and employees will become disgruntled. The resulting tension will negatively impact the workplace culture (Bianca, 2012).

2.3.2 Communication

Communicating the performance appraisal process, not only to new managers but on an ongoing basis, can help remind all supervisors that the process exists, what it is, how it works and where to get advice and assistance if needed. In addition, business leaders and human resources staff should make sure managers and supervisors understand why performance appraisal is important to employees, managers and the organization. The quality of communication between the rater and the ratee during the appraisals will influence the process. According to Fletcher and Williams (1996), there should be frequent meetings between the rater and ratee, during which time action plans should be developed and areas where they may not agree looked into. Quarterly communication between the rater and ratee will result in a variety of positive job outcome like job satisfaction and organizational commitment. During such formal meetings, individual performance should be discussed. The performance review may include the actual performance, the tasks that were completed and areas that need improvement. Walsh and Fisher (2005) call such meetings "Action Inquiry", a method where organizational members use dialogue to foster their working relationships. This kind of dialogue can be used to enhance individual and group decision-making in an organization thereby improving productivity (Fisher & Tolbert, 1991).

2.3.3 Training

Supervisors and managers do not automatically know how to conduct performance appraisals. In addition, processes and philosophies at companies differ, so training and education is critical. Training should take place regularly to provide refreshers and updates on any changes to the process or the evaluation forms. Therefore training is another crucial factor that affects the effectiveness of a performance appraisal system. If managers will use rating scales to evaluate, they should receive training in how to document performance, communicate what they observe and give feedback. If managers know how to communicate their appraisal of employee performance throughout the year, they will be able to give subordinates appropriate ratings. Alternatively, a system can include training employees on how to use honest ratings from their managers to take charge of improving their performance. If employees are responsible for their ratings, they get more ownership in the appraisal system (Richards, 2012).

2.4 Factors Affecting Employee Perception of Performance Appraisal System

Bowen and Ostroff (2004) assert that an individual's ability to make unambiguous and confident attributions about the cause-effect relationships of performance appraisal system depends on the distinctiveness, consistency, and consensus of the performance appraisal system. Subsequently, Bowen and Ostroff have identified nine process features of performance appraisal systems that should foster systems' perceived distinctiveness, consistency, and consensus. Finally, Bowen and Ostroff further conceptualized the strength of the performance appraisal system in terms of its efficiency in achieving collectively shared interpretations of the performance appraisal system messages.

Collectively shared cause-effect attributions to the performance appraisal system, in turn, were assumed to cultivate organizational climates.

2.4.1 Distinctiveness

The distinctiveness of performance appraisal system concerns situational characteristics allowing it to stand out in the environment, by attracting attention and arousing interest. They have specified four performance appraisal system features, necessary to foster distinctiveness: visibility, understandability, relevance, and legitimate authority. Visibility of performance appraisal system represents the extent to which these practices are salient and easily observable. As Kelley and Michela (1980) have claimed, the notion behind salience is that individuals tend to attribute effects to the causes that are most salient in the environment at the time the effect occurs. Applying this notion to the performance appraisal system context, Bowen and Ostroff (2004) argued that salience and visibility are the basic conditions for the employees to make sense of performance appraisal system. In addition, they contended that for the desired effects of practices to occur, they should be visible throughout the considerable part of employees' daily work activities.

2.4.2 Consistency

Following the principles of causal attribution (Kelley & Michela, 1980), in order for the individuals to make accurate and confident attributions, distinctiveness of the event, which facilitates its perceived importance, should be complemented by the consistency of its effects over time and modalities. Applying this logic to the performance appraisal system context, it can be inferred that for the employees to make sense of the expected

behaviors and attitudes, the outcomes of such behaviors should be consistent across the time, practices, and employees. Bowen and Ostroff (2004) have identified three process features that are likely to foster consistency: the instrumentality, validity, and consistency of the performance appraisal system. Validity refers to the extent to which the practices exhibit consistency between their declared purpose and what they actually do. Practices failing to demonstrate their advertised effects send contradictory messages and result in idiosyncratic employees' interpretations.

