

**ASSESSMENT OF PERFORMANCE MANAGEMENT SYSTEM
IN STANDARD CHARTERED BANK, KENYA**

**BY
SHEILA RUTH AMBIYO
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DECLARATION

This research report is my original work and has not been presented in any other university or institution of examination.

Sheila Ruth Ambiyó

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Signature

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Date

This research report has been submitted for examination with my approval as the University supervisor.

Prof. Alfred Agwanda

Population Studies Research Institute (PSRI)

.....

Signature

.....

Date

Dr. George Odipo

Population Studies Research Institute (PSRI)

.....

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DEDICATION

This project is dedicated to my family and friends who have always encouraged, prayed and supported me.

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ABSTRACT

The performance management at Standard Chartered Bank Kenya involves the employees setting their objectives, performance appraisal done twice in a year, providing feedback to the employees and rewards by management. The study sought to determine the influence of the Performance Management System on employee's performance. The study objectives were to assess employee's perception of how the objectives of the performance management system are set; to assess employee's perception of the performance appraisal system; to assess employee's perception on the nature of feedback after an appraisal and to assess the association between employee's perception of the performance management system and their performance. The study used the descriptive research design; it adopted a quantitative approach to measure how the performance management practices influenced employee's performance. A total of 120 respondents were reached who are employees in Nairobi. Stratified sampling was used to divide the employees into eight strata. Data was analyzed using SPSS for descriptive, inferential statistics such as correlations, Cronbach's alpha and regression analysis. The findings revealed that the performance management practices, setting objectives, performance appraisal, feedback and reward, influenced employees' performance positively. The employees perceived the setting objectives to be credible as they were involved in the whole process and communication was done promptly. They also perceived the performance appraisal system to be credible, however, most employees perceive the process to be unfair and biased. On feedback process, most employees perceived the feedback process unfair but if given it could influence their performance positively. Lastly, employees perceived the rewards they receive to be unfair. The study recommends that the performance management practices should be optimized to improve employee's performance thus achieving the overall organization goals.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In today's competitive world, organizations are coming up with ways they can create a good working environment that attracts, develops and retains talented and productive employees. The organizations are facing the challenge of how they can make their systems better, to make the organization a desirable place for everyone to work and become more competitive. Organizations are nowadays ensuring that they come up with systems and practices that will help to develop a 'whole person' employees, ensuring they hire the right talented persons, placing the employees in the right positions where they can deliver and align their abilities towards the contribution to the overall organizations goal.

According to Armstrong and Baron (2005) performance management involves giving support and direction to employees for them to work appropriately aligning there objectives to the main organizational goal. Armstrong (2009) states that the purpose of performance management is to achieve good performance by attaining the goal through giving quality work. Armstrong and Baron (2004) define performance management as a strategic process that is used to measure and evaluate employees' attitudes, results and behaviors'.

According to Odhiambo (2016) performance management is a broad and a complex function of the human resource, it contains activities that include: setting goals jointly, continuous review and regular communication, feedback and reward, and rewarding achievements. This process begins when a new employee joins the organisation and ends when they quit the organization. Armstrong and Baron (2006) indicate that performance

management delivers successful results in an integrated and strategic manner. Armstrong and Baron (2005) indicate that performance management involves providing support and direction to the employees for them to work effectively and efficiently in accordance to the organisation overall objectives/goals and developing the capabilities of teams and individuals.

Performance management started in the 1980s, when total quality management programs were known to be of help in achieving quality performance. Performance management is a continuous communication process between the line manager and the employees during a financial year. Ndungu (2016) found that performance management process provides a way for giving rewards to good performance achieved by each employee in the organisations goals and allows individuals and the organization get to know the relevance of a specific job in getting the results. Frequent feedbacks are important as they help in getting to know the problem at the early stages and taking corrective measure (Odhiambo, 2016)

Waka (2010) found that performance management is known to be a proactive system for making the individuals and organizations focus towards the desired performance and results. Waka (2010) also found that a good performance management system includes the following actions: it develops a clarified job descriptions and employees performance plan which include key performance and results indicators; hiring of right people with the correct skills through having an appropriate hiring process; providing regular feedback and coaching to deliver performance in that period; outcomes achieved to be measured with the set standards through training and development and implementing development programs which are effective for improvement; having performance plans through having

quarterly performance review discussions and evaluating employee performance; coming up with an efficient reward systems and compensation for identifying employees who have exceeded in their jobs after meeting the performance plans as per the set standards; coming up with career development programs to help the employees and carrying out interviews to employees exiting to understand the cause of employee dissatisfaction and thereafter exit from the organisation. Armstrong (2009) found that individual employees' performance is monitored through: planning work, setting individual objectives, offering feedback and review with their managers, coaching by offering training to teach more, rewarding employees who perform well and career growth

Mulwa (2017) study established that the goal of performance management is to ensure employees are committed and competent towards the shared objectives within the framework of the organization. It also wants to build a culture that focuses on high performance for individuals and teams to allow them improve the process continuously and ensure competency through developing their own skills within the framework, it focuses on enabling people do the right thing at the appropriate time by coming up with a goal clarity.

According to Lawler (2003) the main goal of performance management is to ensure the system and sub systems in the organisation work together in an integrated way to accomplish high outcomes, the objectives of the system include: to enable the employees work on achieving better standards of work performance; to assist employees perform efficiently by providing the knowledge and skills required. Fletcher (2001) states that performance management is an approach that enable an organisation create joint vision of

the aim of the organisation and helping individuals understand their contribution to the goal.

Performance management system has some concerns which it addresses in an organisation which include: the output which are the results that will be achieved, outcomes, processes that needs to be put in place to get the outcome and also the activities such as the creating knowledge skills and attitudes; measuring of outcomes and tracking the results to achieve the set targets; coming up with business plans before making a good future; establishing a culture of honesty and an understanding agreement that allows flow of information at all management levels such as clarifying what is expected and getting the individuals to know about the core values of the organisation that put the teams together and ensure fairness and transparency when comes to making decisions (Mulwa,2017)

1.2 Standard Chartered Bank Kenya

The Standard Chartered Bank Kenya is one of the largest banks in Kenya with its headquarters in the United Kingdom, It is a top one tier bank in Kenya with a total assets of about USD 330 million, shareholders' equity of about USD 50 million as per the 2017 financial year. It has 39 branches in Kenya operating in different towns with an employee base of about 550 employees. It has different departments which include retail banking, credit, finance, contact center, human Resource, commercial banking, corporate and institutional banking and information technology; employees in each department have different education levels and different years of experience (Standard Chartered, 2017).

At Standard Chartered Bank the performance management system is the process through which the management ensures that the individual activities and productivity are aligned to the organisations main goal, the Standard Chartered Bank performance management system requires every employee at the beginning of a financial year to set their objectives and how they will achieve them, the management sets the overall goal first, then its cascaded to the employees. After employees set their goals, they are reviewed by their line managers who then approves them after checking if they reflect the main organisation goal.

The appraisals are carried out bi- annually; this is to review if the employees are achieving the goals they set, after the final appraisal which is done when the year ends. Every employee is given a rating as per how they performed at a scale of (1) one to (5); 1 being the best and 5 being poor performance. Every employee is then supposed to receive feedback from their line managers, the managers are to discuss the feedback with each employee and recommend where improvement is required. Employees who are rated four (4) to five (5) are put on performance improvement programmes where if they do not achieve the objectives they have set, they will exit the organisation. After the ratings are given, every employee is rewarded in form of bonuses as per how their performance was rated during appraisals for the financial year.

1.3 Problem Statement

Performance management cascades the organizations vision, mission and objectives from management to all employees, it shows how well an individual employee contributed to the goal of the organization. Most organizations have embraced different ways of motivation and coming up with ways that will make it easy for all employees to

contribute to the overall goal of an organisation, these are by setting goals, getting rewards or incentives, trainings, career growth, getting feedback and performance improvement programs . (Mello, 2005) found that organizations should establish the factors that contribute to performance. Kim & Mauborgne, (1993) states that if employees perceive the system to fair, they give positive commitment to the organisation, thus there is a good relationship between employees and performance.

In Standard Chartered Bank there is a lot of pressure on delivering quality service to customers. A lot of emphasis is put on customers' satisfaction though excellent service to reduce on customer complaints, reduction of long queues in the banking hall by the use of the queue management system. To ensure the above, the bank offers trainings to all staff on how they can achieve them, the bank also offers incentives to the branches with staff that offers the best service to their customers and also abased on their individual balance score cards. The main challenge in regard to the implementation are based on employees perception of fairness in the system, this affects the employees motivation and their relationships at work. Some employees are always given a rate of how they performed before they hold a discussion with their line managers meaning no performance appraisals and reviews are done, some employees don't get any feedback after the appraisal thus they end up not knowing how they can improve on their performance, when comes to rewards such as salary increments, bonuses, promotion are always not done in a fair way. The main goal of this study is to focus on the performance management system from employees' point of view, do they feel it's fair and does it do what it meant to do?

Nderitu (2012) study on the effect of performance management system on individual employee satisfaction at a Swedish Cooperative Centre found out that trainings, career development, goal setting, incentives/reward satisfy employees. On the other hand, a study on productivity of employees in the oil and gas industry found out that a good working conducive environment increases employees' productivity (Taiwo, 2009). Tuitook (2008) did a study on performance appraisals in media houses and found that performance management enhances performance and career growth. While Anzemo (2010) did a study on employee participation in performance management system found out that employee in an organization have less influence on the final results.

