

**THE INFLUENCE OF PERFORMANCE APPRAISAL SYSTEM ON
STAFF MOTIVATION AT THE LION'S SIGHT FIRST EYE
HOSPITAL**

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DECLARATION

This report is my original work and has not been presented for a degree in any other university.

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DEDICATION

This study is dedicated to my dear loving parents, John and Judith Githui.

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ABBREVIATION AND ACRONYMS

AHP	Analytic hierarchy process
IBM	International Business Machines
NGOs	Non-Governmental Organizations
PA	Performance Appraisal
PAS	Performance Appraisal System
SPSS	Statistical Package for the Social Sciences

ABSTRACT

Performance appraisal has great implications on employee motivation. In order to reach the required performance level, it is necessary for any organization to develop better motivation in the mind and spirit of employees through an effective Performance Appraisal System. This study assessed the influence of performance appraisal on employee motivation at Lion's Sight First Eye Hospital. The study set out to evaluate the relationship between performance appraisal systems and employee extrinsic motivation, determine the extent to which appraisers affect employee motivation, investigate the impact of performance appraisal systems on employee intrinsic motivation and determine the challenges in appraising employee performance. A descriptive research design was adopted in the study. It targeted two hundred and forty three (243) employees working at the Lion's Sight First Eye Hospital. The sample size comprised of 48 employees. Stratified random sampling was used as the respondents were drawn from different levels or strata within the hospital. Structured questionnaires based on a five-point Likert scale format was used for data collection as they were easy to administer and cheap in terms of cost and time. Data was collected and analyzed by use of scientific package for social sciences (SPSS). A regression model was used to determine the co-efficient of the effect of performance appraisal on employee motivation. It was established that there was a positive relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation ($p=.001$). Additionally, a positive significant relationship was noted between Appraiser-Appraisee relationship and employee intrinsic and extrinsic motivation ($p=.000$). The influence of appraisal system pitfalls on employee intrinsic and extrinsic motivation was significant ($p=.016$). The study recommended that there is need to provide training on the performance appraisal system. The management or appraisers need to be adequately trained on how to utilize the appraisal systems for the purpose of improving the motivation of their staff. Moreover, through the training the leaders can be able to spot any pitfalls of the appraisal system that may pose a challenge to the effectiveness of the system in enhancing motivation among the employees. Another recommendation is on the review of the organizational policy of performance appraisal. The policy should clearly state the areas the leaders should pay attention to when carrying out performance appraisal. There is need for further research to examine the factors affecting the effectiveness of the appraisal system at the Lion's Sight First Eye Hospital.

CHAPTER ONE

BACKGROUND OF THE STUDY

1.1. Introduction

Performance appraisal has been noted as a core factor in modern-day Human Resource practices (Saeed & Shah, 2016) and pivotal to performance management. Factors upon which performance examination is based include employee inspiration, work performance, inherent prizes, outward rewards, worker performance, worker preparation and advancement, interior correspondence, as well as workplace and hierarchical responsibility. In the social insurance sector human resource management occupies a central position in institutional performance management. Medicinal services facilities, on the other hand, have a double authoritative structure comprising of clinical administrators and wellbeing management chiefs that regulate two unmistakable gatherings of employees with various obligations and preparation needs (Mathew & Johnson, 2015). The objective of the medicinal services industry is to give the most noteworthy patient consideration and treatment.

The employee performance examination is an imperative vocation advancement apparatus for the administrator and worker. The administrator can help control the employee on the way to corporate headway, while the worker gets a clearer comprehension of what is normal in their everyday work obligations. As indicated by Aydın and Tiryaki (2018), the basic target of performance evaluation is to enhance the performance of the individual worker, consequently prompting enhancement in the overall performance of the organization. Three qualities that comprise viability of a successful appraisal framework are: adequate notice, reasonable hearing (two way correspondence) and judgment dependent on proof (reporting performance issues utilizing verifiable proof) rather than sincere beliefs when rating performance (Taylor *et al.*, 1995).

Performance evaluations have a wide assortment of impacts on employees that administrators must distinguish. For example, Chow *et al.* (2002) conducted an

investigation into instructors' view of the appraiser-appraisee relationship and discovered that the appraiser-appraisee mix made a huge contrast in educator impression of the reasons and suitability of the examination. An investigation led by Landy (1980) discovered that activity obligations were identified with the perceived decency and exactness of performance examination.

Performance evaluations are additionally pivotal for vocation and progression improvement. Fletcher (2008) recognized three factors that are especially essential in deciding if the worker participates in the process to help meet goals of examination. These are the employee impression of the evaluation as reasonable, the nature of the worker's current association with the individual/people doing the assessing, and the effect that the evaluation has on worker compensation and their own prosperity. Hence, evaluation has both a "specialized component" as far as how performance is estimated, and is likewise an extremely "social process." An investigation by Kamiti (2014) on the impact of performance examination on Civil Servants' motivation discovered that a performance examination framework is a critical factor in the inspiration of workers. The more straightforward and target-specific the performance examination framework is in the general population benefit, the higher be the inspiration of employees (Kamiti, 2014). Another examination by Muriuki (2016) on impact of performance evaluation on worker inspiration, as well as work and social assurance, built up a constructive critical relationship between performance evaluation and employee motivation at the Ministry of Labour, East Africa Community and Social Protection.

In many jurisdictions the Labour Act, in like manner, submits to conduct performance evaluation with expectations pertinent to directorial objectives and with arrangement with the workforce (Cocca & Alberti, 2010). As per Jha Pandey and Vashisht (2016) performance examination is the most essential part of the role of human resource management. The British Association of Medical Managers (BAMM, 2009) has characterized evaluation as "the procedure of occasionally checking on one's performance against the different components of one's activity." The consequences of Performance examination makes a base of enlistment and choice arrangement, distinguishes the

requirements of preparation and improvement programs, and leads to the making of inspirational projects to hold the workers. Because of quick developments and changes in the present associations to suit the dynamic political, social and financial conditions in which they operate, there is requirement for workers to adjust their goals to those of the association (Rummler & Brache, 2012).

The examination in the current study will be directed at Lions Sight First Eye Hospital since the success of the wellbeing industry relies on how individuals function. Absence of a powerful assessment framework builds the danger of wastefulness, poor office spirit and high worker turnover (Gesme & Wiseman, 2011). There is restricted information about the level of oncology rehearses that deliberately audit performance of employees or doctors (Gesme & Wiseman, 2011) as referred to in Kamiti (2014). Inside the private area, an enhancement in viability and productivity of the human asset is fundamental to the private entities' survival and the enhancement of national aspirations.

1.2. Statement of the Problem

Performance appraisal acts an important factor in the overall functions of human resource management in both private and public sectors (Njeru, 2013). Performance appraisal has great implications on employee motivation. For instance, staff are unlikely to want to be open about job difficulties, or to admit that they need more training to do the job, if they feel this will directly affect their next pay increase (Chow et al., 2002). According to Kavanagh et al (2007) as cited in Kamiti (2014), inaccuracies in appraisal can demotivate employees, forcing them to either consider looking for other job opportunities or become less productive.

Even though a recognized training centre by the Medical Practitioners and Dentists Board, the Lion's First Eye Hospital cannot maintain excellence across its eye clinic, education, rehabilitation and sight enhancement services, as well as rural community outreach, without motivated employees. Such motivation can only be achieved through proper job evaluation systems. Arguably, it is successful performance appraisal that will help employees to know how well they are performing and what is expected of them in

future in terms of effort and task direction through an established plan of performance improvement (Kamiti,2014). The supervisor communicates to the employees how well they have done to motivate them towards good performance {(Cascio, (2003) as cited in Kamiti (2014)}. Many studies on performance evaluation have focused on the civil service, but this study focuses on private sector, specifically the health sector. It seeks to establish what relationship exists between performance appraisal and employee motivation at Lion's Sight First Eye Hospital.

1.3. Purpose of the Study

The purpose of this study was to evaluate the relationship between performance appraisal systems and employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.

1.4. Objectives of the Study

The study was guided by the following objectives:

1. To determine the relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.
2. To investigate the effect of the Appraiser-Appraisee relationship on employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.
3. To analyse the extent to which performance appraisal system pitfalls affect the employee's intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.

1.5. Research Questions

1. What is the relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital?
2. What is the effect of Appraiser-Appraisee relationship on employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital?
3. What is the extent to which performance appraisal system pitfalls affect the employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital?

1.6. Hypotheses

The following hypotheses were formulated for acceptance or rejection:

- H1. There is a significant positive relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.
- H2. There is a significant effect of the Appraiser-Appraisee relationship on employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.
- H3. There is a significant effect of performance appraisal system pitfalls on employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital.

1.7. Justification of the Study

Performance appraisal is a decisive tool in organizational development that leads to improved progress. Performance appraisal methods including the use of targets, performance measures and personal development are widely used within many areas of the private sector (Basu, Andrews, Kishore, Panjabi & Stuckler, 2012). Theoretically, appraisal is intended to be about the development of the appraisee, both in terms of their professional development and their role within the organization. It is widely assumed that rating, or more specifically use of rating data in an organization, affects the appraisal process and appraisal outcomes (Landy & Farr, 1980; Mohrman & Lawler, 1983; Murphy & Cleveland, 1991).

A decent human resource practice has the capability of unleashing massive, undiscovered physical and mental potentials in the workforce. Various investigations have demonstrated that inspiration in any frame assumes great relevance in deciding the level of task execution. By fulfilling employee needs through an examination performance framework, organizations are able to expand employee inspiration, realize better usage of assets and bring down the expense of doing business.

In order to reach at the required performance level, it is necessary for any organization to develop a better motivation in the minds and spirit of employees through effective

performance appraisal systems. It has been noticed that without an effective PAS, there is no motivation at all to employees and consequently no organizational success (Jabeen, 2011). People are motivated when they expect that a certain course of action will likely lead to attainment of a goal and thus a valued reward, one that satisfies their needs and wants. Only when employees are motivated towards appropriate goals is there an enhanced likelihood of organizational success. Since productivity is influenced by employee motivation level organizations, and particularly their line managers, have to realize what inspires employees to reach the highest level of performance (Paarlberg & Lavigna, 2010). This study was thus justified by seeking to evaluate the relationship between performance appraisal systems and employee intrinsic and extrinsic motivation at the Lion's First Eye Hospital.

1.8. Significance of the study

The study will have numerous benefits to members of staff at the Lion's First Eye Hospital. It aims at creating awareness in health facilities in Kenya on appraisal performance systems that are crucial to incorporate as a means of enhancing employees performance as well as enhance motivation at the workplace. The study also aims at being a source of motivation and inspiration to low- production workers. In addition, it is hoped the results from the study will help the health sector cope with the central problem of motivating their workers to have them give their best.

Furthermore, this study will be useful to academicians and researchers who might be interested in pursuing research in the same area. The research findings will hopefully help them understand the relationship between appraisal performance system and employee motivation. The study will also be significant for employees as they get motivated through different avenues like promotions, incentives, intrinsic rewards and extrinsic rewards. This will help to keep employees motivated so that they can improve productivity both in terms of quality and quantity in order to contribute effectively towards the short term and long term goals of the organization.

1.9. Scope and Limitations of the Study

This study focused on the Lions Sight First Eye Hospital in Nairobi County. It was limited to the purpose of the study whose variables were: Performance Appraisal system-factors, appraiser-appraisee relationship, appraisal pitfalls (Independent variables), and on the other hand employee Intrinsic and Extrinsic Motivation (Dependent Variables). The study targeted employees of the health facility for primary data, which was collected by use of a detailed questionnaire. Secondary data was also obtained from available documents, both hard copy and other data bases. The study set out to establish the influence of performance appraisal systems, appraisers and the challenges in appraising employee performance. As such, it ignored other factors that might be affecting employee motivation in health facilities in Kenya.

In terms of limitation, this study was restricted to the Lion's Sight First Eye Hospital in Nairobi City County. Probably it would have given the researcher a clearer picture had it been conducted in all parts of the country, in health facilities both public and private. Also, the researcher was a self-sponsored student relying on savings to progress her studies and therefore there was the limitation of financial resources.

1.10. Assumptions of the Study

This study relied on the assumption that there was adequate literature on the areas of performance appraisal and employee performance and job satisfaction. Moreover, the study also made the assumptions that the respondents targeted would provide accurate information on the effect of performance appraisal systems on staff motivation at the Lion's Sight First Eye Hospital. There was also the assumption that there was an issue of performance appraisal and employee satisfaction at Lion's Sight First Eye Hospital.

