

**MANAGEMENT PERCEPTION OF THE PERFORMANCE TARGET SETTING
CRITERIA AT DAWA LIMITED KENYA**

BY

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DECLARATION

This research project is my original work and has not been submitted for the award of a degree in any other university

Signed: Date:

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

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DEDICATION

I dedicate this work to my family for always believing in me and being there for me. I love you all and may God Almighty continue to shower you with everlasting blessings.

ACKNOWLEDGEMENT

First and foremost I wish to acknowledge and thank the Almighty God for his love, blessings ,favour and gift of life, for providing me with good health and all my needs and to all those who helped me in one way or the other enabling me to undertake this project. I wish to sincerely express my gratitude to my supervisor Mr. George Omondi for the support, guidance, encouragement, patience, availability for consultations at short notice and understanding during this challenging time of writing this project. Thank you and may the Almighty God continue to shower you and your families with great love. I am also grateful to my family who shared extra burden of taking care of things as I pursued this noble task.

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ABSTRACT

Management perception of performance targets criteria for any organization business may not always increase the organizations efficiency and productivity but helps to ensure that management staffs are focused on key result areas deliverables and ways on how to measure those deliverables. Dawa Limited has an employee performance management system which is involves setting performance target criteria as well as to measure employee's performance. However, severally have employees fallen short of target with most performing below the set targets. This has raised a lot of complains from both management and staffs. The major justification for this failure is lack of clarity on basis of the criteria being used to set performance targets for management staff. The area of performance setting criteria has attracted little scholarly effort and no study has been done at Dawa Limited, specifically, analyzing management staff perception of the performance target setting criteria. Therefore, this study sought to establish perception of management performance target setting criteria at Dawa Limited, Kenya. Using a case study research design, the study collected primary data and analyzed using descriptive and chi-square tests to establish the relationship between the variables. The study findings led to the conclusion that there is a significant relationship between management perception and performance of target setting criteria reiterating that the management perception is critical to the success in performance of target setting criteria. It concludes that the management perception of target setting as a way of improving the performance review of employees, as well as perceiving target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent leads to better performance of target setting criteria. The study recommends that since management perception is critical to the performance of target setting criteria, the study recommends that organizations should adopt target setting but at the same time, in order to make it work effectively, they should encourage the top management to perceive target setting as a way of improving the performance review of employees, as well as perceiving target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent. Otherwise, the adoption may not yield better performance if the management perceives it negatively.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Performance management system is used to give a clear guideline that provides an objective and effective structure that can be used to examine and improve the productivity of the employees (Bourne, Neely, Mills, Platts & Wilcox, 2000). Organizations measure performance to understand how well an organization is accomplishing its vision goals and objectives. According to Brown and Challagalla (2005), performance management allows for an analysis of the gaps identified that should be enhanced for the purposes of improving employee performance and in the process increase the quality of work and the enhance service provision. Measuring performance also allows organizations to understand what is working well and what is not working well in order to streamline their systems (Chowdhury, 2010). Performance target setting criteria, according to Greve (2003), need to be closely related to the strategic goals and the different types of measures. This is because they are critical to the business performance which is able to produce measurable output.

Several theories have been used to explain management staff perception of the performance target setting criteria. The main theories to be used in this study include goal setting theory and Management by Objectives theory. The first theory states that employees are able to perform excellently at their work if they have already set intentions to perform. Given set targets, employees can adhere to them and hence be in a position to improve their work rate. The latter theory argues that employees and the management can agree on objectives that guide their working relationship. It emphasizes on participatory approach to the process of goal setting.

Dawa Limited has adopted target setting criteria in order to enhance the company's performance. This criteria has met with different reactions from both the employees and the management. Both managers and normal employees are assigned different target criteria in which they are required to attain and thus held accountable for performance in

their respective stations of work. While it is widely perceived that target setting criteria leads to better organizational performance in the public sector (National Customer Satisfaction Survey Report, 2009), implementation of target setting at Dawa Limited was received with mixed reactions.