2.4.3 Consensus

The final performance appraisal system characteristic that might lead to the creation of strong situation, when integrated with distinctiveness and consistency, is consensus. According to Kelley and Michela (1980), individuals are more likely to make accurate attributions when the perceptions of the stimuli-effect relationship are shared. As has been previously stated, shared perceptions are necessary for the emergence of organizational climate. Bowen and Ostroff (2004) have identified two main process features that cultivate consensus in employees' perceptions of the performance appraisal system: agreement among the principal performance appraisal system decision makers, and the perceived fairness of performance appraisal system. The fairness of the performance appraisal system, concerns the adherence of the system's constituent practices to the principles of procedural, distributive, and interactional justices Bowen, Gilliland, & Folger, (1999)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter consists of methods that were used in establishing the perception of employees on the effectiveness of performance appraisal system at the Teachers Service Commission of Kenya. This includes the research design, data collection research instruments and data analysis. The chapter also looks at the data analysis techniques that were used in analyzing the data that collected.

3.2 Research Design

The research was a descriptive survey of the Teachers' Service Commission. The study sought to establish employee perception on the effectiveness of performance appraisal system at the Teachers Service Commission. According to Tanur (1982), a survey is a means of collecting information about a large group of elements referred to as a population. Pinsonneault and Kraemer, (1992) also indicate that a survey has three characteristics: to produce quantitative descriptions of some aspects of the study population in which case it is concerned either with relationships between variables, or with projecting findings descriptively to a predefined population; data collection is done by asking people structured and predefined questions and data is collected from a fraction of the target population.

3.3 Target Population

The study targeted all the secretariat employees of the Teachers' Service Commission. There was total of 3000 employees in the Commission who work at the teachers service

commission headquarters and various units across the country. The study therefore took the 3000 employees as the target population from where respondents were picked.

3.4 Sample Design

The researcher adopted stratified random sampling to select the sample for the study. The respondents were divided into seven distinct strata comprising of departments within the Commission. Random sampling was then employed to pick respondents from each stratum. The researcher selected a total of 49 respondents comprising of 7 from each of the departments. Two of the respondents were supervisors and 5 were non-supervisory staff.

3.5 Data collection

The study solicited for primary data. The data was collected through a structured questionnaire with both closed and open ended questions. The questionnaire was divided into two parts. Part A contained questions on the personal profile of the respondents while part B sought data on the perception of the respondents on the effectiveness of the performance appraisal system at the Teachers Service Commission. The questionnaire was administered through drop and pick later method by the researcher.

3.6 Data analysis

The researcher used quantitative methods of data analysis. Content analysis was used to analyze the qualitative data. Kothari, (2004) suggests that content analysis involves analyzing the contents of documentary materials such as books, magazines, newspapers

and the contents of all other verbal materials which can be either spoken or printed. It is a technique for making inferences by systematically and objectively identifying specified characteristics of messages. Content analysis examines the intensity with which certain words have been used. Content analysis systematically describes the form or content and or spoken material. The quantitative data was analyzed using descriptive statistics. The findings from the study were presented using frequency tables and pie charts.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

The purpose of this study was to investigate employee perception of the effectiveness of performance appraisal system at the Teachers Service Commission, Kenya. The researcher collected primary qualitative data from employees of TSC. The sample size for the study was 49 respondents and the researcher managed to collect data from all the 49 respondents. This implies that the researcher managed to achieve a 100% response rate from the data collection exercise. The findings of the study are presented next.

4.2 Demographic Information

The researcher sought some information on the profile of the respondents. This information was meant to assist the researcher understand whether the respondents who participated in the study had the right characteristics to provide reliable information for this study.

Table 4.1: Gender

	Frequency	Percent	Cumulative Percentage
Male	23	46.9	46.9
Female	26	53.1	100.0
Total	49	100.0	

The findings of table 4.1 confirm that 53.1% of the respondents were females while 46.9% were males. The findings reveal that there is some degree of gender balance at the Teachers Service Commission.