1.11 Definition of Terms

Appraisees	The employees whose performance is being evaluated.
Appraisers -	The persons carrying out performance appraisal of employees (Chaponda, 2014).
Appraisal Tools:	These are techniques of evaluating employee's job

	performance (Aydm et al., 2018).
Extrinsic motivation	This refers to performance behaviour that is fundamentally contingent upon the attainment of an outcome that is separable from the action itself (Bulto & Markos, 2017).
Intrinsic motivation	This is defined as the performance of an activity for its inherent satisfactions rather than for some separable outcome, reflecting the natural disposition in humans to assimilate and learn (Bulto & Markos, 2017).
Motivation	This is the psychological processes that cause the arousal, direction, and persistence of voluntary action that is goal oriented (Bulto et al., 2016).
Performance Appraisal	This refers to the process whereby a leader examines and evaluates the work performance of subordinates (Kisang et al., 2016).
The Appraisal Method	These are ways through which a performance appraisal process are being designed and implemented.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This chapter reviews literature pertinent to performance appraisal both theoretical and empirical. The theoretical literature focuses on the theories underpinning the study while the empirical focuses on the effects of performance appraisal on employee motivation.

2.2. Performance Appraisal System: types and performance appraisal factors

Performance appraisal is the intermittent assessment of a representative's performance estimated against the activity expressed or assumed necessities (Alfes et al., 2013). It is one of the score of devices that can be utilized to successfully oversee performance in that it gives information that gives insight into different components of the performance administration process (Alfes, Shantz, Truss & Soane, 2013). Performance review is designed for workforce inspiration, position and conduct improvement, converse directorial aims, along with nurturing optimistic associations between supervision and workforce (Rowley & Jackson, 2010). In the past, appraisal would in general focus on worker qualities, insufficiencies and capacities. Nowadays, because of advances in understanding the worker-association relations, current evaluation emphasizes on present performance and future objectives. Likewise, current methods of insight weigh on worker support for objectives defined by the administration.

The assessment of occupation performance has been referred to using a wide range of names including an instrument of administration, a control procedure, a basic component in human asset assignment, and numerous others. The underlying evaluation frameworks have mainly been strategies for deciding if the pay of the representatives in the associations is reasonable or not. However, available literature has demonstrated that decrease and future pay were not the primary impacts of the procedure.

Performance appraisal is an annual exercise conducted by organizations in order to determine an employee's overall contribution to the organization's performance (Armstrong, 2010). This appraisal is conducted using parameters such as time management at work(punctuality), quality of work, quantity produced and cost incurred

to produce results, or any other credible and mutually agreed standard or measure (Hassanzadeh & Mahdinejad, 2013). Mutsuddi (2012) defines performance appraisal as a system that is structured and formal and is used to assess the present performance of an employee and come up with ways in which they can improve in future so that the employee as well as the organization can mutually benefit. He also points out that performance appraisal assesses the performance of employees and then gives feedback about past and present performance, and gives an indication of future performance expectations.

2.2.1. Types of Performance Appraisal Systems

There are three commonly recognized and used performance appraisal systems. First is the 360 Degree/Multi-Rater Performance Appraisal. This system encompasses the views of different groups of reviewers who socialize with the organization's employees (Ayomikun, 2017). Such reviewers include employee's supervisors (managers and supervisors), co-workers/peers and customers. It also includes the employees' opinions about themselves and is hence recognized as multi-source, multi-rater and full circle approval system (Grund & Przeme, 2012). 360 degree feedback ensures that a significant amount of performance data about the employee is gathered (Sahoo & Mishra, 2012) and that the employee's performance is double-checked (Ayomikun, 2017). The disadvantage of this system is limited ability to exhaustively gather the richness of information that reviewers provide.

Second is the Management by Objectives (MBOs) system, which is a result-based evaluative program (Choon & Embi, 2012) as cited in Ayomikun (2017). Goals of the MBO appraisal system are mutually defined by a number of key stakeholders, including the organization's supervisors and employees. MBO is known to provide objectivity, allow for a two-way feedback and encourage performance improvement of employees through motivation (Ayomikun, 2017). With MBO, employee acceptance of the organizational goals is considered one of the strongest motivators of the appraisal process. However, it is limited in the sense that it does not allow monitors to deal with every eventuality over the given work period.

Third is the Graphical Rating Scales system which is reportedly the most used during performance appraisal in most organizations (Wirtz, 2004; Woods, 2002). This entails a performance appraisal rating checklist, with a continuum that may range from poor to excellent depending on the aspects being evaluated. Such aspects include employee's quality of work, work time and completing assignments on schedule. It also involves evaluation of job relevant skills gained through education, experience or on-job training (Panari et al., 2010). The checklist scales may suffer from systemic advantage, in which case relevant indicators of performance may be excluded and hence result in inability to achieve results reflective of employee's full value (Woods, 2012).

2.2.2. Performance appraisal factors

Performance appraisal answers many questions concerning job performance by coming up with solutions and a path to be followed. Poor performances can sometimes be improved (Hassanzadeh *et al.*, 2013). It can help evaluate appraisal factors such as punctuality, compliance to policies and practices, job knowledge and execution, team work and appraisal system orientation. Employees' performance evaluation ought to be treated as an enduring developmental progression process rather than a prescribed, once-a-year review. It ought to be intimately monitored by both worker and assessor to guarantee that targets are achieved. Punctuality together with dedication, high productivity, loyalty and commitment are some of the positive consequences that promote an organization's success (Newstorm & Davis, 1997) and can benefit from a constructive performance approval.

Professionals are apathetic to control frameworks, codes of behaviour and frameworks for consistence administration that are expanding in volume but not in adequacy (Hofedtz, Nienaber, Dysvik & Schewe, 2015). In a study directed by Price Waterhouse Coopers (PWC) in 2010, 45% of German officials announced that the bureaucratic control of consistence administration stresses them, with 43% of them feeling that the advantages did not legitimize the exertion. The reason behind the resistance was the maintaining of customary financial reasoning that sanctions are the best method to

dissuade potential guilty parties (Williamson, 1975). Accordingly, more often than not, center approaches have planned to drive away potential guilty parties by approvals (e.g., fees, extra work). In any case, current investigations demonstrate that control frameworks and authorizations are not just hard to present (Bowles & Polania-Reyes, 2012; Falk & Kosfeld, 2006; Lindenberg, 2001; Lindenberg & Foss, 2011), but in addition have little impact on consistence conduct (Braithwaite & Makkai, 1991; Frey et al., 2013; Parker & Nielsen, 2016). Natural parks saw an increment in consistence inspiration, while outward help (e.g., control) diminished rebelliousness inspiration (Hofedtz et al., 2015). Concerning performance of consistence programs, studies show that esteem-situated usage that is dependent on self-heading and social qualities is more successful than formal legitimate consistence-arranged performance, which in turn is dependent upon controls and punishments (Adam & Rachman-moore, 2004; Trevino et al., 1999; Weaver & Trevino, 1999).

In Kenya, Chaponda (2014) did an investigation on the impact of performance appraisal on representative inspiration. For a survey of slum based non-governmental organizations in Nairobi, the investigation embraced an enlightening exploration plan. The number of inhabitants in intrigue comprised each of the 300 workers of ghetto-based NGOs. An example size of 171 was chosen, utilizing a stratified examining strategy. Information was accumulated using organized surveys. The information was broken down using the Statistical Package for Social Sciences (SPSS) tool to look into recurrence dissemination rates and Pearson relationships. The information was analyzed using tables and outlines. The examination set up that performance evaluation process on worker inspiration set up that the framework is essential for representative inspiration. Distinctive raters can expand the precision of performance assessment (can decrease predisposition) and increase worker's discernment.

Muriuki (2017) led an investigation into the impact of performance appraisal on worker inspiration at the Ministry of Labour, East Africa Community and Social Protection. The exploration involved a sample size of one hundred and twenty (120) respondents drawn from every one of the divisions in the Ministry, made up of various occupation bunches

including the senior administration (Job Group P and above), middle-level administration (job groups J to N) and lower level representatives (job groups A to H). Stratified arbitrary examining was utilized as every one of the respondents was drawn from various levels or strata inside the Ministry. Organized polls created in the format of a five-point Likert Scale were utilized for information accumulation, and the information gathered was investigated using the Statistical Package for Social Sciences (SPSS) tool. A relapse display was utilized to decide the co-efficient of the impact of performance evaluation on representative inspiration. The investigation demonstrated that there is a solid, positive connection between performance appraisal and worker inspiration and that the performance evaluation framework employed significantly affected representative inspiration at the Ministry of Labour, East Africa Community and Social Protection.

With regards to work information and execution, studies so far seem to demonstrate that preparation in observational abilities is advantageous (Thornton & Zorich, 1980) and that preparation can enable raters to build up a typical casing of reference for assessing rate performance (Bernardin & Buckley, 1981; McIntyre et al., 1984). Fay and Latham (1982) suggested that rater preparation is more crucial in diminishing rating mistakes than the kind of scale utilized. There were fundamentally less blunders among prepared raters and for the type--based scales contrasted to the characteristic scales. The rating blunders were one and one half to three times as extensive for untrained raters. Another survey by Feldman (1986) suggested that rater preparation was not profoundly viable in expanding legitimacy and precision of rating. In later examinations, Murphy and Cleveland (1991) proposed that preparation is most proper when the fundamental issue is an absence of learning or comprehension. For example, they found preparation to be more fundamental when the performance evaluation framework required convoluted techniques, figuring or rating strategies.

With cooperation, inquire about directed by Bernardin and Orban (1985) in regards to raters who trusted that their associates in the association were biasing their performance evaluations. They saw the "maverick" appraisers as being excessively merciful, thus blowing up their subordinates' evaluations to expand the advantages accumulating to their

labourers. Because of this observation, and particularly when the performance examinations were utilized for managerial purposes, the underlying raters were initiated to act shrewd and to misshape the evaluation results.

Introduction to the evaluation framework is another critical factor. Here, raters' states of mind toward their work have a pivotal influence in the manner in which they work when conducting performance assessments. While some are okay with the framework, others are doubtful and negative. Raters who believe in the after effects of the evaluation will probably create more precise appraisals than those that are negative or incredulous. Raters have been seen as being exceptionally uneasy when they assess subordinates' performance and have to furnish them with criticism (Murphy & Cleveland, 1991, 1995). One result of this inconvenience is the propensity to expand the appraisals and to abstain from making qualifications among subordinates (Villanova et al., 1993). By giving consistently high evaluations, the impression is created that the raters stay away from the conceivably unpalatable outcomes of surveying high appraisals to a few subordinates and low evaluations to other people.

Rummler et al., (2012) argues that a properly-designed performance appraisal system is critical as it helps employees in understanding their strong and weak areas regarding their roles and responsibilities in the organization. Particularly, setting out personal goals and aligning them with organizational objectives has been embraced in most organizations. One of the important features of most modern appraisal systems is that they depend on an equal input from the manager and members of staff (Chow et al., 2002). "They are also intended to be living documents which should be referred to throughout the appraisal period as you check up on the achievement of objectives or evaluate training or development activities." According to Mullins (2010) performance appraisal is a process applied in businesses to assess characters and contributions of employees in their teams. He argues that appraisal of performance serves two purposes; evaluative purpose and developmental purpose. Furnham (2012) describes performance appraisal as a systematic evaluation of the staff by their supervisor in terms of their job performance as prescribed

by the job description, specification and working environment and it is usually carried against agreed criteria or conditions of evaluation.

The results of performance appraisal create a basis for recruitment and selection and assists in identifying the needs for training and development programs as well as creating motivational programs to retain the employees. Due to rapid growth and changes in today's organizations to suit the dynamic political, social and economic environments in which they thrive, there is need for employees to align their objectives with those of the organization (Rummler & Brache, 2012).

2.3. Employee Intrinsic and Extrinsic Motivation

Motivation is referred to as individuals' ways of choosing their goals and trying to change their behaviour to suit those goals, and is concerned with the strength and direction of behavior and, for organizations, aspects influencing employees to act or behave in particular manner (Armstrong, 2012). It is one of the highly researched-on concepts has been defined differently by different scholars and professionals. Wolf and Gunkel (2007) defined employee motivation as "the willingness to exert high levels of effort's ability to satisfy some individual needs" (p.21). It is the process of an employee being moved to work (Chiang & Jan, 2008, p. 21). Individuals are motivated by an array of factors, classified into two as intrinsic and extrinsic motivational factors (Miao, Evans & Shaoming; 2007).

Intrinsic Motivation involves an internal state that is responsible for activating behavior as well as the influences that initiate change (Miao et al., 2007). In terms of human resource management, intrinsic motivation is a form of motivation that captures the aspects of doing work for its own sake (Osterlon & Frey, 2004). It provides employees with psychological benefits of wellbeing, self-actualization, increasing responsibility and self-sustenance (Lee & Whitford, 2007).