1.1.1 Management Perception

Perception is the process of interpreting or internalizing something with the senses that make people to have different interpretations and sensations that help them to come up with different and specific meanings in the environment where they reside (Kerr, 2005). The management perception is expressed in different ways in different people due to their different and unique needs plus the values as well as the expectations as described by Litzky, Eddleston and Kidder (2006). Litzky et al., (2006), also argued that perception is a clear description of the experience of a person and the environment within which they live plus the sensory input. Therefore, it is important to note that management perception differs from one manager to another. This is because of the differences between individuals in terms of their physical characteristics including their height, weight and even the education level. Therefore, Management perception in target setting criteria may be influenced by factors such as context or environment in which they work in, their familiarity with the process of performance contracting and their personal characteristics (2004).

Henning (2009) described perception as the organization, identification, and interpretation of sensory information which enable the specific and detailed understanding of the surroundings a person is living in. Perception involves the different sets of signals that will be released by the nervous systems and may as well result into the different physical and chemical stimulation of the specific types of the human sense. According to a research carried out by Neely (2002), in the specific time when a person is being confronted by a specific issue, there are different sets of interpretation that the person goes through. The experience and the interpretation will be dependent on the different factors such as previous events and thus making it easy to subvert the reality.

Assael (1995) argues on the importance of perception in the process of goal setting since the way a person responds to the environment and the activities taking place is dependent on their beliefs, expectations, motivation and attitude. The personality will also determine the response a person will have towards the environment. It is also important to note that people will select the different stimuli for the purposes of satisfying their immediate needs and this is referred to as perceptual vigilance. In the process, a person may easily disregard stimuli that can cause them to be anxious about something and this state is referred to as perceptual defense. Different scholars including Schwepker and Good (2004), have highlighted that the perception of a person in terms of their self-efficacy can be crucial in determining the behavioral alternatives that they could choose and the specific amount of effort they will apply during stressful moments. On the other hand, Gist and Mitchell (1992), has explained that self-efficacy is crucial in the process of creating motivational construct which influences the different sets of decisions, goals and objectives, the persistence and effort of a person.

1.1.2 Performance Target Setting Criteria

Performance target setting criteria according to Greve (2003) need to be closely related to the strategic goals and the different types of measures. This is because they are critical to the business performance which is able to produce measurable output. Bailey (2003) indicates that the type of data that will be used for the purposes of measuring the performance should be highly verifiable and it should be used to show the information on the level of expectations that have been met and give credible basis as evidence for purposes of using it to take action as well as feedback.

According to Walters (1995), measuring performance should be on the basis of how effective it is and not on how merely it has been used to deliver results. Therefore, it should be able to deliver credible and highly effective results. The process of performance target setting criteria involves the process of knowing the current status, what needs to be achieved and determining the realistic improvements that are needed for the purposes of moving from one level to another. Harris (1989), indicated that managers

should always be specific about the objectives they will set for it helps in the process of measuring the managerial effectiveness which helps measure the business performance.

Therefore, they should find the right priority that should be given to all the tasks that need to be accomplished (Walters, 1995). Bates and Holton (1995) viewed performance as a managerial process that involves participation in setting of goals monitoring and measurements which varies depending on a variety of factors to close the gaps identified. Therefore, the objectives should be clearly measured for the purposes of having a clearly predetermined outcome of the process and the achievements a person can have at a personal level. According to Kane (1996), performance is what a person is able to achieve. On the other hand Bernadin *et al* (1995), echoed that performance is the outcome of the tasks carried out in line with the strategic goals, the economic impact as well as the economic impact of the tasks.

1.1.3 Dawa Limited

Dawa Limited is a fully fledged manufacturing firm headquartered in Nairobi, Kenya. The manufacturing firm specializes in quality as well as affordable healthcare products which are to be used for the purposes of treating people and also for veterinary use. Dawa Limited is highly committed to ensure the vision of the company is accomplished (Dawa Limited Strategic Plan, 2016). The company was purchased by Medisel (K) Ltd in August 2004. The company has undergone major changes since the acquisition took place.