Table 4.2: Education Background

Education background			
	Frequency	Percent	Cumulative Percent
Secondary education	7	14.3	14.3
College certificate	9	18.4	32.7
College Diploma	17	34.7	67.3
Bachelors Degree	8	16.3	83.7
Masters Degree	8	16.3	100.0
Total	49	100.0	

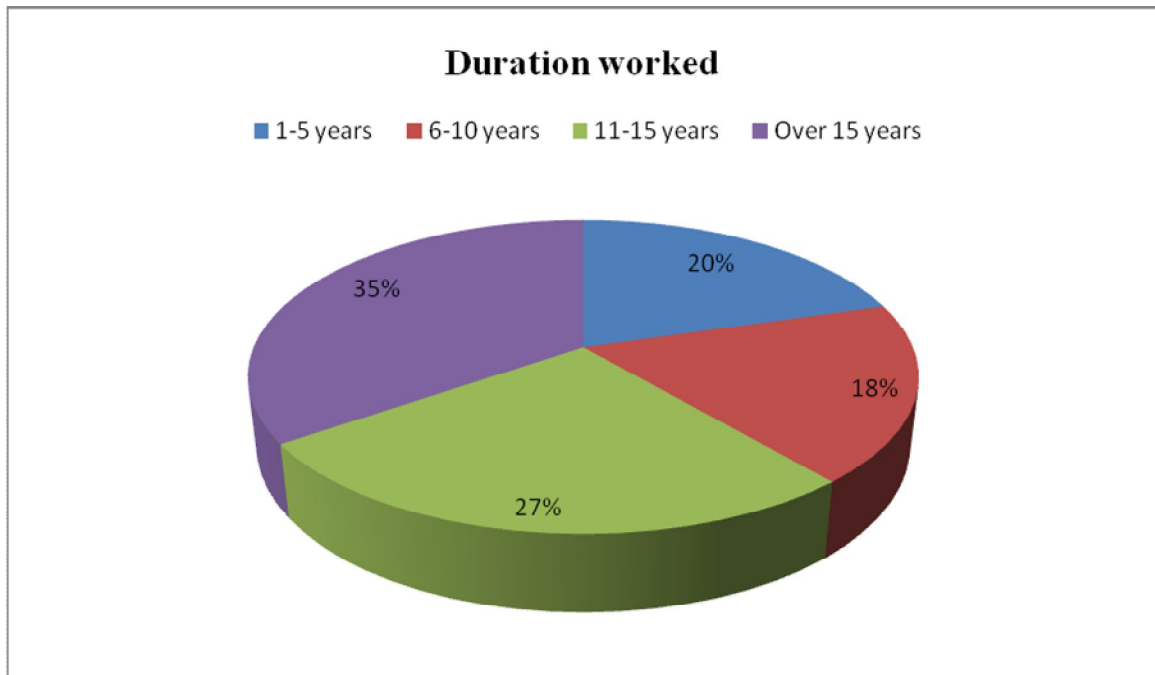
The findings tabulated in table 4.2 above reveal that 34.7% of the respondents hold a college diploma; 18.4% hold a college certificate; 16.3% holds a bachelors' degree; 16.3% have a masters degree while 14.3% have secondary education. This is an indication that most of the respondents have necessary training hence could provide reliable information on performance appraisal.

Table 4.3: Designation

Designation			
	Frequency	Percent	Cumulative Percentage
Supervisor	13	26.5	26.5
Non-supervisory staff	36	73.5	100.0
Total	49	100.0	

The findings of table 4.3 established that 73.5% of the respondents were non-supervisory staff while 26.5% were supervisors. This is an indication that the study took a balanced sampling since supervisors are expected to be fewer than the non-supervisory staff.

Figure 4.1: Duration Worked



The findings from the pie chart above indicate that 35% of the respondents have worked with TSC for more than 15 years; 27% have worked with the commission for between 11 to 15 years; 20% of the respondents have worked for the commission for between 1-5 years while 18% of the respondents have worked for between 6-10 years. This is a confirmation that most of the respondents have been with the commission long enough and they understand the performance appraisal system better.