Extrinsic Motivation in the field of human resource is described as the importance that employees place on external rewards, which could be promotion or salary increases. It

could also involve negative aspects such as the threat of dismissal or demotion (Van Herpen, Van Praag & Cools, 2005). While extrinsic motivation factors such as pay are generally considered to have a positive impact on employee motivation, a number of researchers argue that they could to some extent undermine performance (Ayomikun, 2017). For instance, excessive focus on extrinsic motivating factors may distract the employee from concentrating on the task (Lee & Whitford, 2007). From the crowding theory, Gagne and Deci (2005) argue that when a given task is intrinsically appealing to the employee, it is possible that the positive effects can be undermined where the extrinsic rewards are also linked to the given task. That is, the link between intrinsic and extrinsic motivation may result in a crowding out effect (Ayomikun, 2017), meaning for instance that pay, as one of the motivating factors, has the potential to erode intrinsic motivation such as achievement, consequently reducing employee performance (Deci & Ryan, 2008). However, appraisal systems linked to monetary outcomes are a powerful HR management tool often appreciated by employees. “If tangible benefits cannot be provided or are not tied to the assessment procedure, the use of appraisals with no monetary consequences can be detrimental for open-minded and self-determined employees as appraisals could potentially raise expectations that are not fulfilled (Kampkotter, 2016).

2.4. Discussion on Appraiser-Appraisee relationship and Appraisal pitfalls

As per organizational justice theories, performance appraisal governmental issues can be moderated by the evaluation related basic (e.g. criteria), process (e.g. voice) and logical forerunners (e.g. connection with appraiser) that upgrade appraisee's apparent control, comprehension and expectation of examination choice and process (Dhiman & Maheshwari, 2012). Be that as it may, performance evaluation does not happen between outsiders. The rater and the ratee have a current relationship. On the off chance that they like or have aversion towards one another, these emotions may cloud the evaluations. For instance, investigations have demonstrated that paying little attention to their target performance levels, chiefs give representatives a decent association with higher evaluations (Duarte, Goodson, & Klich, 1994). It is conceivable that occasional preference is anything but an inclination on the part of a supervisor to reward a

representative positively due to their elite level (Varma, DeNisi, & Peters, 1996). Still for a few supervisors, enjoying someone may mean overlooking flaws and specifically recollecting things that the individual has done. One method for managing this issue might be journaling. By chronicling positive and negative occurrences consistently, chiefs may review every representative's performance all the more precisely (DeNisi, Robbins, & Cafferty, 1989).

Tolerance is another trap in the evaluation framework. This could be driven by the longing to abstain from going up against representatives or harming them, the craving to have them get a reward and rousing them by giving high evaluations or taking mercy on the worker as a man. Whatever the reason, mercy makes appraisals futile for on deciding raises, rewards or advancements. It makes it harder for representatives to change their behaviours and become assets to the organization. Making administrators responsible for the evaluations they give might be a smart move. For instance, if supervisors are assessed dependent on how well they perceive diverse levels of execution, they might be less enticed to be indulgent in evaluations (Bernadin, Cooke, & Villanova, 2000; Jawahar & Williams, 1991; Longenecker, 1989).

Generalizations that raters have in regards to the age, sexual orientation, race, or any other norm for the individual being evaluated could make for predisposition during examinations. Convictions about various gatherings might be summed up to the individual being referred to despite the fact that they have little premise in all actuality. All things considered, one's occupational performance are utilized to assess the individual/worker's generally speaking will be discouraged, the evaluations will lose their adequacy and the organization may confront expensive claims (Heilman & Stopeck, 1985; Lyness & Heilman, 2006). Understanding the significance of disposing of generalizations from performance examinations and preparing supervisors to precisely watch and assess actual performance might be valuable in constraining presentation to this kind of predisposition. "A performance evaluation meeting ought to be arranged and executed precisely, with the prevalent exhibiting sympathy and steadiness. Likewise, explore demonstrates that positioning frameworks are regularly seen all the more

adversely by workers. It conveys the perils of claims, an absence of steady cooperation and a focused and vicious condition." On the other hand, as long as frameworks fit with the organization's culture, are not utilized in an unbending way, and are utilized for a brief timeframe they might be useful to the association (Boyle, 2001; Lawler, 2003; McGregor, 2006). There are deliberate and accidental predispositions inborn in evaluations and monitoring them, expanding rater responsibility and preparing directors might be helpful in managing some of them.

Bulto and Markos (2016) characterize inspiration as a main thrust to accomplish some objective. Langton, Robbins and Judge (2013) characterize inspiration as the procedure that represents a person's power, course and determination of exertion toward the achievement of a hierarchical objective. Inspiration has been noted as an essential branch of knowledge for specialists and professionals of administration everywhere throughout the world. Inspiration is similarly important to open and private segments. A representative performance evaluation can go about as inspiration, thus enhanced profitability of the workers. At the point when a representative sees his objectives plainly characterized, his performance challenges distinguished and profession improvement arrangements set up to enable development his to vocation, the impact is to rouse he or she to accomplish those objectives. Making a thorough arrangement for worker improvement and giving a representative accomplishment to make progress toward will rouse a larger amount of productivity. When representative performance is estimated against defined objectives and goals, a need can be recognized about the future systems of worker inspiration.

Daley (2012) contends that inspiration is the consequence of an arrangement of interior and outer powers that prompt a representative to pick an appropriate game-plan and hang on specific practices. These practices will be engaged towards accomplishing hierarchical objectives. Inspiration additionally requires learning and understanding worker drives and needs, since its birthplace is inside the person. Inspiration could be inborn or outward. Natural inspiration is the way toward accomplishing something in view of innately

intriguing power charming operator and though extraneous inspiration as accomplishing something to get something as it prompts distinct result all things considered.

2.5. The relationship between performance appraisal factors and intrinsic and extrinsic motivation

A few studies have been done in connection to the impact of performance evaluation on worker inspiration. Malik and Aslam (2013) undertook to investigate performance evaluation and representative's inspiration in the Telecom Industry of Pakistan. This study investigated the association between what representatives see about performance evaluation and what effect this discernment had on their work inspiration. It found noteworthy connections between performance evaluation and representative inspiration in the Telecommunication Industry in Pakistan.

Kamiti (2014) did an expressive report on the impact of performance appraisal on government employees' inspiration at the Directorate of Tourism in Kenya. The point of the examination was to survey the impact of performance evaluation framework (PAS) on representative inspiration. The objective population was officers in occupation bunch H to T and involved 100 officers who were then separated into three strata. Components were arbitrarily chosen from every stratum. The decision depended on the sample size and its attributes. Irregular examining was utilized to get an example of 30 percent of the objective population. Open and shut finished polls were then conducted through a "drop and pick later" method on the haphazardly chosen test of 30 respondents. Content examination was undertaken to recognize and code the information into identifiable subjects. The topics were then broken down for recurrence and consistency dependent on the examination questions. Results uncovered that performance evaluation was a vital factor in increased representatives' inspiration. The small sample population was a limitation on finding out the genuine impact of performance evaluation on representative inspiration, requiring further investigations including a more expansive population sample.

Saeed and Shah (2016) directed an examination on the effects of performance evaluation on representatives' inspiration in an Islamic bank. For investigation, direct relapse and spearman's relationship systems were associated through IBM-SPSS programming. An after effect of connection and relapse examination showed that there was a general positive relationship between performance evaluation and worker's inspiration. The results of the investigation presumed that performance appraisal completely affected representative's inspiration in the Islamic bank.

Mathew and Johnson (2015) completed a study on the effect of a performance evaluation framework on representative inspiration, with reference to a Multi-Specialty Hospital in Kerala. A quantitative methodology was used for the exploration. The sample comprised of 100 medical caretakers of the specific clinic. Comfort test was used to gather the information because of time and asset imperatives. For examination, relapse and connection strategies were utilized. Unwavering quality investigation was utilized to check the dependability of the poll. Consequences of connection and relapse examination demonstrated that there is certainly a huge connection between work performance and performance evaluation, and a positive yet not noteworthy connection between work performance and inspiration of representatives of healing industry.

Sharma and Rao (2018) completed an investigation on the effects of performance appraisal on worker inspiration at the Indian Steel Industry. Straightforward irregular inspecting was utilized to choose 150 workers. The exploration instruments utilized for information gathering were surveys and meeting plans. Clear examination and inferential measurement i.e. relapse investigation and t-test were utilized. Results demonstrated that there was a positive and huge impact of performance appraisal on worker effectiveness in the Indian Steel Industry. Likewise Jha, Pandey and Vashisht (2016) completed an examination on performance evaluation and job fulfilment in the healthcare sector in India. At the time the Indian healthcare sector was faced with the challenge of increased maladies owed to different causes; in country regions in particular, clinics were loaded with patients, yet were ailing in social insurance representatives. The examination discovered that job fulfillment is an essential factor that decides productivity at healing

centers or any association, and led to diminished non-attendance and stress and worker turnover rate. Another finding was that disappointed workers in doctor's facilities could influence the nature of patient consideration.

Malik and Aslam (2013) did an examination on performance evaluation and workers' inspiration in the telecom industry in Pakistan. It sought to particularly investigate the association between what representatives saw in performance appraisal and what effects this had on their work inspiration . Using reactions gathered from 120 respondents, data was broken down by applying relapse, ANOVA and AHP. Noteworthy connections were found between factors. Seen reasonableness was found to be a fundamentally critical measurement of performance appraisal for representative inspiration in the telecom segment of Pakistan.

Bulto and Markos (2017) completed a study on the impact of performance appraisal framework on representative inspiration. Information was gathered through a self-controlled survey disseminated to a sample of 200 workers at the Moha Soft Drinks Industry S.C., Ethiopia. Stratified straightforward irregular examining method was applied in choosing the respondents. Measurable investigation, elucidating, Pearson item minute connection coefficient and basic relapse examination were utilized to break down the information. The findings showed that there was a certain and noteworthy connection between PAS and representative inspiration.

Age

Age has a positive relationship with organizational commitment (Rivers,1994; Salancik, 1977) and there is evidence of an effect on motivation, which goes hand in hand with successful performance appraisal, helping employees to know how well they are performing and what is expected of them in future in terms of effort and task direction through an established plan of performance improvement (Kamiti,2014). Depending on age, employees are motivated by intrinsic satisfaction factors such as achievement, recognition, the work itself, responsibility and advancement that they find in doing job-related tasks (Hackman and Oldman, 1980; Herzberg, 1957). Other studies have

highlighted the dominance of extrinsic factors such as salary, company policies and administration, as well as motivating employees (Butler, 1982; Gruenburg, 1980; Herzberg, 1957; Seybolt, 1976). Job performance ratings play an important role in influencing an individual's chances for advancement (Igbaria & Baroud, 1995).

Gender

The effect of performance appraisals is a major factor in employee motivation and productivity (Aydin & Clanak, 2018). According to Igbaria and Baroud (1995), the effect of job performance ratings on attributions is stronger among males than females. They further found that while the effect of job performance ratings on career development prospects is stronger among males, the effect of attributions on career advancement prospects is stronger among females. Even though they reported no significant gender differences in job performance ratings, women were perceived to have less favourable chances for promotion than men.

Personality

Conscientious raters who are generally dependable, rule-abiding, and diligent are likely to conduct their performance rating responsibilities with greater diligence, the result being efficient discrimination among performance appraisal dimensions and among ratees and less inflation of ratings. Conscientious raters are less likely to be swayed by the rating context than their less conscientious peers. The possibility thus exists that conscientiousness moderate relationships between rating context and rating behaviour measures could affect outcomes (Tziner et al, 2002). High self-monitoring individuals examine and control their own behavior successfully. The susceptibility to interpersonal and situational cues typically manifests a strong desire to maximize social approval and to minimize social disapproval (Jawahar & Stone, 1997). Thus, individual differences in self-monitoring are associated with differences in rating behavior among appraisers. Since social acceptance is a critical factor, in an appraisal context, high self-monitors (in contradistinction to low self-monitors) can be expected to discriminate less among ratees and performance dimensions.

Race

Administrative culture is dynamic due to many factors (Karyeija, 2010) such as prevalence of racial differences. Race is a significant factor in determining home values (Glenn, 2015) so is in the work place values. Studies on whether affirmative action promoted women and minorities to levels where they perform less well than their white male counterparts have revealed that women, especially white women, typically received higher ratings than white men at the same grades in the same agencies. Minorities on the other hand had somewhat worse chances than non-minorities of receiving “outstanding” ratings and were more likely to receive merely “fully successful” ratings (Lewis,1997).

2.6. Effect of appraiser-appraisee relationship on employee intrinsic and extrinsic motivation

Age

Organizational demography contends that among demographic characteristics of the employee, age contextually affects performance evaluation decisions (Landy & Farr, 1980). This is supported by Kim (2014). Also, age has been shown to have a minimum effect on performance ratings. McEvoy and Cascio (1988) reported a meta-analysis of 96 studies relating ratee age to performance rating. On average, the age of the ratee accounted for less than 1% of the variance in performance ratings. Additionally, Landy and Farr (1983) suggest that if age effects exist at all, they are likely to be small.