Today, the company is engaged in manufacturing different products Oral, Topical and Injectable dosage forms. Other products include penicillin, antimalarial including ACTs (Artemisinin), antihistamines, antihypertensive, anti-cough, hospital disinfectants. The company export to countries in the COMESA block and it has over 200 employees. Dawa Limited has adopted target setting criteria as strategy for better organisational structure. The managerial staff level include, Head of Business Unit (NBU) responsible for driving the units' objectives and targets are in charge of evaluation and appraising the Divisional Heads. The divisional head responsible for setting the divisional objectives

and goals, review the performance of all the departmental managers who are the process owners and are responsible for setting the departmental objectives and goals. Facilitate training and remove the bottlenecks based on the feedback results process during review they are in better position to help in coaching the subordinate and clarifies issues, the head of human resource responsible for coordination of the system implementation. Human resource department is also responsible for the management of employee records and data. It is the one stop point of reference for the other head of department (Dawa Limited Strategic Plan, 2016).

Performance management has dominated the academic discussion with from both international and local scholars. For instance, Messah and Kariuki (2011) carried out a study on Factors Affecting Implementation of Performance Contracts Initiatives at Municipal Council of Maua. Their study emphasized on all stakeholders' participation in setting performance targets however did not look into perception of employees on performance setting criteria.

Another similar study by Lillian, Mathooko and Sitati (2011) linking performance appraisal to how the employees in the public sector perform found out that there is need to consult all stakeholders during the performance appraisal process against agreed targets. However, this study too did not consider employees perception. The employees' perception about performance setting criteria is very vital as it directly affect the perceived motivation and output. This therefor lead to the need for a study that would respond to this vital question of 'how does employees perception of performance indicators affects organization performance?'

1.2 Research Problem

Management perception of performance targets criteria for any organization business may not always increase the organizations efficiency and productivity. However according to Martinez *et al.* (2006), performance target setting criteria help to ensure that management staffs are focused on key result areas deliverables and ways on how to measure those deliverables. High performance occurs when goal setting is clear,

challenging task complexity and goal commitment at a high level. To achieve high performance, there is a need for adherence to the set objectives and goals and also a consider check to make sure that there is conformity to the set objectives. Furthermore, in as much as adherence to the set goals is key, rewards and penalties are also critical.

Dawa Limited has an employee performance management system in which is applied setting performance target criteria as well as to measure employee's performance. On a number of occasions, employees have fall sort of target with some recording between 20% to 50% actual performance, below set of 65% average (Dawa Limited Strategic Plan, 2016). This has raised a lot of complains from both management and staffs. The major justification for this failure is lack of clarity on basis of the criteria being used to set performance targets for management staff. The area of performance setting criteria has attracted little scholarly effort and no study has been done in Dawa Limited, specifically, analyzing management staff perception of the performance target setting criteria. Therefore, this study therefore sought to fill this important knowledge gap.

Performance management has dominated the academic discussion with research from both international and local scholars. Aguinis (2009) conducted a study on performance management and established that that effective performance management is a key requirement in an organization. Lillian, Mathooko and Sitati (2011) focused on linking performance appraisal to how employees in the civil service performed and established that there is need to consult all stakeholders during the performance appraisal process against agreed targets. In another study, Muia (2012), linked the effectiveness of performance management practices to how the employees perceived them with a focus on Harambe Sacco and indicated that performance review and appraisal, training and development, commitment, reward system, career planning lead to improved performance management. These studies however did not consider top management perceptions on performance target setting. This created an avenue to fill the gap that other researchers have left. This study focused on finding out the management staff perception of the performance target setting.

1.3 Objective of the study

The objective of the study is to establish perception of management performance target setting criteria in Dawa Limited, Kenya.

1.4 Value of the study

Dawa limited company and other pharmaceutical companies can benefit from the results as it can enable them in understanding performance target setting criteria, its importance and how it affects the growth and performance of the company. Statistics reveal that at Dawa Limited, employees have fallen short of target and they record between 20% to 50% actual performance, below set of 65% average. The findings of this study are therefore important in improving the performance target of the company as it has provided recommendations for improvement.

The study findings are also expected to be of relevance to the policy makers tasked to ensure an improvement in performance of employees in the public sector. There was an introduction of performance target and contracts in the public sector but it did not perform well. The findings of this study can be of importance to the policy makers in the public sector in ensuring the success of performance target.