Table 4.4: Time taken to move from one grade to another

How long it has taken one to move from one grade to another			
	Frequency	Percent	Cumulative Percent
Between 1-3 years	20	40.8	40.8
Between 4-6 years	15	30.6	71.4
More than six years	13	26.5	98.0
Never move a grade	1	2.0	100.0
Total	49	100.0	

The findings in table 4.4 confirmed that majority of the respondents represented by 40.8% took less than three years to move from one grade to another; 30.6% for between 4-6 years; 26.5% for more than 6 years. It was also evident that 2% of the respondents had never moved from one grade to another.

Table 4.5: Performance appraisal and career growth

Performance appraisal and career growth development

	Frequency	Percent	Cumulative Percent
Yes	20	40.8	40.8
No	29	59.2	100.0
Total	49	100.0	

The study sought to establish from the respondents whether performance appraisal is beneficial to their career growth. The findings as illustrated in table 4.5 above confirm that 59.2% of the respondents indicated that performance appraisal does not contribute to their career growth at all while 40.8% of the respondents indicated that performance appraisal does contribute to their career growth. This is a confirmation that most of the employees at the Commission have a perception that performance appraisal does not assist them to grow in their careers at all.

4.3 Employee Perception on Effectiveness of performance appraisal

The study sought to establish the perception of employees at the Teachers Service Commission on the effectiveness of the performance appraisal system used by the Commission. The respondents were provided with fifteen statements on perception and were required to rate them using the scale of totally agree as the highest positive remark and totally disagree as the lowest remark. The responses were subjected to descriptive statistics and means obtained. The results are discussed next.

Table 4.6: Means and standard Deviations of Employee Perception on Effectiveness of performance appraisal

	N	Minimum	Maximum	Mean	Std. Deviation
The system is simple to understand	49	1	5	2.90	1.295
The system is relevant to the organization	48	1	5	2.85	1.321
Performance appraisal and legal issues in employment	49	1	5	3.33	1.088
The system is objective thus does not allow subjectivity	49	1	5	3.08	1.205
Performance appraisal system is salient and visible	49	1	5	3.02	.968
The system has been consistent over time	49	1	5	2.63	1.220
Performance appraisal system practices are consistent at TSC	49	1	5	2.63	1.220
Employees of TSC are subjected to same performance appraisal	49	1	5	2.57	1.323
Employees are involved in developing performance measures	47	1	5	3.60	1.077
Performance appraisal process is fair to all employees	49	1	5	3.57	1.208
Performance appraisal is used to reward those loyal to supervisors	49	1	5	2.82	1.424
The system is not well structured and lacks relevant content	49	1	5	2.45	1.209
The entire system needs overhaul	47	1	4	1.98	.989
Performance appraisal system is not based on any realistic ideals	49	1	5	2.45	1.119
The system has no loopholes for subjective evaluation	49	1	5	3.53	1.082
Valid N (listwise)	45				

It is clear from the results tabulated in table 4.6 above that the need for the performance appraisal system at TSC to be completely overhauled had a mean of 1.98. This is an indication that the perception of majority of the respondents who took part in this study is that the entire system should actually be overhauled since it does not meet the objective it is supposed to meet. This is in line with the response provided by most of the respondents that the system does not meet their career growth objectives.

It was also clear from the study that most of the respondents agreed that the performance appraisal system was simple to understand. Simplicity of the system had a mean of 2.98. The respondents also indicated that the system is relevant to the organization even though it needs a total overhaul. This was supported by a mean of 2.85. The findings from the study also reveal that the performance appraisal system has been consistent over time. The respondents believe that the practices used in the performance appraisal have been consistent over time. Subjecting employees to the same performance appraisal standards had a mean of 2.57, an indication that majority of the respondents agree that all employees are subjected to the same performance appraisal standards.

The researcher also established that using the performance appraisal system to reward those who are loyal to supervisors had a mean of 2.85. This is a confirmation that most of the respondents indeed agreed that the system is abused by using it as a tool of rewarding those employees or subordinates who are loyal to their supervisors. It was also evident that a mean of 2.45 was obtained against lack of proper structuring and lack of relevant content in the performance appraisal system. This is a confirmation that most of the respondents agreed that the system is not well structured and also lacks relevant content.