Studies have been done about the performance management system in various industries, this study mainly focuses on the performance management system in standard chartered bank and it will guide the organization on how to achieve good performance from the employees and have satisfied employees who will enable the organisation achieve their goal.

1.4 Research Question

What is the influence of performance management system on employees' performance at Standard Chartered Bank Kenya?

1.5 Objectives of the study

The specific objectives of this study are:

- a) To assess employees' perception of how the objectives of the performance are set.
- b) To assess employees' perception of the performance appraisal system.
- c) To assess employees' perception of the nature of feedback after an appraisal
- d) To assess the association between employees perception of the performance management system and their performance.

1.6 Justification of the study

The study findings are important in the banking industry as well as other industries as it creates a system that improves efficiency and effectiveness, it helps the stakeholders and employees in the industries prioritize in coming up with an appropriate management system. The study also assists the management of commercial banks identify gaps in their policies and strategies and provides ways of filling the existing gaps that will improve on organisations performance. Armstrong and Baron (2004) found that a good performance management system should be effective and efficient for the organisation to achieve its goal.

The study helps organisation to incorporate monitoring and evaluation as a planning, implementing, measuring, reviewing and learning tool. As a performance planning tool the organisation should come up with strategic and performance plans on how they expect the employees to achieve the set goals, as an implementing tool the human resource should come up with performance based budget that is cost effective, as a

measuring and monitoring tool the human resources should have a platform where they can track every employees' performance effectively.

As a reviewing and reporting tool, the human resource should come up with annual reports showing performance of every employee during appraisals. As a learning tool the human resource should come up training to enhance knowledge and skill of the employees so as to fill the gaps that exist. Mayne (2007) indicate that providing an increased focus from inputs to actual results has been a key objective of most reform activities in governmental organizations. This study also adds to the existing literature in the area of performance management organizations

This study benefits the organisation to understand and know the factors that contribute to 100% productivity and that it assists in coming up with working environment with clear employee role to enhance improvement in performance and providing framework by which they can incorporate the employees contribution in managing performance towards achieving the overall goal.

1.7 Limitations of the study

The study focused on the Standard Chartered Bank performance management system components which are setting objectives, performance appraisals, feedback and reward and how they influence individual employees performance, the study focused on the eight departments in Standard Chartered Bank: retail banking; commercial banking; commercial and institutional banking; finance; credit, contact center; human resource and information technology. The study focused on the all job levels in the departments, a total of 120 employees was used for the assessment.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Several studies have been done on performance management in banks in the world and different studies came up with different findings on the studies they did. Performance Management is a way of achieving maximum productivity from people by getting to know their performance and making the required changes to attain the results targeted. Therefore this section has several studies done on performance management practices and how they influence employees' performance and the methods the different studies used to come up with the findings.

2.2 Theoretical framework

2.2.1 Goal setting Theory

This theory was developed by Edwin Locke in the 1960s states that setting goals improves performance which explains the human actions in specific work situations. This theory also states that when goals are set individuals performing the tasks tend to be satisfied with the task and challenges and specific goals contribute to better performance when feedback is given to the individuals. According to this theory, when individuals are involved in the goal setting process, they will be more motivated and help in initiating certain goal and when feedback is being given on performance, when the goals set are clear they are a greater motivator; when the goal set are clear and specific they lead to a better outcome and better performance; the goals set should be realistic and challenging because they give an individual a good feeling when they achieve them and even earn a

greater reward; appropriate feedback directs the employees behaviors which the results to greater performance.

Armstrong M & Baron (2006) found that there are five goal setting principles that can improve success chances, these are: clarity, challenge, commitment, and feedback and task complexity. He also argues that when one has clear goals, they know what they want to achieve. Armstrong M & Baron (2006) noted that if people have set goals and get feedback, motivation and performance will improve, the agreed goals positively affect the performance of each individual.

The goal setting theory is critical as it encourages performance reviews or appraisals as techniques to pay employees incentives and work efficiently thus leading to good performance by ensuring high motivation, good attitudes and improved efforts by giving regular feedback. The objectives set gives directions to employees on what they need to do and how much effort are required to achieve the organisations overall goal and in case the employees need to get new knowledge then trainings are offered. This theory involves all the elements that are linked to good performance of an organisation. This theory has some limitations which are: the organizational goals set could sometimes conflict with the managerial goals; complex goal could lead to behaviors that are against the organizations values; in case employees lack the relevant skills and knowledge, then the goals set can fail thus leading to underperformance.

2.2.2 Social Exchange Theory (SET)

This theory helps in understanding workplace behaviors; it has been used by organizational researchers to explain the motivation behind employees' behaviors and how they can form a positive employee attitude. Blau (1964) views employment as an exchange of effort and honesty for tangible and socio economic benefits such as monetary rewards. According to social exchange theory relationships develop with time to honesty, being loyal and commitment and to do so there needs to an exchange or rule that serves as a guideline of the process and this must be obeyed by the two parties involved, (Cropanzano & Mitchell, 2005). This can apply to the relationship between the individual employee and the organisation, the employee has to develop trust, and become loyal and committed to the organisation as well to the organisation should treat the employee fairly. Lee & Hong (2011) found that when employees perceive that the benefits they get from the organisation reflect what they contribute to the organization, they will likely be committed to the organization.

Wayne , Shore , & Liden (1997) found out two social exchanges which are: exchange between an employee and the employee organization termed as perceived organizational support (POS) and leader member exchange (LMX) exchanges between an employee and their supervisor, other scholars came up with another social exchange which is the psychological contract. Perceived organizational support refers to employees believing that the organisation cares about them and values their contribution. Ko & Hur (2014) found that employees who perceive the organization to be supportive are always committed to the organizations goals. Psychological contract helps in understanding what employees perceive as fairness in performance appraisal process.

Coyle and Kessler (2003) define it as the expectation between the employee and the employer on what each delivers and expects in return. Some scholars have considered Perceived organizational support as an element of an individual's psychological contract in the sense that if they perceive the organization to be taking care of them then they will perceive the appraisal to be fair thus performance appraisal should be viewed as a way of establishing and enhancing trust between the employee and the organization. LMX (Leader Member Exchange) refers to the exchange between a leader and their employees. Leaders develop different relationships with their employees and this affects their behavior and attitudes.

The relationship between employees and the organization also relates to the social exchange theory. Standard Chartered Bank expects its employees to be loyal, trustworthy and committed to the organization's goal while the employees expect the organization to be supportive and fair.

2.2.3 Organizational Justice Theory

This theory shows three categories of what fairness in the performance appraisal is perceived to be: distributive, procedural and interactional justice. Distributive justice majors on the equity in resource distribution, procedural justice majors on the fairness of the appraisal process despite the outcome and interactional justice refers to the fairness of the process when explaining the outcome. Greenberg (2004) found out that the appraisal system encompasses the three categories of organizational justice: distributive, procedural and interactional justice. This study terms fairness of the performance appraisal based on what employees perceive, whether the performance evaluated is procedurally fair or not and whether the performance appraisal practices correctly reflects

employees' performance. Roberts (2003) cited that an effective performance appraisal should include all performance related issues such as participation, goal setting, feedback and fairness.

Maley (2009) argues that the purpose of performance appraisal is to ensure organizational loyalty and trust, psychological contract also exist to ensure trust and equity into the work related issues between the employee and the employer.

At Standard Chartered Bank the policy makers should ensure the performance appraisal process contains the distributive justice by distributing resources fairly to employees, procedural justice by ensuring the appraisal process is fair and interactional justice where the process of communicating the appraisal outcome should be fair to the employee despite the outcome.

2.3 Components of Performance Management System

According to Armstrong and Baron (2001) performance management system is made up several components for it to be effective, they include: performance planning by setting objectives; performance appraisal and reviewing; performance feedback; rewarding good performance; Performance planning forms the basis of appraisal which makes it a critical component in the performance management process; it is done by both the line manager and also the employee when performance session begins, at the beginning employee sets objectives and key areas of performance which will be done during the financial year, at the end of it there should be an agreement between the employee and the employer. (Derek, Laura, & Stephen, 2005) indicate that goals in an organisation are set to make

employees to put more effort and work efficiently to achieve the organizations goals and be prioritized.

Hepngetich (2017) found that performance appraisal and reviews are done twice in a year in an organisation, that is mid reviews done at half year and annual reviews which are done end of the financial year, the employee should appraise themselves on the self-appraisal form by describing what they have achieved during that period ,after which the final rating is given by the employer in a quantifiable and measurable manner, this whole process requires full participation of the employee and employer to analyse the gaps in the performance and how to overcome. Feedback is key in the performance management process; the employer should ensure they communicate to the employee on the key areas of improvement and whether there contribution is significant or not (Odhiambo, 2016)

Odhiambo (2016)) also found that employees should receive an open and fair feedback; trainings should be provided if any employees need is identified. For the employer to meet the expected outcome they should ensure all steps are adopted in the organization through ensuring there are effective activities to improve competence such as guidance and counseling, mentoring through training programs thus improving overall productivity. Feedback helps employees gain from the goal setting, without feedback employees are unable to change their mistakes at their work place or make adjustments or get positive energy for their effective work behavior, (Brown & Benson, 2013). Feedback changes employees work behaviors and makes them satisfied with how performance (Roberts, 2003).