The study findings are expected to be of relevance to future researchers and scholars when citing literature on the discipline of performance target setting criteria and management perception. The study has also presented the areas of further study which guide future studies to expand on the topic and research more on it. Furthermore, academicians can critique this study and establish knowledge gaps that can guide future works in the area of study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the theoretical framework relevant to this study, the empirical studies and a summary of the literature review and research gap.

2.2 Theoretical Foundation of the Study

The theories used in the study are the Locke and Latham Goal Setting Theory and Management by Objectives Theory

2.2.1 Goal Setting Theory

Locke and Latham (1984) argue that, Goal Setting Theory is used in the workforce to explain that an employee is able to perform excellently at their work if they have already set intentions to perform. The goal setting theory is used to improve the performance of employees because when employees have a goal to work towards, they are able to enhance their performance. This is because they are motivated by the goal and they get satisfied once they have achieved the goal. The goals that are set to improve performance are required to be in line with a set of principles. This means that the goals should be achievable but they should be challenging, they should also be specific and not vague and employees should be involved in the process of setting the goals. The goals should also operate under the principle of measurable goals in terms of quantity, time and cost. As such, target setting is crucial for the purposes of managing the performance of employees and the organization in general.

The theory argues that performance target setting involves making a balanced decision between competing choices; it could be either strategic or operational with key performance indicators for purposes of performance measurement. Budgets are used in targeting setting by allocating resources for future activities in a business. A person is highly motivated when a task is technical and a bit challenging. According to Locke and Latham (2006), explain that even the highly motivated employees will be discouraged if

they do not understand details of the tasks to be completed. Goal setting theory, Greg and Zidon (1984), emphasized that motivation through different aspects such as participation as well as commitment will be critical for the purposes of improving performance. The process of participation should include getting the necessary feedback on the quality of performance and getting further guidance on how a certain task can be completed. Employees according to Greg and Zidon (1984), are required to also be committed to the goals or accept that they need to perform various tasks to enhance performance.

In justifying Goal Setting Theory, Bandura (1997) mentioned that there is a close relationship between the goals that are to be achieved and the specific belief a person has on their capacity and ability to carry out the tasks. Greg and Zidon (1984), identified inputs for goal setting being clear and attainable goals, good attitude of the employee, feedback, participation in decision in the goal setting. Brown, Jones, and Leigh (2005) established that employees given challenging goals without the necessary resources to achieve those goals effects performance greatly and might lead to job frustrations. In this case, goals will be acceptable if they are set in line with the expectations and the preset conditions (Locke & Latham, 1990).

2.2.2 Management by Objectives Theory

The proponent of the theory was Peter Drucker in the year 1954. The theory augments for participation of all parties that is employees and the management in making of policies regarding objectives alignment in an organization. This leads to an improvement in the commitment and motivation of the employees thus leading to an improved communication between the involved parties.

The theory has however received criticism especially in terms of its approach that emphasizes purely goal setting as a way to achieving objectives other than focusing on development of a plan to achieve the same goals. However the theory argues that for the goals set to be achieved, there is a need for the top management support (KaÅ°mierczyk *et.al*, 2016).

Dawa Limited should apply this theory to their entire organization. KaÅ°mierczyk *et.al*. (2016) state that in practice MBO should be used in selected parts of the organization.

The company needs to use it since it involved agreeing on objectives and targets within an organization for both the management and the employees. The staff of the organization will end up knowing the objectives of the particular organization as well as their roles and responsibilities towards achieving the objectives.

2.3 Elements of Performance Target Setting Criteria

Kenneth (2011) argued that target setting involves both an art and a science because it involves a need to make a balanced decision where many choices exist. According to him, targets reflect desired levels of performance although they are time bound. Targets also define aspirations that need improvement. Kenneth (2011) argues that targets play a critical role in managing performance of an organization. However, they don't perfectly capture all the needs of the business hence there is a need to set more than one target.

Various issues from how to set targets, the number of targets to be set and their weight are critical for a target to work. To manage this, those people who are mandated with achieving those targets should therefore be involved in setting the targets. This will enable it to be easier in making them accountable in case they don't achieve the targets (Kenneth, 2011). Scholars argue that the success rate of achievement of targets also improves when a baseline is conducted before setting targets.