Gender

Male employees react more favourably to performance evaluations from “high status” management groups (Geddes & Konrad, 2002). From a correlational demography perspective (Tsui & O’Reilly, 1989), employees who share salient demographic characteristics with their managers respond more favourably to performance evaluations. “Males partially respond more positively to male managers following feedback.” Carson et al., (1990) conducted a meta-analysis on 24 studies of gender effects on performance appraisal. In this review, gender effects were extremely small; the gender of both the ratee and the rater accounted for less than 1% of the variance in ratings. Although there was some evidence of a ratee-gender by rater-gender interaction (higher rating for same

gender versus mixed gender pairs), the interaction was not statistically significant. Murphy et al., (1986), reached similar conclusions in their review. Further, Berry (2015) noted that male managers tend to enable bi-directional power, permitting male manager and male subordinate to discuss as equals irrespective of whether or not the power was in balance. On the other hand, women tend to foster uni-directional power relations where the woman holding the power assumes total power over the other (Berry, 2015). Women also resort to indirect power in their favour.

Personality

Some studies have looked at appraisal as being about behaviour rather than personality and argued that appraisal should be about things within individual control. When related to change in behavior in the work place, it is about appraiser and appraisee agreeing a commitment to change. Tools such as Myers-Briggs Type Indicator can be used to help employees understand how their personality helps or hinders them in a variety of different situations at work -and thereby raises self-awareness (Fletcher, 2008). In contrast, Berry (2015) studied power play in performance appraisals and noted that power is a function of the relationship between managers and subordinates and hence, personality of the parties playing the parts. “Those higher in the agreeableness trait seek harmony. Conscientious raters tend to seek rating accuracy. And extroverts tend to be able to dominate the discussions.”

Race

Studies have found race similarity to have a significant but opposite effect with regard to reactions to negative feedback. 'Social Identity threat', especially among minority employees, is offered as a possible explanation for the finding that employees react more unfavourably to negative feedback from same race managers (Geddes and Konrad, 2002). Kraiger and Ford's (1985) survey of 74 studies reported that the race of both the rater and the ratee had an influence on performance ratings; in 14 of the studies, both black and white raters were present. Overall, studies show that supervisors gave higher ratings to same race subordinates than to subordinates of a different race. The results showed that white raters rated the average white ratee higher than 64% of black ratees and black raters

rated the average black ratee higher than 67% of white rate. (The expected value, if there were no race effects, would be 50% in both cases). In this analysis, ratee race accounted for 3.3% and 4.8% of the variance in ratings given by white and black raters respectively.

Studies on performance appraisal politics in the Indian cultural context revealed that higher appraiser-appraisee power distance may influence the perceived relevance and utility of the process such as voice (e.g. appeal) which may put the appraisee in a slightly adversarial situation with the appraiser (Dhiman & Maheshwari, 2012). Further, “higher paternalistic orientation may make processes like downward communication more desired by the appraisee because these processes project the superior as a guide and a coach, who is keen to handhold and support their subordinates.”

2.7. Extent to which performance appraisal pitfalls affect employee intrinsic and extrinsic motivation.

Age

Demographics can also compromise or contribute to the validity of the performance ratings, thereby becoming sources of rating error or reliability. One of the relative lacks of field research on rating distortion is that although thought to be widespread, rating distortion is a behavior that is officially subject to sanction. Longenecker (1989) and Murphy and Cleveland (1991) point out that rating distortion is often necessary and beneficial. Age is associated with experience. Fried et al (1992) demonstrated that when appraisers rated employees who had little experience (which could be young people as well) on the job or were known to engender low confidence levels in their supervisors, and/or the appraisal system, the appraisers were prone to discriminate against these subordinates.

Gender

Prejudice/stereotypes is one of the factors that can create bias in appraisals. For instance, research shows that women in stereotypically male jobs were rated lower than women in stereotypically female jobs. Similarly, attractive women were rated higher if they held non-management jobs but lower if they held management jobs. Research findings in content analysis of individual annual reviews indicated that women were 1.4 times more

likely to receive critical subjective feedback (as opposed to either positive feedback or critical objective feedback (Dimeglio, 2017), the reason being that annual evaluations often subjectively open the door for gender bias.

Personality

Literature abounds with evidence of the links between broad personality characteristics and behaviour in organizations (e.g., Barrick and Mount, 1991; Tett et al., 1991). Managers with a very agreeable personality have the desire to avoid hurting employee or even confronting them. On the other hand conscientiousness, associated with those appraisers who are not swayed by the context, moderates the relationships between rating context and rating behaviour measures (Tziner et al., 2002) as opposed to the self-monitoring personality who so strongly desire to maximize social approval and minimize social disapproval that they may inflate ratings of their subordinates and discriminate less among ratees and performance dimensions (Jawahar & Stone, 1997).

Race

Ford et al., (1986) attempted to assess the degree to which black-white differences in performance rating appraisal scores could be attributed to real performance differences or to rater bias. They looked at 535 studies that had at least one judgement-based and one independent measure (units produced, customer complaints) of performance. Among other things, they found that the size of the effects attributable to race were virtually identical for ratings and independent measures, which led the authors to conclude that the race effects found in judgement-based ratings cannot be attributed solely to rater bias-i.e., there were also real performance differences. On the other hand there was identification of an employee with a certain group, and the assumption that the characteristics of that group (as in race) applies to the employee as well. Irrespective of its positive or negative nature, this type of approach prevents the evaluator from identifying the characteristics of individuals and getting to know them in order to conduct an objective and fair evaluation of their performance (Nistor, 2014). This hinders objectivity and causes bias where the appraiser is inclined/ prejudiced for or against the appraisee.

2.8. Theoretical Framework

The study was based on the following theories: Expectancy Theory and Herzberg's Two Factor Theory.

2.8.1. Expectancy Theory

Expectancy Theory is also referred to as the Expectancy Valence Theory. It was brought forth by Vroom (1964) and its idea is that people's expectations in their performance affect their behaviour and the reward they seek (Van Eerde & Thierry, 1996). It argues that motivation comes about through expected performance outcomes and the attached level of value to the outcome by the individual. According to Vroom, organizational behaviour assessment is important. He argued that motivation of people depended on their expectations in terms of probability that effort leads to performance, instrumentality or assumed connection between performance and rewards, and valence, which is the assumed value, attached to the reward. Vroom (1964) also believed that if people accept as true a certain worth of a goal and that they will achieve it through their actions, they will be motivated to achieve it. Vroom's theory asserts that people's motivation towards doing anything is as a result of the individual putting a certain value on the goal and the probability of achieving that goal. The theory also helps managers to understand the relationship between motivation, performance and pay. Vroom points out that motivation depends on the anticipation that effort will bring about performance.

Robbins and Judge (2007) posit that the theory focuses on three relationships, namely: effort performance relationship, which is the perception of the individual that specific effort will lead to performance; performance-reward relationship, which is belief by the individual that a certain level of performance will result in a desired outcome, and the rewards-personal goals relationship which is the extent to which organizational rewards will satisfy the individual's desired personal goals. It was hence important to understand the linkages between the three relationships for its application to be relevant.

2.8.2. Herzberg's Two Factor Theory

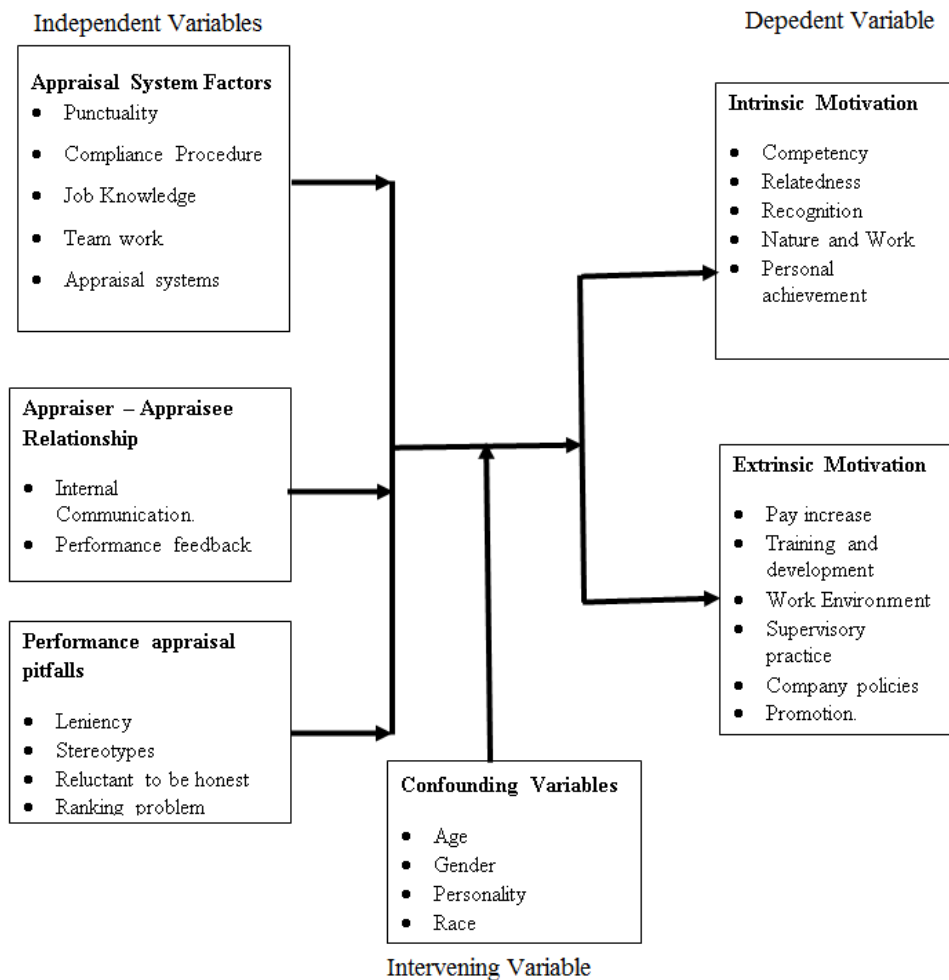
The Two-Factor Theory of Motivation, also known as the Dual-Factor Theory or Motivation Hygiene Theory, was developed by psychologist Frederick Herzberg in the 1950s. Herzberg defines motivator factors as those that resulted in a positive feeling and self-actualization among employees, namely achievement, recognition, responsibility, work itself, advancement and growth. Motivators lead to greater performance but their presence alone does not guarantee employee productivity (Herzberg et al, 1959).

Hygiene factors were named so because occasionally the environment in which the individual had to perform his duties was psychologically unhealthy. They are non-task characteristics of the work environment that create negative feelings in the individual, among them company policy and administration, supervision, salary, relationship with co-workers, personal life, status and security. The presence of these factors does not result in satisfaction but will simply reduce dissatisfaction. If provided, hygiene factors are not a strong motivator because their motivation effect will not last long; however, if not provided or if wrongly provided they can be a major cause of dissatisfaction (Herzberg et al., 1959). According to Robbins and Judge (2007) managers who want to motivate their employees should focus on factors revolving around the actual work or to the benefits that employees can derive from the work.

2.9 Conceptual Framework

In this study the Performance Appraisal system is the independent variable while employee motivation, both intrinsic and extrinsic is the dependent variable. Competency, relatedness, recognition, nature of work and personal achievement are sub-variables of intrinsic employee motivation. Also, pay increase, training and development, work environment, supervisory practice and company policies promotion are the sub-variables of extrinsic motivation.

Figure 2.1: Conceptual Framework



The framework has been able to clearly illustrate the relationship between the dependent, independent and confounding variables. It also shows the various attributes within the variables that were to be measured in the study. The next chapter will illustrate the methodology that was used in the study to arrive at the respondents, instruments for measuring the variables, and how the variables would be analysed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter outlines the scope of methodological procedures used in the study. The main aspects covered include research design, target population, sample design, data collection procedures and instruments as well as data analysis and presentation.

3.2. Research Design

The researcher used a descriptive research design. Descriptive research design is primarily concerned with addressing the particular characteristics of a specific population of subjects, either at a fixed point in time or at varying times, for comparative purposes (Rice, 2007). Further, Lewis, Saunders & Thornhill (2009) point out that descriptive research designs are characterized by systematic collection of data from members of a given population through questionnaires. A descriptive research design provided an appropriate technique of collecting information with respect to the study of variables or conditions that are involved in the study of effects of performance appraisal on employee motivation at Lion's Sight First Eye Hospital. The design also enabled the researcher to utilize questionnaires and interview guide in the data collection process as well as quantitative and qualitative approaches in analysis. Moreover, this design was preferred because it makes enough provision for protection against bias and maximizes reliability (Kothari, 2012). The descriptive design was able to give more information concerning the variables in question.