According to (Ndungu, 2016) motivation of employees can be done by rewarding good performance which is a vital component, good performance by the employees should be recognized publicly and rewarded; it's a critical stage for an employee as it has influence on self-esteem and achievement orientation, when an organisation recognizes any contributions done by the employee and provide training in case of knowledge gaps the employees need and affection are satisfied. (Pearce & Robinson, 1997) indicates that the reward system should be arranged in such a way that employees' actions and objectives are aligned to the organizations strategy. Rewarding employees in an organisation is a major factor that fulfills employees' psychological needs thus building a good relationship between the employee and the employer (Ndungu, 2016).

2.3.1 Setting objectives practices

Armstrong M & Baron (2006) argues that performance management should define the responsibilities of every individual and what is expected of them, what they need to know and understand about their roles and how they should act or behave while trying to achieve the goals set, and hold the organizations core values. All employees in an organization should understand their roles and responsibilities and how they should behave to achieve their goals successfully, the first thing they should do is to plan on how they will align their goals to the organizational goals, when organization are planning they should involve individual employees and engage them on how their plan should look like for them to achieve the teams and organization goal. Every individual is required to participate; this is because it will increase their commitment to the main goal. Participation involves allowing each individual to come with their own goals; the

objectives should describe what the employees are going to do in their daily activities, this will increase their motivation and performance.

Waka (2010) did a study on the relationship between performance management system and organizational performance at the Standard Chartered Bank Kenya and found that the performance management system will assist the organisation to hire people with good talent, help them acquiring the right positions and then allow them set their goals which should be aligned with the overall organisations vision and strategic objectives, develop peoples abilities and reward performance with how they contributed to the organisations success. This study used case study design and only heads of departments were sampled using the simple random sampling technique. (Kasaya, 2018) did a study on effect of employee involvement on job performance in the medical research industry Kenya and found out that supervisors kept employees updated of the future direction of the organization to enhance efficient job performance; these can also be done by allowing employees participate in matters that affect their jobs to enhance job performance.

Armstrong M & Baron (2006) show that it is important to involve employees in planning as it will help them understand the performance expectations of the organisation, planning is key as it entails setting performance expectations and goals for individuals. Cummings and Worley (2005) found that planning affects employees' performance by influencing what they think and do to focus on their behaviors on the main goal.

Mulwa (2017) did a study on the influence of performance management system on employees' performance in commercial banks in Kenya, Kitui County and found out that performance management system provides a reliable performance measure to enhance

performance, increases staff competency and helps employees realize the targets that have been set targets, the system allows setting of objectives which are derived from the overall organizational goals thus enhancing performance.

Munyoki (2015) did a study on Performance management systems strategy and employee commitment at Kenya Commercial Bank Group and found out that most employees are not involved in setting of the goals that are later used to assess them, this makes them find it difficult to achieve the set goals thus their level of commitment to the goals is affected negatively, for the employees who were involved in the setting of the goals their commitment level was high, this study also found that constant supervision is not the best way to encourage performance, that a proper working environment should be established and no supervision to be accorded for the commitment and performance to improve. Armstrong and Baron (2004) indicate that performance can be achieved by every employee achieving their objectives, good working relationship, quality customer care and flexibility and performance can also be affected by influencing what people think and do, motivate people so that they can put more effort to reach the goal.

The objectives set should be 'SMART' i.e. specific, measureable, achievable, appropriate, relevant and timely. Derek, Laura, & Stephen (2005) states that goals in an organization are set to make employees put more effort and work efficiently to achieve the organizations goals and be prioritized.

2.3.2 Performance appraisals system

Performance appraisal is a periodic process done accordingly with a plan to review individual employee's job performance and productivity and relate them to an established criteria and organizational goals. Individual employee's aspects considered are: strength, weaknesses, achievements and future potential for improvement etc. Performance appraisal can be conducted annually, semi-annually or quarterly, it involves giving feedback to employees on their work and to justify pay increase and bonuses as well as termination decisions, evaluating employee's skills, achievement and growth. Dessler (2008) states that performance appraisals involves setting work standards, assessing performance as per the set goals and standards and then giving feedback to the employee with the aim of motivating them in case of poor performance or add morale in case of good performance. Cummings and Worley (2005) found that performance appraisals are a link between goal setting and getting the reward.

Abdur (2012) study on Performance Appraisal Systems in Private Banks of Bangladesh, a case of Mercantile Bank found out that the bank was suffering from uniform policy of performance appraisals and the employees felt that some department heads gave their ratings according to their personal liking or disliking, thus some good performers were not rewarded, also most employees need guidance on how they can overcome their weak points. Employees want the appraisal system to be open so that they can appraise their own performance and familiarize themselves about the method used by the management to conduct the evaluation program. Bank managers and heads reported that they conduct appraisals under internal and external pressures, most of the employees of this bank need trainings and motivational sessions to participate in the evaluation program effectively

and efficiently, employees in these bank reported that they have no opportunity to see their appraisal feedbacks and they prefer to be rated by their immediate supervisors as they are the ones who know them well and who were directly involved in their work, as their present system allows the head of the branch evaluates them. The study collected data from both primary and secondary sources; primary data was collected using structured questionnaires with questions consisting of questions revealing employees' opinion on the appraisal system.

Kisang (2016) study on effects of performance appraisal on employee motivation in commercial banks, a case of Equity bank Kenya found out that the objective of performance appraisal and feedback positively influenced employees' motivation, that appraisals used in the banks are not fair and objective, they not open to all employees. The study used questionnaires to collect data and descriptive statistic was used to analyze the data collected. Wanjala (2015) did a study on influence of performance appraisal on employee performance in commercial banks in Kenya, Trans Nzoia County and found out that the relationship between performance appraisal and employees' performance is significant, that performance appraisal is an efficient tool in employee performance if it is viewed to be objective and fair, also when employees participate in the appraisal process they tend to perceive the system to be fair, the study also found out that performance appraisal is used to assess employees efficiency in a workplace. The study adopted the descriptive survey research design method.

Dessler (2008) found that employers' still base reward informs of pay, promotions, and bonuses on the appraisal results. Tuitook (2008) did a study on performance appraisals in media houses and found that performance management enhances performance and career

growth. While Anzemo (2010) did a study on employee participation in performance management system found out that employee in an organization have less influence on the final results.

Muindi (2012) study on employees perception of the effectiveness of performance management practices at Harambee Sacco Kenya found that performance management practices such as appraisals reward, objective setting enhances employees motivation by allowing employees take higher responsibilities and get more committed to their work, it also improves relations between employees and their line managers, the researcher used questionnaires to collect data.

2.3.3 Feedback practices

After employees' performances have been reviewed, each employee should be given clear performance based feedback given to them; this is a crucial activity to all organizations because it enables self-improvement which is key to any organizational success. An effective performance management system requires employee's feedback, feedback should be well tracked, performance reviews should be done quarterly, semi-annually and annually, feedback should be given after and these is important to individual employees as it influences the future performance of an organization. Brown & Benson (2013) indicate that feedback is a forum that helps employees know how they are performing, get coached and career development.it enables employees know the objectives and results of the appraisal process.

For any organization to attain successful organization productivity there should be effective feedback between line managers and supervisors. Podgursky and Solomon

(2010) shows that regular feedback helps employees focus on their work and these helps the organization achieve its goal. Feedback enhances accountability as employers discuss with the employees on career development, participate in goals development and employee motivation.

Managers sometimes find it difficult to give negative feedback to employees and this may lead to significant problems, this is caused by organization lacking organized feedback system Salau, Oludayo and Omoniy (2014). The study also suggested the use of 360-degree feedback which can be used to evaluate performance of individuals. 360-degree feedback is where feedback from an employee's subordinates, colleagues, supervisors and self-evaluation is gathered together. Desire for a more formalized way of giving feedback has become essential, line managers need to let their employees know when they have performed well and when not (Podgursky & Solomon, 2010). (Brown & Benson, 2013) indicates that feedback requires a manager who has knowledge in making judgment about performance by observing and identifying any performance gaps among employees. Pachsiriy (2014) study on Performance Management effectiveness in Thai Banking industry, found out that feedback is also important as it given an on an ongoing basis to allow improvement in performance.

Kurtulus (2011) study on found that performance feedback makes performance more understandable thus having a positive impact on motivation, feedback also improves manager- reportee relationship through effective feedback interviews, the research gathered the information by means of questionnaires and face to face interviews. Camelia (2013) study on feedback, self-esteem and performance in organizations and found that the organisation can use strategic ways of giving feedback to improve performance,

organizations vary on when and how they give feedback and the type of information they give the employees, they can give feedback to some employees depending on their abilities and giving people an opportunity to secretly compare themselves to others improves their individual output (Dechev, 2010). Feedback can also cause a negative view from employees who feel unfairness, the feedback can cause behavioral changes such as absenteeism, lack of cooperation, lack of focus on priorities, unhealthy competition and even can cause staff turnover.

2.3.4 Reward System

After an organization has achieved its goal, the only way they can motivate their employees as they are the main participants is through rewards and incentives, this can be through earning bonuses, allowances, salary increments etc. the big challenge comes when identifying the performers and allocating the rewards to the employees to increase their motivation and retain them to improve organization competitiveness. Establishment of the performance system management system helps the organizations to meet this challenge. Financial rewards help to encourage managerial success as they allow the managers to give full support to each individual employee and ensure that they are productive, this will help them earn more rewards after their team has achieved.