2.4 Empirical Review

Studies have been done by different researchers relating to management perception and performance target setting criteria. Alfirevic (2017) did an empirical study focusing on assessment of objectives and the perception of the top management on the same. The study focused on Croatian firms. The findings indicated that the perceived quality of the assessment affects its success rate. Spieth and Lerch (2014) focused on the mediating effect of management perception on the performance of innovation project. The study established that transparency, information availability and management perception are critical drivers of performance in organizations.

In another study, Okanga (2014) linked management perception and its influence on performance. The study adopted a census survey design, using primary data through structured questionnaires. The findings stated that performance contracting has led to significant improvement in financial performance, service delivery and welfare enhancement with the highest influence being on financial performance at a perception index of 82% with service delivery having the lowest perception index at 76%. The factors identified to have the greatest influence on management's perception were identified as management and leadership in the performance contracting process, extensive communication in the process as well as being involved in establishing targets under performance contracting.

Agnes (2014) further studied employee perception of involvement in performance target setting in the department of Nairobi metropolitan development. The objective of the study was to determine the perception of employee involvement in performance target setting, in the department of Nairobi Metropolitan Development from twenty five (25) units and sections heads, through a self-administered questionnaire, whereby drop and pick method was used. The findings revealed that employees perceive that employee involvement in performance target setting exists in the department with an overall grand mean of 3.6. The results showed the process of target setting defines precisely the agreed direction of an organization by helping in identification of priority areas.

Philip (2010) also studied perception of employees towards performance contracting: a case of ministry of trade. The study used case study design, primary data was used and content analysis was conducted. It was noted from the study, that salary disparities, employee's empowerment and senior management commitment affect employee perception towards performance contracting and that staff participation in setting performance targets contributed to negative perception towards performance contracting.

2.5 Summary of the Literature Review and the Research Gap

A limited number of researches have been carried out relating to management perception and performance target setting criteria both globally and in Kenya. From the literature

review it has emerged that most of the researches carried out have dwelled on management perception. It has emerged too that very little has been exploited on management perception and performance target setting criteria. Thus this research sought to fill the gap by investigating the management perception of the performance target setting criteria.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter presenting methodology used by the study to achieve the set objective by presenting the design used the target population and the sampling procedure. The chapter also presents the data collection technique and method of data analysis used.

3.2 Research Design

A case study research design was used for this study. The design is appropriate in case where there is a need for in-depth analysis of a situation and since this study was focusing on a case of Dawa Limited, the research design was suitable. Kothari (2008) argues that the research design is appropriate since it focuses on a thorough investigation of one unit.

3.3 Population

The staff at all levels of management comprised the target population of the study. The Management staff was preferred since the whole study is based on their perception regarding target setting criteria. The staff in management positions were sixty four (64) whereby (31) were in lower level management positions, twenty five (25) were in middle level management position and eight (8) were in senior management position. This source was from the human resource department of Dawa Limited of 2017. A census was conducted on this number of 64.

3.4 Data Collection

The study used primary data which was collected using a questionnaire. The questionnaire was set in a likert form and it aided in collection of quantitative data. Primary data is one which is collected for the first time from the respondents directly and not from the secondary sources.

3.5 Data Analysis

The data collected was cleaned and coded in excel spread sheet and analyzed through descriptive and inferential means. Descriptive analysis was using frequencies, and percentages to represent demographic data. The study also used chi-square analysis techniques to establish relationships between the variables. SPSS version 22 was used for analysis. Data representation was done through charts and tables.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter details the descriptive and inferential analysis results for the data collected. The chapter presents the descriptive analysis as well as the chi square analysis which establishes the relationship between the study variables.

4.2 Response Rate

The questionnaires issued were 64 respondents in management position at Dawa Limited and 53 respondents filled in the questionnaire thus giving an 82.8% response rate. This response rate is in line with Kothari (2011) who argued that a response rate of 50% or more is adequate for a descriptive study. This response rate was achieved because of the follow up that was made by the researcher. The researcher also gave the respondents enough time to respond.

4.4 Rating of management perception on performance target setting criteria

The respondents were asked to rate statements on a five point likert scale to establish the extent of to which they agreed with statements on management perception and the performance of target setting criteria.