It was further established that the performance appraisal system is not based on realistic ideals. This was supported by a mean of 2.45 as indicated in table 4.6 above.

However, most of the respondents were not certain on some of the perception aspects that were provided to them. For instance the aspect of performance appraisal system taking into account legal issues in employment had a mean of 3.33 an indication that most of the respondents were not sure whether it actually does. This confirms that most of the respondents may not be aware of the legal issues in employment and this makes it difficult for them to confirm with authenticity whether the performance appraisal system does cover those issues.

A mean of 3.03 was also obtained against performance appraisal system's ability to promote objectivity in stead of subjectivity. This confirms that most of the respondents were no certain whether the system promotes objectivity. The respondents were also not so sure whether all employees are involved in the preparation of the performance appraisal system. It was also established that the respondents were not sure whether the performance appraisal system was fair to all the employees in the organization. This confirms that he respondents have doubts as far as fairness of the system is concerned.

CHAPTER FIVE: SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings on employee perception of the effectiveness of performance appraisal system at the Teachers Service Commission. The chapter also provides the conclusions made from the findings; the recommendations made based on the study findings as well as suggestion for further research.

5.2 Summary of Findings

The aim of the study was to establish the employee perception on the effectiveness of performance appraisal system at the Teachers Service Commission. The study established that most of the employees at the commission feel that the system does not contribute anything to their career growth. The perception of most of the employees is that the system is not based on realistic ideals and it may not be beneficial to their career growth objectives. Evident from the study also was the fact that the performance appraisal system at the commission needs a total overhaul. The study revealed that there are reasons as to why a total overhaul of the system may be important. The first reason is that the respondents are not certain whether all the employees of the commission are involved in developing the performance appraisal system that is used. It was also not clear whether the system takes into account all the legal issues in employment. The findings also indicated that the current performance appraisal system may be an avenue through which those employees who are loyal to the supervisors are rewarded.

It was also evident from the study that the employees did not have an issue with the simplicity of the performance appraisal system since it was easy to understand. The main challenge with the system according to the findings is the fact that it has loopholes that may lead to subjective evaluation of the employees involved. Despite all the negative perceptions that were noted, it was clear that the performance appraisal system used by the commission has been consistent over time and that the same standards are normally applicable to all the employees of the commission.

5.3 Discussion of Findings

It is evident from the findings of the study that the perception of most of the respondents on the effectiveness of the performance appraisal system is that it is not based on realistic ideals. The study further established that the performance appraisal system is not such visible since it is not based on realistic ideals. This is in line with the findings of Bowen and Ostroff (2004) who argued that salience and visibility are the basic conditions for the employees to make sense of performance appraisal system. They also contended that for the desired effects of practices to occur, they should be visible throughout the considerable part of employees' daily work activities.

The study also revealed that although the performance appraisal system is not that visible and salient, the perception of most respondents is that the current system has been applied consistently over time. It was also established that the employees of the commission are subjected to the same performance appraisal. According to the findings of Kelley & Michela (1980) in order for the individuals to make accurate and confident attributions, distinctiveness of the event, which facilitates its perceived importance, should be

complemented by the consistency of its effects over time and modalities. Applying this logic to the performance appraisal system context, it can be inferred that for the employees to make sense of the expected behaviors and attitudes, the outcomes of such behaviors should be consistent across the time, practices, and employees.

The findings further confirmed that the perception of most of the respondents on the effectiveness of the performance appraisal system is that employees are not involved in the development of the performance appraisal system. This implies that there is no consensus reached on some issues on the performance appraisal system. These findings are contrary to those of Kelley and Michela (1980) who assert that individuals are more likely to make accurate attributions when the perceptions of the stimuli-effect relationship are shared. They further suggest that shared perceptions are necessary for the emergence of organizational climate.