Pearce & Robinson (1997) indicates that the reward system should be put in a way that the employees' actions and objectives are aligned to the organizations strategy. Cummings & Worley,(2005) state that rewards in an organization are powerful in that they can improve employees' productivity. Muhammad, Fozia, & Amina, (2014) on the Performance Management system in Habib Bank Limited, Pakistan, this study involved Habib Bank employees and managers, the employees are un ware of the purpose of the

system, some employees are not satisfied with the system as they feel it's useless and wastage of time, majority of the employees in the bank feel the process is unfair and the results are biased, employees of the organization can get demotivated because even after their performance improves there are no growth opportunities, employees are not always appreciated most of the time and not asked of any suggestions about certain problems in their work places, banks have a lot of work load which creates dissatisfaction, there is also lack of feedback from supervisors as employees.

The study used the exploratory study design method, both the quantitative and qualitative methods were adapted as it was based on the employees' ratings and analysis, the study was based on data collected from numerical data provided by the employees. Mohamed (2012) study on employees' perception and organizational commitment, a study on the banking sector in Gaza, Palestine found that job satisfaction has a connection with continuous commitment to the organization.

Pachsiry (2014) study on performance management effectiveness in Thai Banking industry found out that organizations can improve employees' perceived performance effectiveness by demonstrating to employees how their performances is linked to their reward, supervisors should make employees see clearly how their effort can lead to them earning rewards. These can be achieved through effective communication between the employee, supervisor and human resources tool which links the performance to the reward i.e. pay for performance and bonuses, employees also want their performance to be linked to their career and skill development, the study used questionnaires which were distributed to the sampled employees; the data was later collected and analyzed to come up with the findings. Elif and Ali (2014) study on the strategic approach to performance

management in banks in Turkey, focusing on the balance scorecards, the study revealed that balance score cards are more beneficial to banks as they help during evaluating performance with a holistic approach.

Perez (2014) study on an assessment of employees performance in commercial banks in Tanzania, a case of Stanbic bank in Tanzania, found out that the challenges of employees performance at Stanbic are less salary increments and insufficient trainings because trainings make employees more knowledgeable on the bank products and activities, simplifies communication among employees, the employees believe that salary increments is good as it improves the physiological needs which are important in humans, the employees also believe that reward influences employees performance as they should be paid well for the work they have done, they also believe that working in a healthier environment improves their productivity, the study adapted a case study design method as it allowed to collect data across the bank, both the primary and secondary data was used.

Ndungu (2016) study on the role of reward systems in enhancing employee motivation in commercial banks in Kenya found that career rewards such as promotions, trainings, career growth and performance based rewards such as bonuses, increments, study leaves are important as they motivate employees, the study used questionnaires to collect data.

Munyoki (2015) study on performance management systems strategy and employee commitment at Kenya Commercial Bank Group, he found out that the employees are not comfortable with quarterly assessment done as they are biased and based on the figures generated by the system, the study also found that trainings improve the level of commitment of employees, that the reward system is not effective as it should be, as

when employees are rewarded they get motivated, this study also found out that good reward, teamwork, promotion, trainings, objective targets and matching job with skills were the ways to improve commitment of the employees, the researcher used a descriptive survey method in the collection of data from the sample individuals.

Mulwa (2017) study on the influence of performance management system on employee performance in commercial banks in Kenya, Kitui County, the study identifies gaps in employees skills and knowledge which are addressed through trainings which increases staff competency, this study also recommended the management to create awareness to the employees about the performance system, reward good performers conduct trainings, conduct the appraisals professionally and give feedback to employees on their performance after the appraisals are done. The study adapted questionnaires to collect data.

Kibichii (2016) study on the effects of performance management process on employees productivity found that the various elements of the performance management process such as the appraisals, trainings and development and the reward system affects employees performance, regular trainings and development leads to efficiency, enhance knowledge and skills and employees become more committed to the job which helps to improve the sales, customer retention and quality output hence an enhanced productivity, the study also found that reward is a key motivation towards employee performance, it can either be monetary or non-monetary rewards.

Magori (2016) study on the effects of motivational strategies on employee productivity in the banking industry in Kenya found that monetary rewards such as pay allowances,

bonuses and increments highly motivate employees and increase productivity, promotion and trainings and developments also motivates employees, the researcher used the questionnaire method to collect data and descriptive statistics was used to do the analysis.

Jilo (2016) study on employee performance measures used in performance management in Kenya Commercial Bank and found that the bank uses balance scorecards to measure employees' performance, the balance scorecard has four important perspectives which are financial, customer, internal business processes and learning and growth perspectives. These perspectives greatly influence employees' performance, the bank has systematic employee learning and growth platforms which contribute positively towards the employee performance and well defined internal processes in terms of operations enhance effectiveness and efficiency hence high productivity. This study adapted a case study design, primary data was collected using interview guides, and then data was collected and analyzed using content analysis technique.

2.4 Operational framework

The objectives were obtained from the three theories: the setting objectives was obtained from the goal setting theory which indicates that when employees are involved in the goal setting process they tend to be motivated and focused on the goals, the performance appraisal practices objective was obtained from the organizational justice theory which describes what fairness is perceived to be, the feedback objective was obtained from the social exchange theory which indicates the relationship between an employee and the manager and the reward system objective was obtained from the organizational justice theory which focuses on organizational fairness to their employees. The following is the explanation of each variable indicating how the variables will be operationalized:

2.4.1 Setting objective practices.

All employees should be allowed to give ideas in the goal setting process as they are the individuals who will be committed to attaining them, Armstrong M & Baron (2006) investigated participation in goal setting and found out that it increases acceptance of the goals even when they are stretchy employees tend to work hard to accomplish them. After the organization set the overall goal, the management should communicate effectively to the employees as they need to start to plan how they will set their objectives and align them to the overall goal. The goals set should be 'SMART' i.e. specific, measurable, achievable, appropriate, relevant and timely. The goals set should be actionable to enable the employees work under the organisations valued behaviors. The organisation should also provide a good working environment to employees by ensuring the resources they need to work on the goal are effective and efficient.

2.4.2 Performance appraisal system and practices

Performance appraisal process is periodic, should be done quarterly, bi-annually or annually depending on the organizations policies. The system measures employees' productivity by getting to know the strength, weaknesses, achievements and future potential for improvement. Every employee needs to know the reason for performance appraisal system and the whole appraisal process. The appraisal process should motivate employees at their work; line managers should ensure the process is fair to achieve these. Appraisal process also improves the relationship between the employees and their line managers as they discuss with them on the areas of weakness, and in case of poor performance trainings should be recommended to help the employee acquire more skill for them to attain good performance.

2.4.3 Feedback Practices

Podgursky and Solomon (2010) argues that regular feedback helps employees focus on their work and this helps the organization achieve its goal. After performance appraisals employees should get feedback from their managers (Salau, Oludayo, & Omoniy, 2014). Desire for a more formalized way of giving feedback has become essential, line managers need to communicate to employees when their performance is good or not. When giving feedback line managers should be fair whether the feedback is negative or positive, line managers should adapt the 360-degree feedback where employees get feedback from self-evaluation, colleagues, supervisors and subordinates; this will make the employee more aware of what they expect. Feedback should help build trust between the employee and the employer thus creating a good working relationship and good working environment.

2.4.4 Reward system

The reward the employees get should be fair and satisfactory in that it should reflect their performance. Cummings and Worley (2005) states that rewards in an organization are powerful in that they can improve employees' productivity. Ndungu (2016) study on the role of reward systems in enhancing employee motivation in commercial banks in Kenya found that career rewards such as promotions, trainings, career growth and performance based rewards such as bonuses, increments, study leaves are important as they motivate employees. The reward should be given depending on how the individual performed not as per how your manager likes or dislikes you. The organisation should embrace the reward system as it's the key motivated and this helps employees become more creative on ways they will achieve their goals thus improving performance.

2.5 Summary of the literature review

From the literature presented it is clear that the components of a good performance system are planning which involves individual employees setting their objectives, performance appraisals, feedback and reward (Armstrong and Baron 2001). According to Waka (2010) found that the performance management system assists the organisation to hire people with good talent, help them acquiring the right positions and then allow them set their goals which should be aligned with the overall organisations and also gives direction how to achieve the goals (Armstrong and Baron, 2006). Another component is the performance appraisal, Cummings and Worley (2005) found that appraisals are a link between goal setting and the reward and if done in fair and objective way they influence employees performance positively (Kisang, 2016). Another component is the feedback which is a forum that helps employees know their performance (Brown and Benson, 2013) and regular feedback helps employees focus on their work, enhances accountability (Solomon & Podgursky, 2010), also helps managers to make judgment about performance by observing and identifying gaps (Roberts, 2003) and lastly reward which are powerful in that they can improve employees productivity (Cummings and Worley, 2005), Ngowi, (2014) found that salary increment is a good reward as it improves physiological need and if paid well they will be productive, also good reward, teamwork, promotion, trainings, objective targets and matching jobs with skills were the ways to improve commitment of the employees (Munyoki, 2015), Waka (2010) did a study on the Standard Chartered Bank Performance management system and how it influences organisational performance, these study focus on the performance management system and how it influences individual employee performance.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This section discusses the research instruments and techniques that were used to obtain primary data for the study. The study also describes the research design to be used, target population, determination of sample size and research instruments. Finally, the chapter also discusses data analysis, methods and presentation and operationalization and measuring of variables.

3.2 Research Design

The study utilized a quantitative research method. This method focuses on the study of samples and populations and it relies on numerical data and statistical analysis. The researcher came up with questionnaires which were then distributed to the different samples selected. The choice of this method was informed because several studies that have been carried out in the area of study have adopted this method

3.3 Target Population

Mugenda (2008) argues that a population refers to an entire group of individuals, event or object having a same observable characteristic. The target population consisted of all employees from Retail Banking, Commercial and Institutional Bank, Commercial Banking, Finance, Credit Department, Contact Centre, Human Resources and Information Technology. The total population from the eight departments in SCB is 220. The total population of the employees in this department was obtained from the HR databases. These departments represent all employees within the bank as some

subsections of the departments are at upcountry and because of time and financial constraints the researcher was not able to get data from them.