The study findings showed that on average, majority of the respondents neither agreed nor disagreed that the management staff are empowered by participating in the target setting criteria (Mean = 2.84), management perception is that they determine the criteria for performance target setting (Mean = 2.69), top management ensures that performance results are based on contributions of functional heads of departments (Mean = 2.70), managers perceive target setting criteria as enabling the department to develop a culture of continuous improvement (Mean = 3.44) as well as perception by the management that

performance target setting criteria is linked to the organization profitability (Mean = 2.98).

The findings also showed that on average, majority of the respondents agreed with the statements that performance target setting criteria is perceived by management as flexible (Mean = 3.64), management perception is that performance target criteria process is fair and transparent (Mean = 4.08), management perception is that employees' performance is professionally, fairly and transparently assessed and feedback given (Mean = 3.69) and also agreed with the statement that managers perceive performance target setting criteria enhances effective employee performance reviews (Mean = 3.97).

On average, the respondents also agreed that the management perception of the target setting criteria is considered when setting employee goals (Mean = 4.09) as well as that the management perceive target setting criteria to be clear and well understood (Mean = 3.81).

Table 4.4 Management Perception of Target Setting

Statements	Mean	Standard Deviation
Management staff are empowered by participating in the target setting criteria	2.84	0.82
Performance target setting criteria is perceived by management as flexible	3.64	1.10
Management perception is that they determine the criteria for performance target setting	2.69	0.66
Top management ensures that performance results are based on contributions of functional heads of departments	2.70	0.71
Managers perceive target setting criteria as enabling the department to develop a culture of continuous improvement	3.44	0.69
Management perception is that performance target criteria process is fair and transparent	4.08	0.65
Management perception is that employees' performance is		0.92

Statements	Mean	Standard Deviation
professionally, fairly and transparently assessed and feedback given	3.69	
Managers perceive performance target setting criteria enhances effective employee performance reviews	3.97	0.91
Management perceive performance target setting criteria is linked to the organization profitability	2.98	0.93
Management perception of the target setting criteria is considered when setting employee goals	4.09	0.64
Management perceive target setting criteria to be clear and well understood	3.81	0.87
Average	3.45	0.81

Source: Research data 2017

4.4.2 Rating of performance target setting criteria on management perception

The respondents were asked to rate statements on performance of target setting criteria on a five point likert scale as shown in Table 4.5. The findings showed that on average, the respondents neither agreed nor disagreed that the performance target setting criteria cover key performance areas in the organization (Mean = 3.47), there is employee involvement in performance target setting criteria (Mean = 3.06) and that the performance target setting criteria leads to accurate performance results (Mean = 2.92). The findings also showed that on average the respondents agreed that performance target setting criteria is influence by external business environments (Mean = 2.86).

The findings also revealed that on average, the respondents agreed that the performance target setting criteria is linked to performance (Mean = 3.73), the performance criteria

used in performance target setting is realistic (Mean = 4.50) as well as that the performance target setting criteria is specific, measurable, agreed, realistic and time bound (Mean = 3.97). The respondents also agreed that performance target setting criteria influences the organizations productivity and efficiency (Mean = 4.06) and that the target setting criteria is seen as fair by management (Mean = 3.64).

This indicates that the average mean of 3.58 and standard deviation of 0.77 illustrates the positive effect and importance of performance target setting criteria on management perception.

Table 4.5 Performance of Target Setting Criteria

Statements	Mean	Standard Deviation
The performance target setting criteria is linked to performance	3.73	0.67
The performance criteria used in performance target setting is realistic	4.50	0.59
Does the performance target setting criteria cover key performance areas in the organization	3.47	0.85
There is employee involvement in performance target setting criteria	3.06	0.83
The performance target setting criteria leads to accurate performance results	2.92	0.86
The performance target setting criteria is specific, measurable, agreed, realistic and time bound	3.97	1.05
Performance target setting criteria is influence by external business environments	2.86	0.79
Performance target setting criteria influences the organizations productivity and efficiency	4.06	0.61

Statements	Mean	Standard Deviation
The target setting criteria is seen as fair by management	3.64	0.70
Average	3.58	0.77

Source: Research data 2017

4.5 Relationship between management perception and the performance of target setting criteria.

The study carried out correlation and chi square analysis to establish the relationship between management perception of target setting and the performance of target setting criteria at Dawa Limited. The findings were presented in form of Tables. Statistical tests were conducted at 5% level of significance.