3.3. Location of the Study

The medical facility is located along Kaptagat Road in the uptown estate of Loresho. It is one of its kinds in the entire county of Nairobi, and probably the whole region. Its location is oriented towards the outskirts of the city where there is minimal congestion and disturbance, an ideal site for all people residing within and outside the county (Appendix V). The location was also considered appropriate because there are different employees who come from all over the country and other nations who work in the

hospital. Therefore there is diversity among employees. This sets a good environment for the study on performance appraisal and employee performance and satisfaction.

3.4. Target Population

A target population is the total collection of all units of analysis which the researcher wishes to include in the study (Rubin & Babbie, 2016). Before starting a research, one needs to identify the target population. The target population for this study was employees working with the Lion’s Sight First Eye Hospital. According the Head of Department (2018) there are two hundred and forty-three (243) employees working at the Lion’s Sight First Eye Hospital. Out of these, the researcher used 20% of the population. According to Mugenda and Mugenda (2003), a sample size of at least 10% - 20% of the total population is enough for descriptive studies. Accordingly, the study used a sample of 48 employees working at the Lion’s Sight First Eye Hospital, comprising of senior management, middle level management and the lower level employees.

Table 3.1: Study Population

Population target	Number sample	Percentage
Senior management	1	2
Middle level management	10	21
Lower level employees	37	77
Total	48	100

3.5. Sample Size and Sampling Techniques

The sample size of this study included one (1) member of the senior management, 10 members from the middle level management and 37 from the lower level employees. This was achieved using the stratified random sampling technique. Cooper and Schindler (2003) define stratified random sampling as a process by which the sample is restricted to include elements from each of the segments, and it is important when the researcher wants to get the features of subgroups of a particular population. It also involves dividing the population and then taking random samples from each group. The method classifies

the population into strata and ensures all departments, sections and units are represented. It also considered that the researcher needed to add confounding variables which are age, gender, personality and race. The respondents were classified into different strata. The strata were the managerial levels which included the senior, middle and lower level management. It was out of these groups of respondents that 1 senior management member, 10 members from the middle level management and 37 from the lower level employees were selected.

3.6. Research Instruments

The researcher used open-ended and closed-ended questionnaires to obtain the primary data for this study (See Appendix II). These were delivered to the respondents as hard copies through a 'drop and pick' method by the researcher and the research assistants. The information collected through the interview guide (Appendix III) formed part of the qualitative approach in the research as it explored in depth the research topic and ensured that the major details that are important to the whole study being conducted were effectively studied. The interview guide comprised of open-ended questions whereas the questionnaire was close-ended.

3.7. Piloting of Research Instruments

A pilot study was done to help in refining the questionnaire by administering it to a few participants in the targeted population that were however not part of the selected sample size. The pilot test was set to improve the research instrument readability and reduce any misinterpretations among the respondents of the questions in the questionnaire. The researcher opted to conduct a pilot test to improve the research instrument readability and reduce misinterpretation by the participants. Pilot testing was done to ensure the questionnaires' validity by seeking the opinion of senior supervisors in the field of study. Reliability is the extent to which a research instrument provides consistent results after being used multiple times (Kothari, Bickford, Edwards, Dobbins & Meyer, 2011). Cronbach's alpha value was used to determine the current study's research instrument reliability. A higher value indicates the most preferred reliability of the measuring

instrument being used. The result of the pilot study analysis was done with the assistance of the Cronbach alpha, and the acceptable limit of the value obtained (0.7).

The researcher, in a bid to refine and improve the questionnaire, looked at the responses, comments and the analysis results. The collected data's accuracy depended a lot on the validity of the questionnaire. As explained by Mugenda and Mugenda (2003) validity refers to the degree to which the analysis results are a representation of the phenomenon being studied. Content validity was achieved by having questions on the research instrument that were based on the variables under study. This allowed for consistency in questionnaire administration. The opinions of the supervisor and experts helped to ensure the questionnaire was reliable and valid.

3.8. Data Collection Techniques

The researcher administered the questions to the relevant respondents in an effort to achieve the necessary information. The questionnaires were administered through a 'drop and pick later' method because of the busy schedule of the target respondents. This reduced the level of interference with daily duties and operations at the organization.

3.9. Data Analysis

Analysis involved examining the coded data critically and making inferences. It also involved uncovering underlying structures, extracting important variables, detecting any anomalies and testing any underlying assumptions. According to Kombo and Tromp (2006) statistical data analysis divides the methods of analyzing data into exploratory methods and confirmatory methods. Exploratory methods are used to discover what the data seems to be saying by using simple arithmetic and easy to draw pictures to summarize data.

Quantitative analysis was also done in this study. This required the use of computer spread sheets and hence the Statistical Package for Social Sciences (SPSS) was applied. Quantitative analysis consists of measuring numerical values from which descriptions such as frequency, counts, mean, percentage and standard deviations are used. Research

findings were presented using statistical techniques (frequency and distribution tables). Responses to open-ended questions were reported by descriptive narrative and the results of the study compared to the literature review.

Inferential statistics was also conducted to show the nature and magnitude of relations established between the independent and dependent variables using regression analysis to make inferences from the data collected to more generalize conditions. The linear regression analysis took the following model:

Model

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu$$

Where:

y = is the dependent variable (employee intrinsic and extrinsic motivation)

$\beta_0, \beta_1, \beta_2, \beta_3$ are the sample estimates of the coefficients

X_1 = This represents the performance appraisal system factors (independent variable).

X_2 = This represents the Appraiser-appraisee relationship (independent variable).

X_3 = This represents the performance appraisal system pitfalls (independent variable).

μ = This is the Error term.

3.10. Ethical Consideration

Ethical consideration is paramount for every study. Ethical issues apply to all research approaches and to every stage of research, that is, in the identification of the research problem, data collection, data analysis and interpretation, and lastly in the writing and dissemination of the research (Creswell, Klassen, Plano Clark & Smith, 2011). Ethical issues involve matters of access, confidentiality and anonymity of the participants, the participants' consent as well as legal issues like intellectual ownership, confidentiality, privacy, access and acceptance and deception (Christensen & Johnson, 2012). Since this study concerns sensitive issues and stakeholder involvement, the following ethical considerations were adhered to: applying for a research permit, getting informed consents, acknowledging cited sources, authenticating reporting and maintaining the confidentiality and anonymity of the respondents. The respondents were assured of their confidentiality and assured that no one would be victimized for information he or she provided since the study was to be only used for academic purposes only.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1. Introduction

In this chapter, the analysis and presentation of the data obtained from the field through the data collection instruments is presented. It covers the following areas: response rate, background information, the relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation, the effect of Appraiser-Appraisee relationship on employee intrinsic and extrinsic motivation, and the extent to which performance appraisal system pitfalls affect employee intrinsic and extrinsic motivation.

4.2. Response Rate

During the data collection process, the researcher issued out 48 questionnaires. Only 40 questionnaires were returned. The rate therefore was 83.3%.

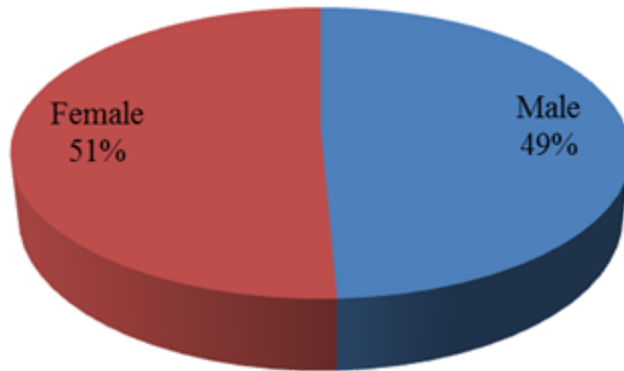
Table 4.1: Response Rate

	Issued questionnaires	Returned questionnaires	Response rate (%)
Population	48	40	83.3

4.3. Background Information

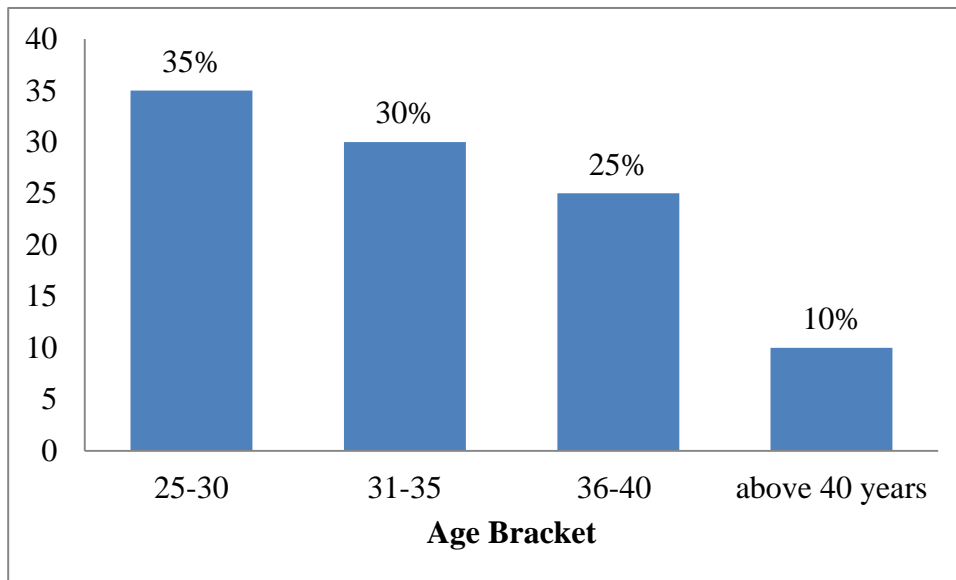
The respondents were asked to indicate their background information, including the age, gender and race. The information on the background of the respondents is as summarized in Figure 4.1 and 4.2.

Figure 4.1: Gender



Slightly more than half (51%) of the respondents were female whereas 49% were male.

Figure 4.2: Age Bracket



A majority (65%) were between the ages of 25-35 years while others (25%) were between 36 and 40 years. The remaining 10% indicated that they were above 40 years of age. With regards to the race, 65% of the employees were Africans whereas the remaining 35% were Asians.

4.4. Performance Appraisal System Factors and Employee Intrinsic and Extrinsic Motivation

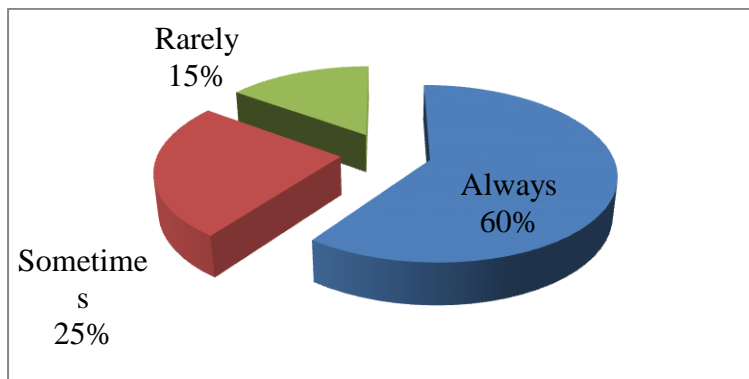
The first objective of this study was to evaluate the relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital. For this objective to be achieved, there are a number of

questions that were asked through the questionnaire. The questions revolved around punctuality, compliance procedure, job knowledge, team work and appraisal systems.

4.4.1. Punctuality

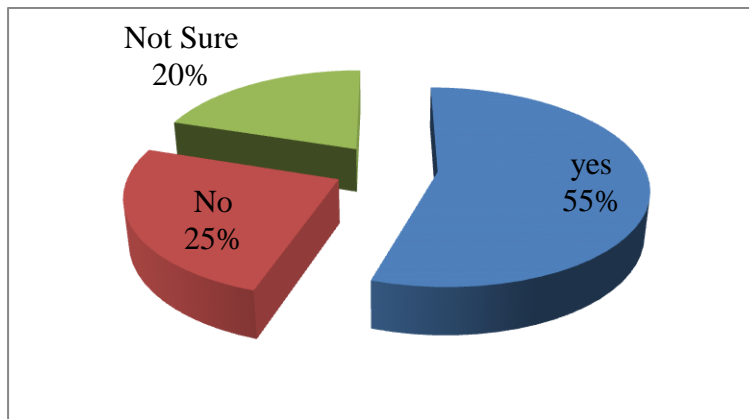
With regards to the punctuality aspect, the researcher first asked the respondents to indicate whether they finished their work on time. From the response, 60% indicated that they sometimes finished their work on time whereas 25% indicated that they always finished their work on time. The remaining 15% indicated that they rarely completed their work on time (See Figure 4.3).