3.4 Sampling Procedure and the Sample

Stratified sampling technique was used to sample the target population. SCB has eight departments which form 8 strata which are Retail Banking, Commercial and Institutional Bank, Commercial Banking, Finance, Credit Department, Contact Centre, Human Resources and Information Technology. Stratified random sampling was chosen for the study because it ensured inclusion in the sample, of sub-groups (stratum) which otherwise be omitted entirely by other sampling methods because of their smaller number in the population (Mugenda, 2008) argues that this method accurately reflects the population of study as the researcher stratifies the entire population before random sampling is carried out

A sample is a smaller representation of total population used to determine facts about that population. To determine the sample size, the following formula has been adapted from Yamane, (1973) with 95% confidence level.

$$\text{Thus } n = \frac{N}{1 + N(e^2)}$$

Where: n= sample size required

N= total population

e= sampling error

$$n = \frac{220}{1 + 220(0.05^2)}$$

$$n = 142$$

Proportional sampling has been used to determine the appropriate representation; this method requires the researcher to be able to identify the percentage of the population on each stratum contained. The researcher has sampled the population proportionally based on the percentages (Dempsey & Dempsey, 2000), this has been determined using this formula:

No. of employees to be sampled in each stratum = no. of employees in a stratum/total no. of employees * sample size (142) = 75/220*142

Sample size = 48

Table 0.1: Sample size

Department	No. of Population	Sample size
Retail Banking	75	48
Commercial	25	16
Commercial and Institutional Banking	15	10
Finance	15	10
Credit	20	13
Contact Center	40	26
Human Resource	10	6
Information and Technology	20	13
Total	220	142

Source: Author

3.5 Data Collection

The study used structured questionnaires that contained both open and closed questions to collect primary data. The questionnaire was divided into two parts: the first part contained demographic data and the second part examined the how setting objectives, performance appraisal, feedback and reward influence employee performance. Each of these dimensions were asked based on a set of statements to which the respondents are supposed to indicate whether they: ‘Strongly Agree’ – 5, ‘Agree’ – 4, ‘Neutral’- 3, Disagree – 2, ‘Strongly Disagree’ –1.

The survey instrument was self-administered and delivered to the respondents, then collected later after the respondent has filled, for those who required guidance on answering the questionnaire then the face to face interview method was used.

3.6 Data Analysis and Processing.

The data from the questionnaires was tabulated and coded for easy analysis; the data was entered onto Statistical Package for Social Sciences (SPSS) data sheet. Descriptive statistics and inferential statistics were used to analyze the data. Descriptive statistics specifically means and standard deviation of the scale items on setting objectives, performance appraisals, feedback and reward and how they influence employees’ performance at Standard Chartered Bank.

Pearson’s correlation measures the strength of association between perceived performance practices and the performance of the employees. To measure employees perception of how the objectives of the performance are set, descriptive statistics was used, to measure employees perception of the performance appraisal system descriptive

statistic was adapted, to get the employees perception of the nature of feedback after an appraisal descriptive statistics was used and to measure the association between employees perception of the performance management system and their performance inferential statistics will be used.

The results of this study were presented in tables and the following regression function guided inferential analysis.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where:

Y = Performance (dependent variable)

X1, X2, X3 and X4 = Independent Variables

X1= Setting Objectives

X2= Performance appraisals

X3= Feedback

X4= Reward

β_0 = Constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficients or Change included in Y by each X value

e= error term

3.7 Reliability Analysis

Reliability measures the degree to which research instruments yields consistent results or data after several trials. The reliability was evaluated using the Cronbach's alpha which measures the consistency. This was calculated by SPSS, the value of the alpha coefficients ranges from 0-1 and may be to describe the reliability factors. A higher value shows a more reliable generated scale. (Cooper & Schindler, 2003) have indicated 0.7 to be an acceptable reliability coefficient.

3.8 Operationalization and measurement of variables

The table below shows the variables that were used in the study and their measurements.

Table 0.1: Operationalization and measurement of variables

Objectives	Indicators	Measurement scale	Remarks
Performance	Setting objective practices Performance appraisal system and its practices Feedback practices Reward practices	Ordinal measure of Employee rating on a scale of between (1) to (5)	Dependent variable
Setting Objectives approaches	Participation. Communication. Nature of objectives. Action ability. SMART objectives. Effective and efficient resources.	Summation of Ordinal scale items for statements based on the 5 dimensions of goal setting	Independent Variables
Performance appraisal system and practices	Clarity. Self-appraisal. Motivation. Relationship. Positivity. Value. Training and development Fairness.	Summation of Ordinal scale items for statements based on the 5 dimensions of performance appraisal practices	Independent Variables
Feedback practices	Regular feedback Fairness Relationship with line manager. Expectations. Relevance Work environment.	Summation of Ordinal scale items for statements based on the 5 dimensions of feedback practices.	Independent Variables
Reward Practices.	Satisfactory Equity Payment Promotion Creativity. Motivation	Summation of Ordinal scale items for statements based on the 5 dimensions of reward practices	Independent Variables

Source: Author.

CHAPTER FOUR: STATUS OF THE PERFORMANCE MANAGEMENT SYSTEM

4.1 Introduction

This chapter presents the data collected, findings, analysis and presentation of the results. The main objective was to assess the influence of performance management system on employees performance at standard chartered bank Kenya and the specific objectives to study were to assess employees perception of how the objectives of the performance are set, to assess employees perception of the performance appraisal system, to assess employees perception of the nature of feedback after an appraisal and to assess the association between employees perception of the performance management system and their performance. The chapter presents the analysis and presentation of the results from the data collected.

4.2 Response Rate

The study targeted a sample size of 142 respondents from which 120 filled in and returned the questionnaires making a response rate of 84.5%. This response rate was considered adequate and satisfactory to make conclusions for the study.

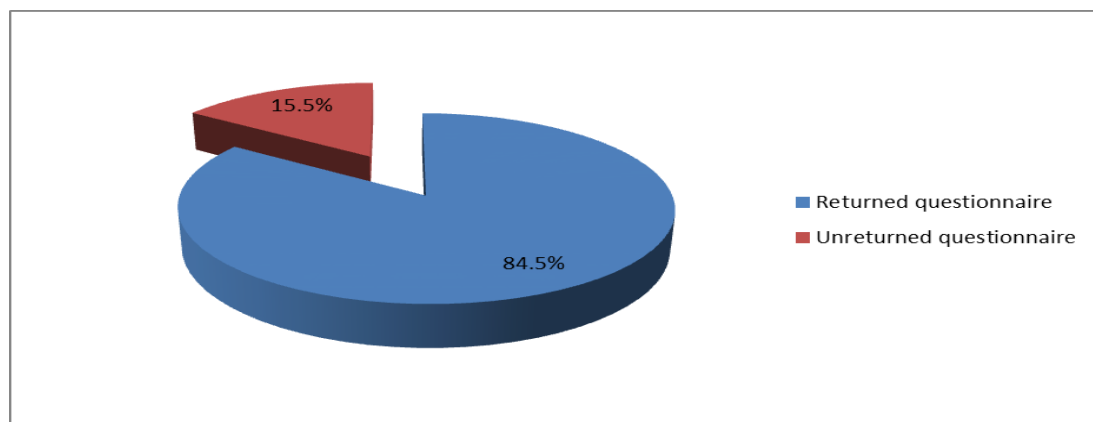


Figure 0.1: Response Rate
Source, Author

4.3 Background characteristics of the Respondents

Table 4.1 below details the information about the respondents who participated in the survey. Specifically, this table captures the age, job level, and department, year of experience and qualification characteristics of the respondents.

Table 0.1: Characteristics of the respondents

		Frequency	%	Valid %	%
Job level	Senior Management	12	10.0	10.0	10.0
	Managerial	52	43.3	43.3	53.3
	Clerical	56	46.7	46.7	100.0
Department	Retail Banking	40	33.3	33.3	33.3
	Commercial banking	10	8.3	8.3	41.7
	Commercial and Institutional Banking	9	7.5	7.5	49.2
	Credit	11	9.2	9.2	58.3
	Finance	10	8.3	8.3	66.7
	Contact centre	23	19.2	19.2	85.8
	Information technology	11	9.2	9.2	95.0
	Human resource	6	5.0	5.0	100.0
Gender	Male	55	45.8	45.8	45.8
	Female	65	54.2	54.2	100.0
Age	20- 30 Years	36	30.0	30.3	30.3
	31-40 Years	62	51.7	52.1	82.4
	41-50 Years	21	17.5	17.6	100.0
Qualification	Bachelor's Degree	82	68.3	68.3	68.3
	Post graduate	37	30.8	30.8	99.2
	PhD	1	.8	.8	100.0
Year of experience	0-10Years	51	42.5	42.5	42.5
	11-20 Years	46	38.3	38.3	80.8
	21-30 Years	15	12.5	12.5	93.3
	Above 30 Years	8	6.7	6.7	100.0

Source, Author.