4.5.1 Correlation Analysis

The study conducted correlation tests to determine the association between the study variables. A Pearson correlation was adopted for the study. The study findings in Table 4.6 revealed that there is a positive and significant association between the management perception of target setting and the performance of the target setting criteria ($r = 0.750$, $Sig = 0.000$). The findings imply that an increase in perception of target setting as a way of improving the performance review of employees, as well as perceiving target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent, then the performance of target setting criteria increases. The correlation between management perception and performance of target setting criteria is strong at 0.75.

Table 4.6 Correlation Analysis

		Management Perception of target Setting	Performance of Target Setting Criteria
Management Perception of target Setting	Pearson Correlation	1	
	Sig. (2-tailed)		
Performance of Target Setting Criteria	Pearson Correlation	.750**	1
	Sig. (2-tailed)	0.000	
	N	53	53
** Correlation is significant at the 0.01 level (2-tailed).			

Source: Research data 2017

4.5.2 Chi Square Analysis

The study conducted chi square analysis to establish the relationship between management perception and performance of target setting criteria. The findings presented in Table 4.7 showed that there is a significant relationship (Sig = 0.019 <0.05) indicating that there is a positive relationship between management perception and performance of target setting criteria at Dawa limited. This illustrates the importance of management perception to the success in performance of target setting criteria.

Table 4.7 Chi Square Analysis

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	176.827a	140	0.019
Likelihood Ratio	129.621	140	0.724
Linear-by-Linear Association	35.483	1	0.000
No of Valid Cases	53		

Source: Research data 2017

4.6 Interpretation of the Findings

The study findings revealed that management perception of target setting leads to an improvement in performance of the target setting criteria. The findings imply that when the management perceives target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent, then the performance of target setting criteria improves.

The findings also imply that when the management perceives target setting as a way of improving the organization profitability as well as taking it as an opportunity to assessing the performance of the employees professionally, fairly and transparently, it leads to a positive improvement in target setting criteria. Furthermore, the findings imply that when management perceive performance target setting criteria as a criteria that enhances effective employee performance reviews, then there is an improvement in the performance of target setting criteria.

The findings are consistent with the findings of Okanga (2014). The findings are also consistent with Agnes (2014) who established significant relation between perception and performance.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations. It also presents the recommendation for further studies.

5.2 Summary

The objective of the study was to establish perception of management performance target setting criteria in Dawa Limited, Kenya and link it to performance of the target setting criteria. The analysis of the data revealed that performance target setting criteria is perceived by management as flexible, fair and transparent, the management perception is that employees' performance is professionally, fairly and transparently assessed and feedback given and that the management also perceives performance target setting criteria as a criteria which enhances effective employee performance reviews. The correlation results revealed that there is a positive and significant association between the management perception of target setting and the performance of the target setting criteria implying that an increase in perception of target setting as a way of improving the performance review of employees, as well as perceiving target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent, then the performance of target setting criteria increases.

The Chi Square results showed that there is a significant relationship (Sig = 0.019 <0.05) between management perception and performance of target setting criteria at Dawa limited indicating that the management perception is critical to the success in performance of target setting criteria.

5.3 Conclusion

The study findings led to the conclusion that there is a significant relationship between management perception and performance of target setting criteria reiterating that the management perception is critical to the success in performance of target setting criteria. It concludes that the management perception of target setting as a way of improving the performance review of employees, as well as perceiving target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent leads to better performance of target setting criteria.

5.4 Recommendations for Policy and Practice

The study recommends that since management perception is critical to the performance of target setting criteria, the study recommends that organizations should adopt target setting but at the same time, in order to make it work effectively, they should encourage the top management to perceive target setting as a way of improving the performance review of employees, as well as perceiving target setting as enabling the department to develop a culture of continuous improvement as well as being flexible, fair and transparent. Otherwise, the adoption may not yield better performance if the management perceives it negatively.