The findings from the study also established that perception of the respondents on the effectiveness of the performance appraisal system is that the system is not fair to all employees at the commission. This stems from the fact that the employees are not provided with the opportunity to participate in developing performance appraisal measures. This is contrary to the findings of Gary (2003) who suggest that performance appraisal involves setting work standards, assessing the employee's actual performance relative to those standards, and providing feedback to the employee with the aim of motivating that person to eliminate deficiencies. He also says that appraising performance means comparing the subordinate's actual performance to the standards that have been set, i.e. the set job standards.

5.4 Conclusion

The performance appraisal system used by the Teachers Service Commission is simple and has been consistent over time. All the employees of the commission are subjected to the same standards as far as the performance appraisal system is concerned. However, it is clear that the system does not seem to involve all the employees during the development process. It also has a number of loopholes that encourage subjective evaluation of the employees. The system therefore needs to be overhauled in order to have realistic ideals since the current one does not seem to be based on such ideals.

5.5 Recommendations

The study has confirmed that the system has loopholes that may lead to subjective evaluation. It will be important for the commission to review the system and ensure that the loopholes have been sealed in order to make it objective.

The study has revealed that the system is not based on realistic ideals. It will be important to change the system so that it can focus on realistic ideals that can motivate the employees in the commission.

The study has also revealed that most of the respondents want the entire system to be overhauled. It will be important for the commission to conduct a survey and establish whether all the employees are of this opinion.

5.6 Suggestions for Further Research

There is need to carry out a study that will include all the commissions set up by the government. This will assist in understanding whether all the commissions face the same

situation on the Employee perception of the effectiveness of the performance appraisal system.

Carrying out a comparative study with the private sector in Kenya will also be important. This will assist the commissions to benchmark for best practices from the private sector in Kenya.

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APPENDICES

INTRODUCTION LETTER

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH INFORMATION.

I am a student at the University of Nairobi pursuing a Master degree in Business Administration (MBA). I am undertaking a research project on employee perception on the effectiveness of performance appraisal system at the Teachers' Service Commission as part of the academic requirements for the award of the stated degree.

I kindly request you to fill the attached questionnaire, to help me gather the necessary information. The information you give shall be treated with utmost confidentiality and shall be used solely for this research problem.

Any additional information you might consider necessary for this study will be highly appreciated.

Thank you in advance.

Yours sincerely,

Scholastica Seem Matunge

Appendix I: Research Questionnaire

Section A: Personal Profile

1. Gender
 - a) Male
 - b) Female
2. Education Background
 - a) Secondary Education
 - b) College certificate
 - c) College Diploma
 - d) Bachelors Degree
 - e) Masters Degree
 - f) Doctorate Degree
 - g) Other (Specify).....
3. Designation
 - a) Supervisor
 - b) Non-supervisory staff
4. How long have you worked at TSC
 - a) 1-5 years
 - b) 6-10 years
 - c) 11-16 years
 - d) Over 16 years
5. On average how long has it taken you to move from one grade to another?
 - a) Between 1-3 years
 - b) Between 4-6 years
 - c) More than six years
 - d) Never moved a grade
6. Has performance appraisal contributed to your career growth and development?
 - a) Yes
 - b) No

Section B: Employees perceptions on effectiveness of performance appraisal system at the Teachers Service Commission

Please indicate the extent to which you agree with the following statements concerning your perception on the effectiveness of the performance appraisal system at the Teachers Service Commission.

	Statement	Totally agree	Agree	Not certain	Disagree	Totally Disagree
1	The system is simple to understand					
2	The system is relevant to the organization					
3	The performance appraisal system takes legal issues in employment					
4	The system is objective thus does not allow subjectivity					
5	Performance appraisal system is salient and visible					
6	The system has been consistent over time					
7	Performance appraisal system practices are consistent at TSC					
8	All employees of TSC are subjected to same performance appraisal practices					
9	Employees are involved in developing performance measures					
10	The performance appraisal process is fair to all employees					
11	Performance appraisal is used to reward those loyal to supervisors					
12	The system is not well structured and lacks relevant content					
13	The entire system needs overhaul					
14	Performance appraisal system is not based on any realistic ideals					
15	The system has no loopholes for subjective evaluation					

Thanks for participating