The finding indicates that majority of the respondents work at clerical level (46.7%) with only 10% of the respondents working in the senior management. In terms of department, majority of the respondents work in the retail banking department (33.3%) with human

resource department reporting the least number of employees (5.0%). Over half of the respondents are female (54.2%) while male makes 45.8% of the respondents. Nearly half of the respondents are aged between 31 years and 40 years (52.1%), those aged between 20 years and 30 years make 30.0% of the respondents. Only 17.5% of the respondents are aged between 41 years and 50 years. Majority of the respondents have bachelor degree qualification (68.3%), post-graduate qualification (30.8%) and only one respondent have Phd qualification (0.8%). Most of the respondents have between 0 years and 10 years of experience.

4.4 Assessment of employees perception of how the objectives of the performance are set

This research objective mainly focused on assessing what employees perceived of how the objectives of the performance are set. Objective setting is the first stage in then performance management system for it involves individuals planning how they will achieve and contribute to the goal.

Respondents were asked to indicate the extent to which they agree with the following statements on setting objectives. Likert scale of 1 to 5 was used where 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = strongly agree. Table 4.2 represents the Cronbach's alpha which is 0.885 which indicates a high level of internal consistency.

Table 0.2: Reliability statistics for items on the extent to which employees agree with how objectives are set

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.885	.890	6

Source, Author

Table 4.2 indicates Cronbach's alpha of 0.885 which indicates a high level of internal consistency.

Table 0.3: Extent to which employees agree with how objectives are set

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I participate in the goal setting process where I set my own goals	5%	4.20%	1.70%	86.70%	2.50%
The performance goals are effectively communicated	2.50%	2.50%	13.30%	73.30%	8.30%
The goals set are stretchy and increase customer and service expectations	4.20%	2.50%	10.80%	60.80%	21.70%
Staff participate in coming up with goals through the ideas and solutions they give	3.30%	5%	23.30%	56.70%	11.70%
The goals set are SMA.	1.70%	4.20%	5.80%	74.20%	14.20%
The organisation provides effective and efficient resources to accomplish goal.	1.70%	4.20%	2.50%	79.20%	12.50%

Source: Author

From Table 4.3 86.7% of the respondents agree that they participate in the goal setting process where they set their own goals (Munyoki, 2015) found that if employees are involved in setting goals that will be used to assess their performance, their level of commitment to the main goal will be positively affected, 73.3% agree that the performance goal given by the bank are effectively communicated, Armstrong M &

Baron (2006) states that goals should be communicated promptly to allow employees plan their work,60.80% agree that the goals the organization set are stretchy and increase customer and service expectations, Derek, Laura, & Stephen (2005) found that employees setting goals allows them to work efficiently, 56.70% of the respondents agree that the participate in coming up with the goals through giving ideas and solutions (Mulwa, 2017) argues that allowing employees to give ideas enhances their competency,74.2% agree that the goals set are SMART and 79.2% agree that the organisation provides effective and efficient resources to accomplish the goal, if employees perceive the organisation to be supportive they become more committed (Ko & Hur, 2014).

From the results the employees of the bank perceive the way the objectives of performance are set to be credible thus their performance is influence positively.

Table 0.4: Correlation on employees perception of how the objectives of the performance are set

	1	2	3	4	5	6
1.	1.000	.602	.458	.573	.367	.519
2.	.602	1.000	.635	.409	.601	.706
3.	.458	.635	1.000	.447	.646	.736
4.	.573	.409	.447	1.000	.592	.560
5	.367	.601	.646	.592	1.000	.763
9	.519	.706	.736	.560	.763	1.000

Source, Author

- 1-I participate in the goal setting process where I set my own goals,
- 2- The performance goals are effectively communicated,
- 3- The goals set are stretchy and increase customer and service expectations,
- 4- Staff participate in coming up with goals through the ideas and solutions they give,
- 5- The goals set are SMART
- 6- The organisation provides effective and efficient resources to accomplish results.

Table 4.4 measures the correlation between the items, the results of this table suggests that there was a significant correlation between the employees participating in the goal setting process and the goals being communicated effectively at ($r= 0.602$),the relationship was also significant on how the goals set are stretchy and increase customer demand and service expectation and employees participating in the goal setting process at ($r=0.458$) and if the goals are communicated effectively at ($r= 0.635$),there was also a significant relationship between staff participating in coming up with ideas and participating in the goal setting process at ($r= 0.573$),if the goals are communicated effectively at ($r=0.409$) and if the goals set are stretchy and increase customer demand and service expectation at ($r=0.447$).

The study also indicate a significant relationship between if the objective set are SMART and participation in the goal setting process at ($r=0.367$),if the goals are communicated effectively at ($r=0.601$),if goals set are stretchy at ($r=0.646$) and if staff participate in coming up with goals through giving the ideas at ($r=0.592$).The study also indicated a significant relationship between the organization providing effective and efficient resources to accomplish objectives set and employees participating in the goal setting process at ($r=0.519$),goals set being communicated effectively at ($r= 0.706$), goals set being stretchy at ($r=0.737$),staff participating in coming up with ideas at ($r= 0.560$) and goals set being SMART at ($r= 0.763$).

4.5 Assessment of employees perception of the performance appraisal system

The second objective was performance appraisals and the key questions was to assess the extent to which agree with the statements on performance appraisals, the respondents were asked to indicate the extent to which they agree with the following statements on

setting objectives. Likert scale of 1 to 5 was used where 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = strongly agree.

Table 0.5: Reliability Statistics for items on assessment of employees' perception of the performance appraisal system

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.854	.832	10

Source, Author

Table 4.5 indicates Cronbach's alpha of 0.854 which indicates a high level of internal consistency.

Table 0.6: Employees perception of the appraisal system

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
When are appraisals Carried out	2.50%	12.50%	85%	0%	0%
Understand the purpose of performance appraisal and goal are clearly defined in the process	2.50%	8.30%	89.20%	0.00%	0.00%
I do my appraise myself before being appraised by my line manager	0%	6.70%	3.30%	81.70%	8.30%
I feel motivated after appraisals	0.80%	9.20%	12.50%	65%	12.50%
performance appraisals improves the relationship with my manager	0.80%	12.50%	23.30%	55%	8.30%
Performance appraisals influence positively individual performance	4.20%	8.30%	25.00%	54%	8.30%
Performance appraisal is valuable to my performance	0.00%	11.70%	8%	68.30%	11.70%
Performance appraisals help identify areas for development	0.80%	9.20%	5.80%	71%	13.30%
Performance appraisals in the organisation are fair	6.70%	46.70%	12.50%	29.20%	5%

Source, Author.

From table 4.6 85% of the respondents are uncertain about when the appraisals are carried out,89.2% are also uncertain if they understand the purpose of performance appraisal and if goals are clearly defined in the appraisal process,81.7% of the respondents agree that they appraise themselves before being appraised by their line managers, 65% also agree that they feel motivated after appraisals are done,55% agree that the performance appraisal improves their relationship with their managers, (Muindi, 2012) found that appraisal improves relation in the organisation between the employees and their line managers , 54% agree that performance appraisal influence positively their individual performance, 68.3% agree that performance appraisals are valuable to their performance, appraisals, influences employees motivation positively thus they are valuable to individual employees performance (Kisang, 2016), 71% agree that performance appraisals help them in identifying areas for development, Abdur (2012) found that appraisal helps employees identify their areas of weakness to allow improvement by undergoing trainings to fill knowledge gap and lastly 46.70% disagree that the appraisal process is fair, appraisal is an efficient tool if its viewed to be objective and fair

Table 0.7: Correlations on employees' perception of the performance appraisal system

	1	2	3	4	5	6	7	8	9
1.	1.000	.892	-.270	-.079	.024	.028	-.044	-.188	-.146
2	.892	1.000	-.211	-.008	.102	.037	.047	-.082	-.063
3	-.270	-.211	1.000	.555	.544	.602	.531	.583	.349
4	-.079	-.008	.555	1.000	.385	.437	.340	.418	.369
5	.024	.102	.544	.385	1.000	.657	.658	.607	.494
6	.028	.037	.602	.437	.657	1.000	.628	.602	.416
7	-.044	.047	.531	.340	.658	.628	1.000	.753	.447
8	-.188	-.082	.583	.418	.607	.602	.753	1.000	.397
9	-.146	-.063	.349	.369	.494	.416	.447	.397	1.000

Source, Author

- 1- When are appraisals carried out.
- 2- Understand the purpose of performance appraisal and goal are clearly defined in the process,
- 3- I do my appraise myself before being appraised by my line manager,
- 4- I feel motivated after appraisals,
- 5- Performance appraisals improves the relationship with my manager,
- 6- Performance appraisals influence positively individual performance,
- 7- Performance appraisal is valuable to my performance,
- 8- Performance appraisals help identify areas for development,
- 9- Performance appraisals in the organisation are fair.

From table 4.7, the items displaying the employees perception on performance appraisal system correlate differently, there is a significant relationship between when appraisals are done and if the employees understand the purpose of appraisals at ($r= 0.892$), there is also a weak positive correlation indicating little significant relationship between performance appraisal improving the relationship with their managers and when the appraisals are done at ($r=0.24$) and improving individual performance at ($r=0.28$), There is inconsistency in the relationship between when the appraisals are done and employees appraising themselves at ($r=-0.270$), appraisals making one feel motivated at ($r=-0.79$), performance goals being defined at ($r=-0.044$), appraisals being valuable to ones performance at ($r=-0.100$), appraisals identifying areas of development at ($r= -0.188$), and appraisal process being fair at ($r=-0.146$).