5.5 Limitations of the Study

The study was limited to a case study that is Dawa Limited. A focus on a wider scope can provide more satisfactory generalization. The study also used quantitative primary data which limits the respondents in giving straight answers and doesn't allow for probing further for more insights. There is a need to involve the use of interview guides and open ended questions which can allow for probing and generate qualitative data. Furthermore, the study did not conduct sampling but adopted a census approach. The use of a small sample size with the addition of qualitative data might have yielded an in depth results since the qualitative research is best with a smaller sample size.

The study also adopted a case study research design which is limiting to one unit of analysis only and hence there may be a need to exercise caution when generalizing the findings to other sectors. The use of a different research design such as longitudinal research design can allow for comparison of more companies which can enhance the data and provide detailed results. However, despite the limitations, the study ensured that the study was conducted within the applicable requirements of conducting such a research and using the appropriate research methodology with justifications from previous works.

5.6 Recommendations for Further Research

The study recommends future scholars to look into other determinants of performance of target setting criteria other than management perception. Furthermore, since this study exploited quantitative data only, there is a need for other future scholars to focus on the use of qualitative data also in order to bring more insights and depth especially since it allows the respondents to express their feelings. There is also a need for other future studies to consider adopting a survey design in order to focus on more than one unit of analysis so as to enhance the findings obtained by this study.

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APPENDIX I: COVER LETTER

Kevin Mutune

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13th August 2017

To The Respondent

RE: RESEARCH SURVEY QUESTIONNAIRE.

I am a Masters of Business Administration Degree student, and part of the requirement for the award of the degree is to carry out a management research in an area of interest relevant to your major discipline. This is what I wish to accomplish with this questionnaire and you have been identified to participate in the survey.

Kindly complete the attached questionnaire which will be picked as soon as you finish the exercise. Please note that information obtained will be treated confidentially and will be only used for purposes of this study

Thank you.

Kevin K. Mutune

APPENDIX II: QUESTIONNAIRE

INTRODUCTION

Kindly complete the Questionnaire and give any relevant information that you may consider necessary for the study. Please tick (✓) or fill in as appropriate.

Section A: Demographic Data

1. Name of the respondent _____ (optional)

2. Title of the respondent _____ (optional)

Please tick (✓) the necessary options

3. Years you have worked with organization

Less than one year [] 1-5 years [] 6-10 years [] Over 10 years []

4. Age bracket?

Under 25 [] 25 – 34 [] 35 – 44 [] 45 – 46 [] 47 –55 [] above 55 []

5. What is your highest education level?

Certificate [] Diploma [] Bachelors [] Masters [] PhD []

Section B: Management Staff Level Perception of the Target Setting Criteria

Indicate the extent to which you agree with each of the following statements?

Use as appropriate, **5**. Strongly Agree, **4**. Agree, **3**. Neither Agree nor Disagree **2**. Disagree, **1**. Strongly Disagree.

	Statement	5	4	3	2	1
1.	The performance target setting criteria is linked to performance					
2.	The performance criteria used in performance target setting is realistic					
3.	Does the performance target setting criteria cover key performance areas in the organization					
4.	There is employee involvement in performance target setting criteria					
5.	The performance target setting criteria leads to accurate performance results					
6.	The performance target setting criteria is specific, measurable, agreed, realistic and time bound					
7.	Performance target setting criteria is influence by external business environments					
8.	Performance target setting criteria influences the organizations productivity and efficiency					
9.	The target setting criteria is seen as fair by management					
Management perception						
10.	Management staff are empowered by participating in the target setting criteria					
11.	Performance target setting criteria is perceived by management as flexible					
12.	Management perception is that they determine the criteria for performance target setting					
13.	Top management ensures that performance results are based on					

	Statement	5	4	3	2	1
	contributions of functional heads of departments					
14.	Managers perceive target setting criteria as enabling the department to develop a culture of continuous improvement					
15.	Management perception is that performance target criteria process is fair and transparent					
16.	Management perception is that employees' performance is professionally, fairly and transparently assessed and feedback given					
17.	Managers perceive performance target setting criteria enhances effective employee performance reviews					
18.	Management perceive performance target setting criteria is linked to the organization profitability					
19.	Management perception of the target setting criteria is considered when setting employee goals					
20	Management perceive target setting criteria to be clear and well understood					