Figure 4.3: Whether Employees Finish Work on Time



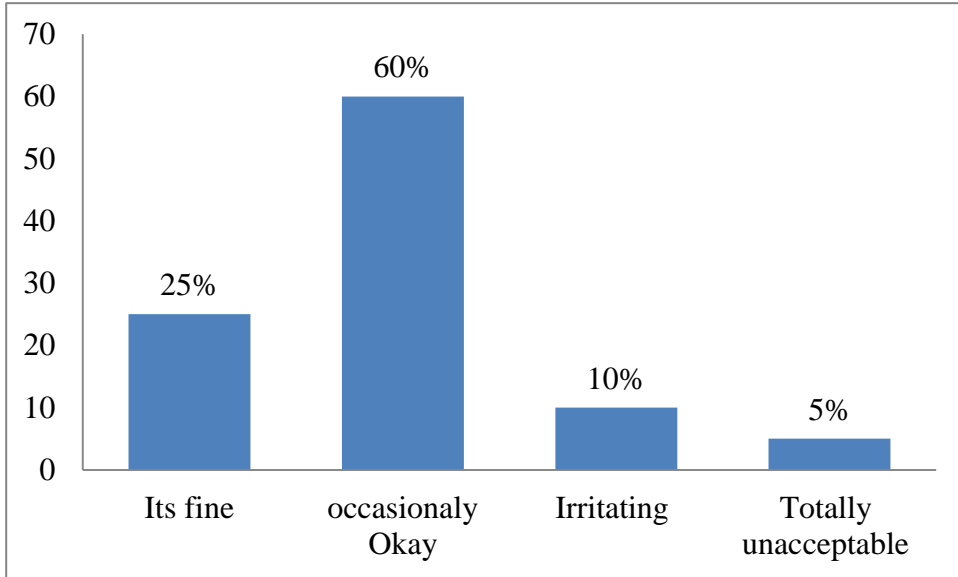
With regards to whether work deadlines in the organization are favourable, a mixed response was obtained. 55% of the respondents indicated that the deadlines were favourable while 25% indicated they were not favourable. The remaining 20% were however not sure as to whether they were favourable or not.

Figure 4.4: Whether Work Deadlines Are Favourable



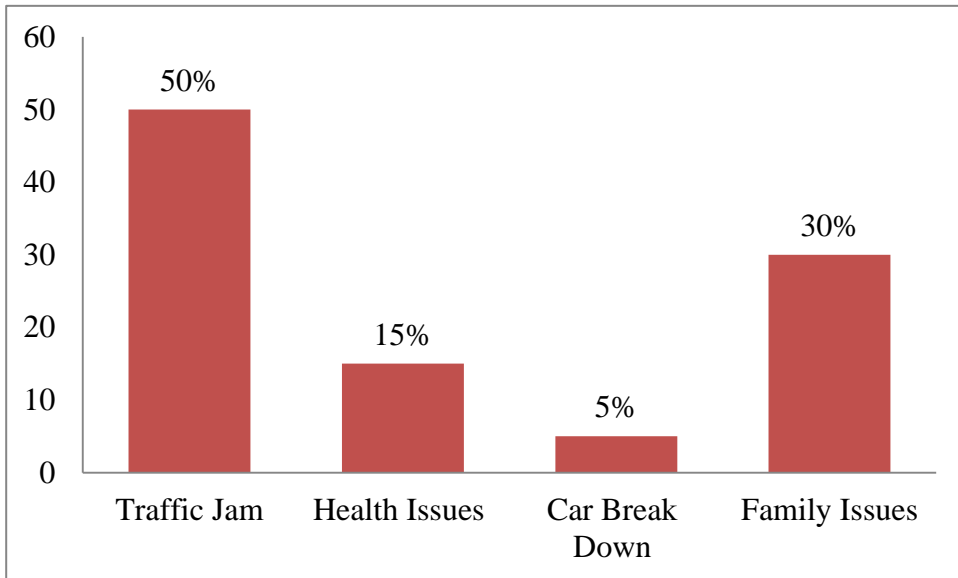
Further, the respondents gave their response regarding their perception towards punctuality issues in the organization. Majority (60%) indicated that it was occasionally okay. 25% indicated it was fine, 10% irritating and 5% totally unacceptable.

Figure 4.5: Perception towards the Punctuality Issues in the Organization



Lastly, on the punctuality component, the respondents were asked to indicate the common reasons for being late. The response is as summarized in Figure 4.6 below.

Figure 4.6: Reasons for Being Late

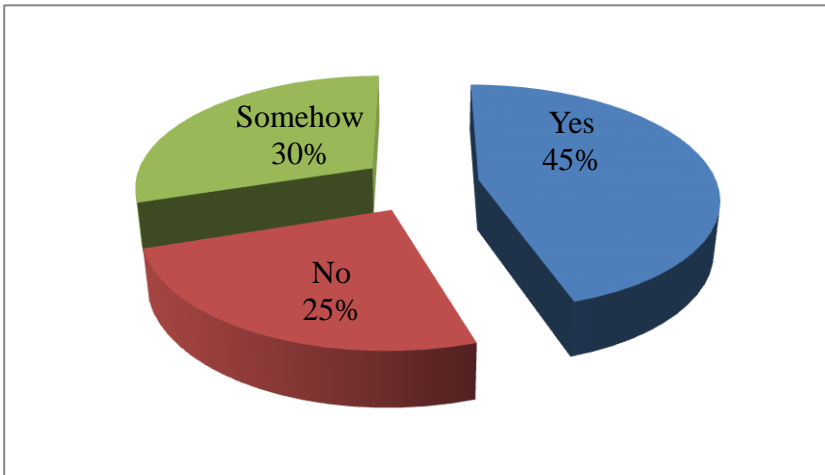


As shown by the figure, traffic jams (50%), family issues (30%) and health issues (15%) were the major reasons given cited for being late. The remaining 5% indicated that car break downs were a common reason for being late.

4.4.2. Compliance Procedure

With regards to the compliance procedure, the respondents were asked whether the performance appraisal in the organization asked relevant questions in evaluating their performance. The response they gave is as shown in the figure below.

Figure 4.7: Whether performance appraisal asks relevant questions in evaluating performance



Slightly less than half (45%) agreed that performance appraisals asked relevant questions. 30% however indicated somehow whereas the remaining 25% indicated they did not ask relevant questions. Additionally, the researcher asked the respondents the improvement they would suggest to be added to the appraisal system. A major suggestions was the need to improve on the questions which were being asked through the system. In fact one of the respondents explained that:

I feel at times the appraisal system fails to capture key areas simply because the questions which are asked do not solicit the appropriate information. As such, more time should be spent in understanding the capabilities of the employees and thus using that information in carrying out appraisals. (Respondent 15, 2018)

It can thus be noted that the information provided on the system needs to be reviewed accordingly as per the suggestions of the employees. This is for the betterment of the system in facilitating employee motivation and satisfaction.

4.4.3. Job Knowledge

On the issue of job knowledge, majority (80%) indicated that they have full understanding and access to what they are expected to know. The remaining 20% indicated that they did not have full understanding and access. In terms of qualities and skills, 90% felt that there were certain skills and qualities which they needed to sharpen to increase the capacity to do their job. Some of the qualities and skills that were suggested included communication skills, leadership skills as well as appraisal skills and knowledge.

Table 4.2: Job Knowledge

	Yes		No	
	F	%	F	%
Do think you have full understanding and access to what you are expected to know?	32	80	8	20
Are there qualities and skills you need to sharpen to increase the capacity to do the job?	36	90	4	10

4.4.4. Team Work

For the team work aspect, a number of statements were provided to the respondents and asked to indicate their extent of agreement or disagreement. Table 4.3 presents a summary of their responses.

Table 4.3: Team Work

Statements	SD	D	UD	A	SA
	%	%	%	%	%
a. My department encourages teamwork	-	-	10	55	35
b. Working in the team inspires me to do my best	-	5	5	40	50
c. Team members are supportive of each other's role	-	-	-	80	20
d. Team members give timely feedback to each other	-	10	-	70	20

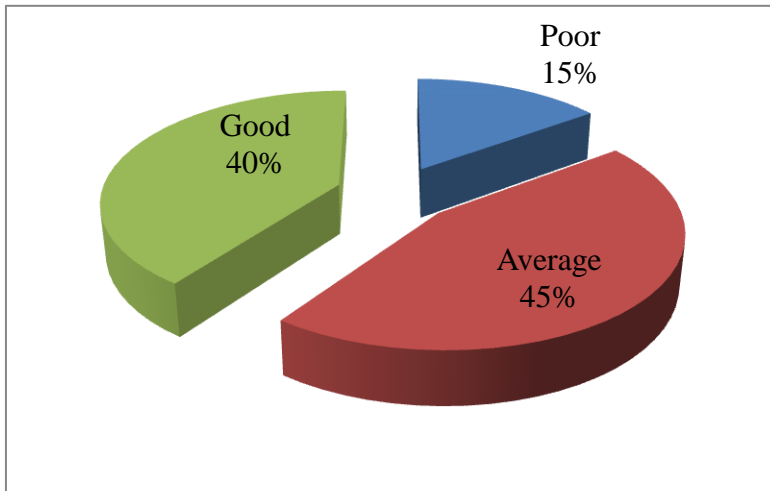
Key: SA- Strongly Agree, A-Agree, UD- Undecided, D-Disagree, SD-Strongly Disagree

With regards to the encouragement of team work, 90% were positive by strongly agreeing and agreeing that their department encouraged team work. The remaining 10% were however undecided. When asked to indicate whether the team inspires them to do their best, 50% strongly agreed, 40% agreed, 5% were undecided and the remaining 5% disagreed. All the respondents were positive that team members are supportive of each other's role. Whereas 70% agreed that team members give timely feedback to each other, 10% disagreed and the remaining 20% strongly agreed to the statement.

4.4.5. Appraisal Systems

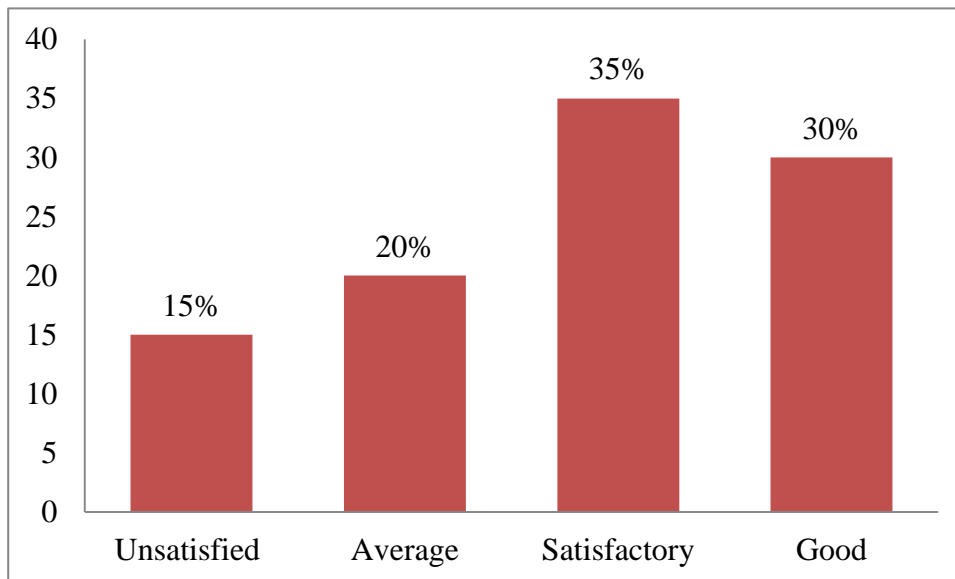
The respondents were asked to rate the appraisal system that was currently being used in the organization. The ratings included whether it was very poor, poor, average, good or very good. The responses are as shown in Figure 4.8.

Figure 4.8: Ratings of the Current Appraisal System



Majority were positive regarding the current appraisal system. 45% rated it as average and 40% as good. However, 15% of the respondents felt that the appraisal system was poor. Moreover, the respondents also indicated their level of satisfaction with the current appraisal systems.

Figure 4.9: Level of Satisfaction with the Current Appraisal System



As shown by the figure, 35% rated their level of satisfaction with the appraisal system as satisfactory, 30% as good and 20% as average. On the other hand, 15% indicated that they were unsatisfied.

In addition to the descriptive information, inferential analysis was done to establish the relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital. To establish this relationship, the analysis of variances was undertaken. The result obtained is shown by Table 4.7.

Table 4.4: ANOVA results for the Relationship between Performance Appraisal System Factors and Employee Intrinsic and Extrinsic Motivation at the Lion's Sight First Eye Hospital

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.426	1	7.426	11.171	.001 ^b
	Residual	78.440	118	.665		
	Total	85.867	119			

a. Dependent Variable: Employee Intrinsic And Extrinsic Motivation

b. Predictors: (Constant), Performance Appraisal System Factors
(Where is ^a?)