The study also indicates little significant relationship between individuals understanding the purpose of performance appraisal and performance appraisal improving the relationship with their managers at ($r=0.102$), improving individual performance at ($r=0.037$) and performance goals being defined at ($r=0.047$). There is also an inconsistent relationship between understanding the purpose of performance appraisal and individual appraising themselves at ($r=-0.211$), appraisals being valuable to performance at ($r=-0.57$), appraisals identifying areas of development at ($r=-0.82$) and appraisal process being

fair at($r=-0.63$) and appraisals making one feel motivated at ($r=-0.008$) which is near zero and negative indicating no relationship.

This study also identifies a significant relationship between employees appraising themselves and appraisals making one feel motivated at ($r=0.555$), performance appraisal improving the relationship with their managers at ($r=0.544$), improving individual performance at ($r=0.602$), appraisal goals being set at ($r=0.531$), appraisal being valuable to ones performance at ($r= 0.566$), helping identifying areas of development at ($r=0.583$) and the process being fair at ($r=0.349$). There is also a significant relationship between motivation of employees and appraisal improving relationship at ($r=0.385$), improving individual performance at ($r= 0.437$), appraisal goals being set at ($r= 0.340$), appraisals being valuable to one performance at ($r=0.431$), helping identifying areas of development at ($r=0.418$) and the process being fair at ($r=0.0.369$).

4.6 Assessment of employees’ perception of nature of feedback given after appraisal.

The third objective was on feedback and the key question was to assess the extent which employees agree with statements on Feedback at standard chartered bank, respondents were asked to indicate the extent to which they agree with the following statements on performance appraisals at SCB. Likert scale of 1 to 5 was used where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree.

Table 0.8: Reliability Statistics for items on Assessment of employees’ perception of nature of feedback given after appraisal

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.961	.961	6

Source, Author.

Table 4.8 indicates Cronbach's alpha of 0.961 which indicates a high level of internal consistency.

Table 0.9: Employees perception of the nature of feedback after an appraisal

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The feedback I get from my manager is fair and unbiased	14.20%	44.20%	8.30%	31.70%	1.70%
Feedback is communicated or given promptly after appraisal	13.30%	41.70%	9.20%	30%	5.80%
The feedback I get agree with what I receive from my manager	23.30%	35%	10%	25.80%	5.85
Am satisfied with the way the organisation provides feedback	14.20%	40.80%	12.50%	25%	7.50%
The feedback I get on how I do my work is relevant	10.80%	41.70%	8.30%	35%	4.20%
The organisation provides positive feedback for good performers and criticize poor performance	10%	48.30%	6.70%	27.50%	7.50%

Source, Author

From table 4.9, 44.2 % of the respondents disagree that the feedback they get from their managers is fair and unbiased, unfairness in the system can lead to behavioral changes such as absenteeism, lack of cooperation, lack of focus on priorities, unhealthy competition and even can cause staff turnover (Dechez , 2010). , 41.7% disagree that the feedback is communicated promptly after appraisal, feedback should be given on an ongoing basis to allow improvement in performance (Pachsiry, 2014) , 35% disagree that the feedback they get agree with what they receive from their managers, (Kurtulus, 2011) found that effective feedback improves manager and employees relationship., 40.80% disagree that they are satisfied with the way the organisation provides

feedback, 41.7% disagree that the feedback they get is relevant to their work and 48.3% disagree that the organisation provides positive feedback for good performers and criticize poor performance, organisations should come up with a strategic way of giving feedback, feedback should be given to employees depending on their abilities and giving people an opportunity to secretly compare themselves to others improves their individual output (Camelia, 2013).

From the results employees perceive the nature of feedback they get after appraisal to be unfair and not motivating.

Table 0.10: Correlation on employees' perception of the nature of feedback after an appraisal

	1	2	3	4	5	6
1	1.000	.825	.796	.825	.802	.754
2	.825	1.000	.786	.854	.854	.817
3	.796	.786	1.000	.799	.801	.730
4	.825	.854	.799	1.000	.844	.777
5	.802	.854	.801	.844	1.000	.821
6	.754	.817	.730	.777	.821	1.000

Source, Author

- 1-The feedback I get from my manager is fair and unbiased,
- 2- Feedback is communicated or given promptly after appraisal,
- 3- The feedback I get agree with what I receive from my manager,
- 4- Am satisfied with the way the organisation provides feedback.
- 5- The feedback I get on how I do my work is relevant and
- 6- The organisation provides positive feedback for good performers and criticize poor performance.

Table 4.10 measures the correlation between the items, there is a significant relationship between all the items: feedback is communicated promptly and feedback gotten from the manager is fair is at ($r= 0.825$); the feedback gotten is fair and if they agree with the feedback they receive at ($r= 0.796$), if they are satisfied with the way the feedback is provided at ($r=0.825$), if the feedback they get is relevant at ($r=0.802$) and if feedback

provided to good performers and criticized on poor performers at ($r=0.754$). This study also indicates a significant relationship between feedback being communicated promptly and if its fair at ($r= 0.825$), if they agree with feedback gotten from their manager at ($r=0.786$), if they are satisfied with the way feedback is given and if its relevant at ($r=0.854$) and if feedback provided to good performers and criticized on poor performers at ($r=0.817$). This study also indicates a significant relationship between receiving feedback from the manager and employees being satisfied with the way feedback is given at ($r=0.799$), if the feedback is relevant at ($r= 0.801$) and if feedback provided to good performers and criticized on poor performers at ($r= 0.730$). There is a significant relationship between employees being satisfied with the way feedback is given and if its relevant at ($r=0.844$) and if feedback provided to good performers and criticized on poor performers at ($r= 0.777$) and a significant relationship between feedback being relevant and if feedback provided to good performers and criticized on poor performers at ($r= 0.821$).

From the results feedback improves employees performance if its fair and unbiased, employees can perform well if they are satisfied with the feedback they get from their managers, if employees feel the feedback they get is relevant to their work they will use the feedback to work on their areas of weakness thus improving their performance. Employees also want the feedback to be communicated promptly after the appraisals to help in identifying the gaps, the feedback they get should also be motivating for them to develop a positive attitude. Feedback also improves the relationship between managers and their employees during the feedback sessions and managers should also recognize good job to improve on positive energy.

4.7 Assessment of employees' perception of the reward System

The fourth was to assess the extent which employees agree with the following statements on Reward at standard chartered bank. The study also sought to ask respondents the extent to which they agree with the following statements Reward at SCB. Likert scale of 1 to 5 was used where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree.

Table 0.11: Reliability Statistics for items on Assessment of employees perception of the reward system

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.964	.965	6

Source, Author

Table 4.11 above indicates Cronbach's alpha of 0.964 which indicates a high level of internal consistency.

Table 0.12: Employees perception of the reward system

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
The reward system if fair and satisfactory	43.30%	24.20%	6.70%	24.20%	1.70%
Bonuses and salaries increments are pegged on your performance	15.80%	48.30%	8.30%	23.30%	4.20%
Remuneration varies according to individual merit	30%	32.50%	13.30%	20.80%	3.30%
Promotion and career growth is based on individual employee performance	29.20%	35.80%	10.80%	19.20%	5.00%
Reward motivates me to look for ways and be creative to improve my performance	24.20%	34.20%	6.70%	30%	5.00%
The reward motivates me to meet my targets	18.30%	40.80%	3.30%	28.30%	9.20%

Source: Author

From table 4.12, 43.3% of the respondents strongly disagree that the reward system is fair and satisfactory, (Muhammad, Fozia, & Amina, 2104) found that if employees fee the process is unfair and the results are biased, they get demotivated,48.3% disagree that the bonuses and salary increments they get are pegged on their performance, monetary rewards pay allowances, bonuses and increments highly motivate employees and increase productivity, promotion and trainings and developments also motivates employees (Magori, 2016). 32.5% disagree that the remuneration varies according to individual merit (Pearce & Robinson, 1997) argue that the rewards should be aligned to the organisations goal and strategy,35.8% disagree that promotions and career growth are based on individual employee performance, if there is unfairness their will no promotions and career growth opportunities (Muhammad, Fozia, & Amina, 2104) ,34.2% disagree that the reward they get motivates them to look for ways to be creative to improve their performance ,managers should give employees opportunity to demonstrate how their efforts contribute to the overall goal (Pachsiry, 2014) and lastly 40.8% disagree that the reward they get motivates them to meet their target. From this results employees perceive the reward system to be biased thus they are not motivated to achieve their objectives.

Table 0.13: Correlation on employees' perception on reward system

	1	2	3	4	5	6
1	1.000	.821	.831	.811	.847	.843
2	.821	1.000	.804	.790	.832	.825
3	.831	.804	1.000	.802	.847	.804
4	.811	.790	.802	1.000	.769	.769
5	.847	.832	.847	.769	1.000	.894
6	.843	.825	.804	.769	.894	1.000

Source, Author

- 1-The reward system if fair and satisfactory
- 2- Bonuses and salaries increments are pegged on your performance
- 3- Remuneration varies according to individual merit
- 4- Promotion and career growth is based on individual employee performance
- 5- Reward motivates me to look for ways and be creative to improve my performance
- 6- The reward motivates me to meet my targets.

From table 4.13,there is significant relationship between the reward system being fair and bonuses and salaries pegged on ones performance at ($r= 0.821$), the reward system being fair and remuneration varying according to individual merit at ($r=0.831$),promotions and career growth based on individual performance at ($r=0.811$), reward motivating one to be creative at ($r=0.847$) and reward motivating one to meet the targets at ($r= 0.845$).This study also indicates a significant relationship between bonuses and salaries increments pegged on one's performance and remuneration varying according to ones merit at ($r=0.804$), promotion and career growth based on individual performance at ($r=0.790$), being creative at ($r=0.832$), reward motivating one to meet the targets at ($r= 0.825$).There is also a significant relationship between remuneration varying according to individual performance and promotions and career growth based on individual performance at ($r=0.802$),reward motivating one to be creative at ($r= 0.847$)and reward motivating one to

meet their target at ($r=0.804$). This study also displays a significant relationship between promotions and career growth based on individual performance and reward motivating one to be creative and to meet targets both at ($r= 0.769$). The relationship between reward motivating one to be creative and meeting their target is also significant at ($r=0.894$).