The analysis of variance shows that there is a positive relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation ($p=.001$). Hence,

the alternative hypothesis is accepted and concluded, that performance appraisal system factors have a positive effect on employee intrinsic and extrinsic motivation.

4.5. The effect of Appraiser-Appraisee Relationship on Employee Intrinsic and Extrinsic Motivation

This study was set to investigate the effect of the Appraiser-Appraisee relationship on employee intrinsic and extrinsic motivation at the Lion’s Sight First Eye Hospital. To answer the objective, various parameters were examined. These included the internal communication and performance feedback.

4.5.1. Internal Communication

For the internal communication parameter, two main questions were asked. These were whether highly technical information was made interesting and understandable, and what the effectiveness of communication in the organization was. The responses provided on these two questions are as presented in Table 4.5 below.

Table 4.5: Internal Communication

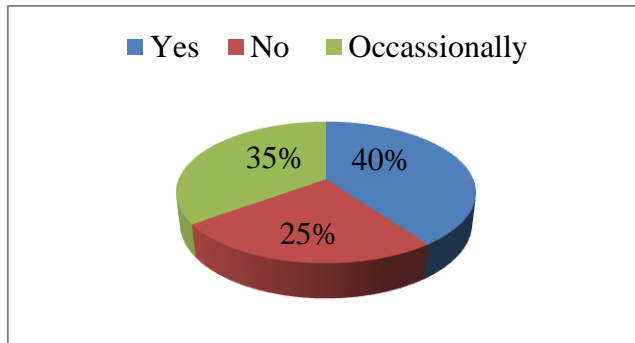
	Yes		No	
	F	%	F	%
The management makes highly technical information interesting and understandable	24	60	16	40
There is effective communication in the organization	28	70	12	30

As per the findings, majority (60%) indicated that the management made highly technical information interesting and understandable. However, 40% of the respondents were not in agreement with the statement. In terms of communication effectiveness, 70% indicated that communication in the organization was effective whereas 30% indicated that there was no effective communication.

4.5.2. Performance Feedback

The respondents were asked to indicate whether they got performance feedback on time when they needed it (See Figure 4.10).

Figure 4.10: Whether Performance Feedback Is Gotten On Time When Needed



A good percentage (40%) indicated that they got performance feedback on time when they needed it. 35% indicated that it was occasional whereas 25% indicated that they never received feedback on time when they needed it. Still on the performance appraisal, two statements were provided for the respondents and they were asked to indicate their extent of agreement. All of the respondents (100%) positively agreed that the employee should receive feedback regularly on performance and that they should be satisfied with the way the manager conducted his review.

To further have an understanding of the current performance feedback and Appraiser-Appraisee relationship, a number of statements were provided to the respondents. They were asked to indicate their extent of agreement or disagreement based on the Likert scale of 1 to 5, whereby 1 is the highest negative and 5 is highest positive. The response is as summarized in Table 4.6 below.

Table 4.6: Appraiser-Appraisee Relationship

Statements	SD	D	UD	A	SA
	%	%	%	%	%
a. Appraisers have an attitude of superiority towards those who do not belong to their racial groups	5	25	10	50	10
b. There is discriminative performance evaluation due to racial differences with appraisers	5	15	20	45	15
c. There is heresy in performance appraisal in the organization	20	5	25	40	10
d. Appraisers are lenient in performance evaluation	15	25	3	30	27
e. Workers are ranked and promoted based on merit	-	30	20	45	5
f. Forced ranking performance appraisal is a good idea	40	20	10	15	5
g. The organization is currently using forced ranking system	5	30	30	35	-

With regards to attitude of superiority, 50% agreed, 10% agreed, 10% were undecided, 25% disagreed and 5% strongly disagreed that appraisers have an attitude of superiority towards those who do not belong to their racial groups. Majority (60%) strongly agreed and agreed that there is discriminative performance evaluation due to racial differences with appraisers. 20% however remained undecided whereas 15% disagreed and 5% strongly disagreed.

Half (50%) were positive by strongly agreeing and agreeing that there was heresy in performance appraisal in the organization. A quarter (25%) remained undecided on the matter whereas the other 25% strongly disagreed and disagreed respectively. In terms of leniency in performance evaluation, 30% agreed and 27% strongly agreed that appraisers are lenient in performance evaluation. On the other hand, 40% of the respondents strongly disagreed and disagreed with the statement whereas only 3% remained undecided.

Half (50%) agreed and strongly agreed that workers are ranked and promoted based on merit. On the other hand, 30% disagreed with the statement whereas 20% remained undecided on the matter. Moreover, 60% of the respondents strongly disagreed and disagreed that forced ranking performance appraisal was a good idea. A few (20%) however remained positive on the statement whereas 10% were undecided. Whereas 35% strongly disagreed and disagreed, 35% agreed that the organization is currently using forced ranking system. The remaining 30% remained undecided on the matter.

A hypothesis stated for this variable indicated that: There is a significant effect of Appraiser-appraisee relationship on employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital. The analysis of variance was also utilized to measure this variable and the result obtained is as presented in Table 4.7.

Table 4.7: ANOVA results for the Relationship between Appraiser-Appraisee Relationship and Employee Intrinsic and Extrinsic Motivation

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.680	1	9.680	14.993	.000 ^b
	Residual	76.186	118	.646		
	Total	85.867	119			

a. Dependent Variable: Employee Intrinsic and Extrinsic Motivation

b. Predictors: (Constant), Appraiser-Appraisee Relationship
(Where is ^{a?})

As seen in the table, there is a positive significant relationship between the Appraiser-Appraisee relationship and employee intrinsic and extrinsic motivation (F= 14.993, p=.000). Hence, the alternative hypothesis is accepted and concluded, that Appraiser-Appraisee relationship has a positive effect on the Employee Intrinsic and Extrinsic Motivation at the Lion's Sight First Eye Hospital.

4.6. The Extent to Which Performance Appraisal System Pitfalls Affect the Employee's Intrinsic and Extrinsic Motivation

The study was further set to find out the extent to which performance appraisal system pitfalls affect the employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital. The respondents were provided with some work related areas and asked to indicate their extent of satisfaction with those areas.

Table 4.8: Appraisal Pitfalls

	Unsatisfactory	Average	Satisfactory	Good	Excellent
	%	%	%	%	%
a. Work Environment	15	35	30	20	-
b. Punctuality	10	40	45	5	-
c. Work conduct and ethics	-	50	30	20	-
d. Teamwork	5	35	30	20	10
e. Work commitment	-	40	35	20	5

As shown in the table, an overwhelming majority (85%) agreed that the work environment was average, satisfactory and good respectively. Only a few (15%) consider the working environment to be unsatisfactory. In terms of punctuality, 40% agreed it was

average, 45% satisfactory and 5% good. The remaining 10% considered it as unsatisfactory. On work conduct and ethics, 50% indicated it was average, 30% satisfactory and 20% good. For team work, 95% were positive by indicating that it was average, satisfactory, good and excellent respectively. All of the respondents were positive regarding the work commitment, with 40% agreeing that it was average, 35% satisfactory, 20% good and 5% excellent.

A further relationship analysis was carried out to establish whether there was any relationship between the appraisal system pitfalls and employee intrinsic and extrinsic motivation. The hypothesis stated that: There is a significant degree of performance appraisal system pitfalls effect on employee intrinsic and extrinsic motivation at the Lion’s Sight First Eye Hospital. To test this hypothesis, regression analysis was done where Analysis of Variance was involved. The output results obtained is as shown in Table 4.9 below.

Table 4.9: ANOVA Results on the Relationship between Interest Rate and SME

Borrowing

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	4.155	1	4.155	6.000	.016 ^b
Residual	81.712	118	.692		
Total	85.867	119			

a. Dependent Variable: Employee Intrinsic And Extrinsic Motivation

b. Predictors: (Constant), Appraisal System Pitfalls

(Where is ^a?)

The analysis of variance showed that the influence of appraisal system pitfalls on employee intrinsic and extrinsic motivation was significant, F (6.000), P (.016). This shows that there is a statistical significant relationship between appraisal system pitfalls and employee intrinsic and extrinsic motivation.

4.7. Regression Analysis for the Overall Model

A regression analysis was carried out to establish the existing relationship between the independent and dependent variables. This regression was based on the multilinear regression model which is as stated below:

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu$$

Where:

y = is dependent variable y (employee intrinsic and extrinsic motivation)

$\beta_0, \beta_1, \beta_2, \beta_3$ are the sample estimates of the coefficients

X_1 = This represents the performance appraisal system factors (independent variable).

X_2 = This represents the Appraiser-appraisee relationship (independent variable).

X_3 = This represents the performance appraisal system pitfalls (independent variable).

μ = This represents the Error term.

Table 4.10: The ANOVA Table for the Overall Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.225	3	3.742	5.815	.001 ^b
	Residual	74.641	116	.643		
	Total	85.867	119			

a. Dependent Variable: Employee Intrinsic And Extrinsic Motivation

b. Predictors: (Constant), performance appraisal system factors, Appraiser-Appraisee relationship, appraisal system pitfalls

The results, presented in Table 4.10 on the ANOVA for the overall model, indicate that the model was statistically significant in explaining the effect of the independent variables on employee intrinsic and extrinsic motivation at the Lion's Sight First Eye Hospital since the p-value is 0.001, which is less than 0.05 at 5% level of significance. From the above findings, the next chapter will summarize the findings, discuss them, make conclusions and come up with recommendations.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

In this chapter, the summary of the findings, discussions, conclusions and recommendations of this study on the relationship between performance appraisal system and staff motivation at the Lion's Sight First Eye Hospital is presented. The section also gives suggestions for further research.

5.2. Summary of the Findings

In this section, the findings presented in the analysis chapter are summarized according to the research objectives.

5.2.1. Performance Appraisal System Factors

With regards to punctuality, 60% of the staff indicated that they sometimes finished their work on time whereas 25% indicated that they always did so on time. Whereas 55% indicated that the deadlines were favorable, 25% indicated that they were not favourable. Majority (60%) indicated that punctuality was occasionally okay. 25% indicated it was fine, 10% irritating and 5% totally unacceptable. 50% gave traffic jams, 30% family issues and 15% health issues as the major reasons for being late.

Slightly less than half (45%) agreed that the appraisal system asked relevant questions in evaluating performance. 30% however indicated 'somehow' whereas the remaining 25% indicated that it did not ask relevant questions in evaluating the performance. Majority (80%) indicated that they have full understanding and access to what they are expected to know. In terms of qualities and skills, 90% felt that there were certain skills and qualities that they needed to sharpen to increase the capacity to do their job. Some of the qualities and skills that were further suggested included communication skills, leadership skills as well as appraisal skills and knowledge.

90% were positive by strongly agreeing and agreeing that their department encouraged team work. 50% strongly agreed, 40% agreed that teamwork inspired them to do their best. Majority were positive regarding the current appraisal system, with 45% rating it as average and 40% as good. 35% rated their level of satisfaction with the appraisal system as satisfactory, 30% as good and 20% as average. As evidenced by the results, there is a positive relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation ($p=.001$).

5.2.2. Appraiser-Appraisee Relationship

Majority (60%) indicated that the management made highly technical information interesting and understandable. 70% indicated that the communication was effective in the organization whereas 30% indicated that there was no effective communication. A good percentage (40%) indicated that they got performance feedback on time when they needed it. 35% indicated that it was occasional whereas 25% indicated that they never received feedback on time.

All of the respondents (100%) positively agreed that the employee should receive feedback on performance regularly and that they should be satisfied with the way managers conducted their review. 50% agreed, 10% agreed, 10% were undecided, 25% disagreed and 5% strongly disagreed that appraisers had an attitude of superiority towards those who did not belong to their racial groups. Majority (60%) strongly agreed and agreed that there was discriminative performance evaluation due to racial differences with appraisers. Half (50%) were positive by strongly agreeing and agreeing that there was heresy in performance appraisal in the organization. In terms of leniency in performance evaluation, 30% agreed and 27% strongly agreed that appraisers were lenient in performance evaluation. 40% of the respondents strongly disagreed and disagreed with the statement.

Half (50%) agreed and strongly agreed that workers were ranked and promoted based on merit. On the other hand, 30% disagreed with the statement whereas 20% remained undecided on the matter. Moreover, 60% of the respondents strongly disagreed and

disagreed that forced ranking performance appraisal was a good idea. Whereas 35% strongly disagreed and disagreed, 35% agreed that the organization was currently using a forced ranking system. From this data, the researcher deduces that there is a positive significant relationship between Appraiser-Appraisee Relationship and employee intrinsic and extrinsic motivation ($F= 14.993, p=.000$).

5.2.3. Appraisal System Pitfalls

In terms of punctuality, 40% agreed it was average, 45% satisfactory and 5% good. The remaining 10% considered it as unsatisfactory. On work conduct and ethics, 50% indicated it was average, 30% satisfactory and 20% good. For team work, 95% were positive by indicating that it was average, satisfactory, good and excellent respectively. All of the respondents were positive regarding work commitment, with 40% agreeing that it was average, 35% saying it was satisfactory, 20% good and 5% excellent. The influence of appraisal system pitfalls on employee intrinsic and extrinsic motivation was significant, $F (6.000), P (.016)$.

5.3. Discussions of findings

Based on the summary of the findings of this study, there are a number of key points that have been identified.

5.3.1 Performance Appraisal System Factors

From the general linear regression model, the study has been able to establish that performance appraisal has a significant influence on the motivation of employees ($p=.001$). This finding has been able to approve the findings from various other researchers that have established themselves but in different fields. For instance, Kamiti (2014), in his study on the effect of performance appraisal on civil servants motivation at the Directorate of Tourism in Kenya 2006-2014, established that performance appraisal acts as an important factor that contributes to the employee motivation. This concurs with Saeed and Shah (2016) whose study on the impact of performance appraisal on employee motivation in Islamic banking revealed that there is a general positive relationship of performance appraisal on employee motivation.

According to an argument presented by Rummler et al., (2012), a properly designed performance appraisal system is critical as it helps employees in understanding their strong and weak areas, regarding their roles and responsibilities in the organization. In light of this argument, this study pointed out that asking relevant information in the appraisal was critical. This may be attributed to the sense that if the information which is asked does not directly influence the employee, then the output results may have no significant effect and the employee may not know his/her strengths and weaknesses.

5.2.2. Appraiser-Appraisee Relationship

The motivation of employees may be affected especially in situations where there are certain loopholes in performance appraisal. Moreover, a poor relationship between the appraiser and appraisee poses a challenge on the effectiveness of the appraisal systems. This study has been able to establish that there are discriminatory pellets in the system which is based on issues such as race. Such discrimination affects the feedback provided to the respondents and thus influences their performance as employees. This is clearly indicated by the ANOVA results where it was established that there was a significant relationship between appraiser–appraisee relationship and the motivation of employees ($F= 14.993$, $p=.000$). Some aspects of leniency have also been noted in the appraisal systems. This concurs with some authors (Bernadin, Cooke, & Villanova, 2000; Jawahar & Williams, 1991; Longenecker, 1989) who pointed out that sometimes leniency may occur among managers especially when their evaluation is not based so much on how well they recognize different levels of performance. This in the long run has an effect on the motivation as well as effectiveness of the appraisal system put in place.

5.3.3. Appraisal System Pitfalls

There are various other researchers whose studies have supported the findings of this study on the relationships between performance appraisal and employee motivation. Researchers such as Chaponda (2014), Muriuki (2017), Bulto and Markos (2017), Aslam (2013) and Sharma and Rao (2018) have all been able to establish that there exists a positive significant relationship between appraisal and motivation. As such, appraisal pitfalls which have been identified in this study, such as poor working environment, poor

work conduct and ethics and team work among others, if not fully addressed, may have a significant effect on the effectiveness of performance appraisal towards employee intrinsic and extrinsic motivations.

5.4. Conclusions

From the analysis, summary of the findings and discussions, there are a number of conclusions which are made. First, it needs to be noted that the appraisal system factors play an integral role in facilitating the intrinsic and extrinsic motivation of the employees at Lion's Sight First Eye Hospital. Factors such as punctuality, compliance procedure, job knowledge and team work need to be controlled appropriately for the effectiveness of the appraisal systems to be achieved in influencing motivation among employees.

The study also concludes that the relationship between the appraiser and appraisee is important in motivation of the employees. Poor relationships tend to have a negative effect on the motivation as well as results of the appraisal. Discriminations based on race as well as biasness and leniencies all are affecting the effectiveness of the appraisal system as well as the motivation of employees at the hospital.

The pitfalls in the appraisal system, such as working conditions, team work, punctuality and stereotyping all drastically influence the motivation of employees at Lion's Sight First Eye Hospital. This is why the study has been able to conclude, from statistical analysis, that there is a significant positive effect between appraisal system pitfalls and employee's intrinsic and extrinsic motivation.

5.5. Recommendations

As it has been revealed in this project, a number of critical points for recommendations have emerged. One of them is the need for training on the performance appraisal system. The leaders or appraisers need to be adequately trained on how they can utilize the appraisal systems for the purpose of improving the motivation of their staff. Moreover, through the training the leaders can be able to spot any pitfalls of the appraisal system

that may pose a challenge to the effectiveness of the system in enhancing motivation among the employees.

Another recommendation is on the review of the organizational policy of performance appraisal. The policy should clearly state the areas of appraisal the leaders should pay attention to when carrying out performance appraisal. This is because there are certain leaders who are lenient and others discriminatory in the appraisal process. Besides, the appraisal systems should be fair for all the employees and none should be favoured against the other either based on their race, gender and/or age.

5.6. Suggestions for further research

There is need for further research to be carried out to:

1. Examine the factors affecting the effectiveness of appraisal system at the Lion's Sight First Eye Hospital.
2. Effects of performance appraisal factors on organizational performance at Lion's Sight First Eye Hospital.

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APPENDICES

Appendix I: Introduction Letter

University of Nairobi

P.O Box 30197

Nairobi.

Date:

Dear Sir/Madam,

RE: LETTER OF INTRODUCTION CAROL GITHUI

I am a student at The University of Nairobi Main Campus, taking a Master of Psychology degree in Industrial and Organizational psychology in partial fulfillment of this degree award; I am conducting a study on “**THE EFFECT OF PERFORMANCE APPRAISAL SYSTEM ON STAFF MOTIVATION AT THE LION’S SIGHT FIRST EYE HOSPITAL.**”

For the purpose of completing this research work, I would wish to collect data through questionnaires. I will be very grateful if you could kindly extend to me some assistance I will need to have the questionnaires completed. This information is purely for the purpose of my academic research work and therefore it shall be treated with strict confidentiality. A copy of the final report shall be given to you on request.

Thank you in advance, I look forward to your assistance.

Yours Faithfully,

Carol Githui

C50/84585/2016

Appendix II: Questionnaire For Employees

This questionnaire seeks information on performance appraisal. It is part of my Master of Arts studies in Organizational Psychology. Kindly fill in the information required. You can tick (✓) or write down the information. All information collected shall only be used for academic purposes and as such shall be treated with utmost confidentiality.

Background Information

1. Gender (Tick (✓)) Male Female
2. Age (Tick (✓))
 - a) 24 - 29 years
 - b) 30 - 34 years
 - c) 35 -39 years
 - d) 40 - 44 years
 - e) Above 45 years
3. Race (Tick (✓)) African Asian

Punctuality

4. Do you finish work on time? Always Sometime Rarely
5. Do you think work deadlines are favourable in the current organization?
6. How do you feel about punctuality issues in the organization?
Its fine Occasionally okay
Irritating Totally unacceptable
7. Which of the following is the your most used reason to be late?
Traffic Jam Car breakdown
Health issues Forgetting to set alarm
Family issues
Others (specify)

Compliance Policies and Practices

8. Do you think performance appraisal in the organization ask relevant questions in evaluating your performance?
Yes Somehow
No Can't tell
9. What improvement do you suggest in appraisal system?

.....

10. What are the compliance/ethics-related challenges you face most frequently in your current role? (Briefly highlight them)

.....

11. What improvements can be done to the organization's compliance policies in terms of enforcement and communication?

.....

Job Knowledge and Execution

12. Do think you have full understanding and access to what you are expected to know? Yes No

13. Are there qualities and skills you need to sharpen to increase the capacity to do the job? Yes No

If Yes, which are they? (Briefly state them)

.....

Team Work

14. Indicate the extent to which you agree or disagree with the following:

Please tick (√) the space corresponding to the correct answer

Scale: Strongly Disagree=1, Disagree=2, Undecided=3, Agree=4, Strongly Agree=5

		1	2	3	4	5
11	My department encourages teamwork					
12	Working in the team inspires me to do my best					

13	Team members are supportive of each other's role					
14	Team members give timely feedback to each other					

Current Appraisal System Orientation

Please tick (√) the space corresponding to the correct answer

15. How do you rate the current Appraisal System?

- Very poor []
- Poor []
- Average []
- Good []
- Very good []

16. How do you rate your satisfaction with the current appraisal system?

- Unsatisfied []
- Average []
- Satisfactory []
- Good []
- Excellent []

Internal Communication

17. The management makes highly technical information interesting and understandable? Yes [] No []

18. There is effective communication in the organization. Yes [] No []

Performance Feedback

19. Do you get feedback on time when you need it?

- Yes []
- No []
- Occasionally []
- Can't tell []

Scale: Strongly Disagree=1, Disagree=2, Undecided=3, Agree=4, Strongly Agree=5

Please tick (√) the space corresponding to the correct answer

		1	2	3	4	5
20	Employee should regularly receive feedback on					

	performance.					
21	Employee should be satisfied with the way manager conducts his review.					

22. Rate how you feel about your work place in terms of the following areas

Please tick (√) the space corresponding to the correct answer

Scale: Strongly Disagree=1, Disagree=2, Undecided=3, Agree=4, Strongly Agree=5

		1	2	3	4	5
a	Appraisers have an attitude of superiority towards those who do not belong to their racial groups.					
b	There is discriminative performance evaluation due to racial differences with appraisers.					
c	There is heresy in performance appraisal in the organization.					
d	Appraisers are lenient in performance evaluation.					
e	Workers are ranked and promoted based on merit.					
f	Forced ranking performance appraisal is a good idea.					
g	The organization is currently using forced ranking system.					

Appraisal Pitfalls

23. To what extent do you agree with the following?

		Unsatisfactory	Average	Satisfactory	Good	Excellent
a	Work Environment					
b	Punctuality					
c	Work conduct and ethics					
d	Teamwork					
e	Work commitment					

Personality Test

24. Kindly respond to the following

i) Extroversion and Introversion

		Yes	No
a	Prefer action over reflection		
b	Prefer oral communication		
c	I enjoy working in groups		
d	I enjoy working alone or with only one or two others		
e	Prefers written communication		
f	Prefers reflection over action		

ii) Big Five

A- Agreeable C- Conscientious E.S – Emotional Stability O- Openness

		Yes	No
a	Cooperative, Warm and Trusting (A)		
b	I am easy going, friendly and Sociable (A)		
c	Calm, Self-confident and secure, goof under pressure and related (E.S)		
d	Nervous, poor under pressure, easily depressed (C)		
e	Creative, Curious and artistically Sensitive (O)		

25. Rate how the current appraisal system affects your motivation in terms of the following:

Intrinsic Motivation

		Very low	Low	High	Very high
a	Competency (drive to do the best)				
b	Relatedness (feeling of belonging to the organization)				
c	Feeling of recognition				
d	Nature of work				

e	Feeling of personal achievement				
---	---------------------------------	--	--	--	--

26. Rate the order in which the following motivates you (Rate as 1, 2, 3, 4, 5, 6, 7)

Extrinsic Motivation

		Rate
a	Training and development	
b	Pay increase	
c	Good work environment	
d	Improved Supervisory Practices	
e	Good company practices	
f	Promotion	

What are the measures that can be put in place to enhance the effectiveness of organizational change management on employee performance at your place of work?

Any other comments

Thank you for your participation.

Appendix III: Interview Guide

What is the relationship between performance appraisal system factors and employee intrinsic and extrinsic motivation at the Lion’s Sight First Eye Hospital?

What is the effect of Appraiser-Appraisee relationship on employee intrinsic and extrinsic motivation at the Lion’s Sight First Eye Hospital?

What is the extent to which performance appraisal system pitfalls affect the employee intrinsic and extrinsic motivation at the Lion’s Sight First Eye Hospital?

What are the measures that can be put in place to enhance the effectiveness of organizational change management on employee performance at your place of work?

Any other comments

Thank you for your participation.

Appendix IV: Data Collection Permit



UNIVERSITY OF NAIROBI
FACULTY OF ARTS
DEPARTMENT OF PSYCHOLOGY

Telegrams: Varsity Nairobi
Telephone: 3318262 ext.28439
Telex: 22095

P.O. BOX 30197
NAIROBI
KENYA

22/10/2018,

Lion's Sight first Eye Hospital
Nairobi

RE: CAROL WACUGU GITHUI – C50/84585/2016

The above named is a student in the Department of Psychology undertaking a Masters degree in Organizational and Industrial Psychology at the University of Nairobi. He is doing a project on "*The relationship between performance appraisal system and staff motivation at the lions sight first eye hospital*".

The requirement of this course is that the student must conduct research project in the field and write a Project.

In order to fulfill this requirement, I am introducing to you the above named student for you to kindly grant him permission to collect data for his Masters Degree Project.

Yours Sincerely,


Dr. Luke Odiemo
Chairman,
Department of Psychology

Appendix V: Location of Lion's Sight First Eye Hospital