4.8 Association between performance management system and employees performance

Using principal components analysis to generate single measures for each construct, a correlation analysis was done to assess the association between performance and perceptions of the employees. The results are presented in the Table 4.14.

Table 0.14: Correlation on the performance management practices and employees performance

		Employee performance	Setting Objectives	Performance appraisal	Feedback	Reward
Pearson Correlation	Employee performance.	1.000	.158	.217	.304	.288
	Setting Objectives	.158	1.000	.418	.302	.356
	Performance Appraisals	.217	.418	1.000	.532	.577
	Feedback	.304	.302	.532	1.000	.880
	Reward	.288	.356	.577	.880	1.000
Sig. (1-tailed)	Employee ratings on PMS		.042	.009	.000	.001
	Setting Objectives	.042		.000	.000	.000
	Performance Appraisals	.009	.000		.000	.000
	Feedback	.000	.000	.000		.000
	Reward	.001	.000	.000	.000	
N	Employee ratings on PMS	120	120	120	120	120
	Setting Objectives	120	120	120	120	120
	Performance Appraisals	120	120	120	120	120
	Feedback	120	120	120	120	120
	Reward	120	120	120	120	120

Source, Author

All the performance management system components appear to be correlated with the performance employee and highly significant.

4.8.1 Regression results for the association between employees' perception of the performance management system and their performance

This section presents the examination of the association between performance rating and performance on setting objectives, performance appraisals, feedback and reward. This is measured by using the regressing coefficients of the variables. A stepwise regression analysis was done to further investigate the nature of associations.

The regressions results including stepwise backward elimination are presented in Tables 4.15 to 4.17. The regression result on Table 4.15 indicates that all the performance management practices are significant in explaining employee's performance Standard Chartered Bank Kenya using enter method and therefore does not take into account the correlation between the independent variables. All the results in Table 4.15 show that the factors have no effect on the dependent variable, however Table 4.16 show that there are possible effects of combined variables with P value = 0.016

Table 0.15: Association between employees' perception of the performance management system and their performance using Enter method

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.483	.078		31.715	.000
Setting Objectives	.048	.088	.054	.543	.588
Performance appraisal	.046	.101	.052	.457	.649
Feedback	.194	.166	.218	1.169	.245
Reward	.042	.173	.047	.242	.809

Source, Author

4.8.2 Anova of performance management system and employees performance

On the Anova Table 4.16 shows the regression is significant ($p=0.016$) which is less than 0.05; this shows that setting objectives, performance appraisals, feedback and reward have a significant influence employees performance.

Table 0.16: ANOVA of performance management system and employees performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.355	4	2.339	3.179	.016 ^b
	Residual	84.612	115	.736		
	Total	93.967	119			

Source, Author

The final regression results after the backward selection is provided in Table 4.17 Model 1 is simply a replica of the enter method in Table 4.15. Model 2, shows results when reward is dropped and the only significant variable is feedback (p value=0.016). In model 3, both reward and performance appraisal was dropped and again feedback was the only highly significant factor. The final model is model 4 with only feedback as the only factor that influences the dependent variable. The main conclusion is that the single most important factor in employee performance based on the employee perception is that feedback system as shown in Model 4.

Table 0.17: Regression results between performance management system and employees performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.483	.078		31.715	.000
Setting Objectives	.048	.088	.054	.543	.588
Performance appraisals	.046	.101	.052	.457	.649
Feedback	.194	.166	.218	1.169	.245
Reward	.042	.173	.047	.242	.809
2 (Constant)	2.483	.078		31.844	.000
Setting Objectives	.050	.087	.056	.579	.564
Performance appraisals	.051	.098	.058	.526	.600
Feedback	.227	.093	.256	2.444	.016
3 (Constant)	2.483	.078		31.943	.000
Setting Objectives	.065	.082	.073	.791	.431
Feedback	.250	.082	.281	3.054	.003
4 (Constant)	2.483	.078		31.994	.000
Feedback	.270	.078	.304	3.460	.001

Source, Author.

4.9 Summary of the results

From the results from analysis, setting of objectives is a very important element of the performance management practices, employees in these organisation perceive the setting objective process positively as they participate in the goal setting process, the goals set by the organisation are communicated effectively, the goals set are stretchy and they meet the customers' demands, the employees also agree that they participate in giving ideas

and solutions, that the goals set by the organisation are SMART and that the organization provides effective resources to achieve the objectives set.

On performance appraisal, the employees perceive the positively as it influences their performance, they agree that they complete the appraisal on time and that the appraisals are carried out both bi annually and annually. The employees agree that they understand the purpose of the appraisals, they appraise themselves, they feel motivated after being appraised, that appraisal improves their relationship with their managers, appraisals influences their individual performance positively, that the performance goals are clearly defined and the appraisals are valuable to their work in that they identify areas of improvement, but most employees perceive the appraisal process to be unfair and unbiased.

From the results most employees perceive the feedback given after the appraisals as unfair and biased, that it's not communicated promptly, it does not agree with what they receive from their line managers, they are not satisfied with the way the organisation gives feedback, that the feedback they get is not relevant to their work and they disagree that organisation does not criticize poor performance. On the reward system employees perceive the system to be unfair, that bonuses and salaries are not based on individuals performance, that remuneration does not vary according to individual merit, that promotions and career growth are not based on individual performance, that the reward they get does not motivate them to be more creative to improve on their performance and that the reward they get does not motivate them to meet their targets.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

The main goal of the study was to assess the influence of performance management system on employees' performance at Standard Chartered Bank Kenya. Specifically, the study set to assess the employee's perception of how setting objectives of performance are set, to assess employee's perception of the performance appraisals system, to assess employee's perception of the nature of feedback after appraisals and assess the association between employee's perception of the performance management system and their performance at Standard Chartered Bank. This chapter therefore provides a summary of the results, conclusion and recommendation based on the results in chapter four.

5.2 Summary

The main goal of the study was to assess the influence of performance management system on employee's performance at standard chartered bank Kenya. The specific objectives were to assess employee's perception of hoe the objectives of the performance management system are set, to assess employee's perception of the performance appraisal system, to assess employee's perception of the nature of feedback after an appraisal and to assess the association between employee's perception of the performance management system and their performance.

The study used the descriptive research design, and adopted a quantitative approach to measure how the performance management practices which include setting objectives, performance appraisal, feedback and reward system influenced employees performance.

The study targeted a sample size of 142 respondents from which 120 filled in and returned the questionnaires making a response rate of 84.5%. On setting objectives items Cronbach's alpha of 0.885 obtained which indicated a high level of internal consistency for our scale, on performance appraisal items Cronbach's alpha of 0.854 obtained which indicated a high level of internal consistency for our scale, on the feedback Cronbach's alpha of 0.961 obtained which indicated a high level of internal consistency for our scale and on reward Cronbach's alpha of 0.964 obtained which indicated a high level of internal consistency for our scale.

The assessment revealed that the performance management practices which are setting objectives, performance appraisal, feedback and reward influence employees performance positively at the standard chartered bank, The employees perceive how the performance objectives are set to be credible, they employees agree that they participate in the goal setting process, the goals are effectively communicated, that the goals set are stretchy and meets customers' demands, they agree that they participate in coming up with ideas solutions, that the goals set by the organisation are SMART and the organisation to be providing efficient and effective resource to help in achieving the goals.

The assessment also revealed the performance appraisal system at Standard Chartered Bank not to be credible, employees disagree that they don't understand the purpose of the appraisal process and that the appraisal process in the organisation is not fair, but employees agree that they do self-appraisals, that appraisals make them motivated at work, that appraisals improves their relationship with their managers, that appraisals

influences their performances positively and that it can help them identify their areas of development in their work.

The assessment on the nature of feedback given after appraisals are done is revealed that the feedback received is not fair and biased, that it's not communicated promptly, that it does not agree with what they receive, that employees are not satisfied with the way the feedback is given, that what they get is not relevant to their work. The assessment further revealed that the reward system in the bank is not fair and unsatisfactory, bonuses and salary increments employees get is not pegged on individual performance that the remuneration does not vary on individual merit, that the reward they get does not motivate them to be more creative and meet their targets thus influencing their performance negatively.

The assessment on the association between the performance management system and employees performance found that the setting objectives, performance appraisal, feedback and reward have a significant influence on employees performance at Standard chartered Bank and from the results after a stepwise backward elimination analysis which eliminates the weakest component and gives the component with the strongest relationship revealed feedback to be the most important component as it has a strong relationship with employees performance.

5.3 Conclusion

Performance management in any organisation is a human resource function, for the human resource department to be able to monitor and track individual employees the human resource should establish a monitoring and evaluation unit that will assist in

monitoring employees capabilities by ensuring there is an effective performance management system that will keep track of the each employees capabilities and match them with the right task to ensure achieving of the main goal by retaining the right personnel, it will assist in ensuring employees get quality trainings through seminars, workshops, motivational talks, these will help to fill the knowledge gaps that exist and help in evaluating the right skill and knowledge to help in implementing the main goal.

The monitoring unit can also help in tracking each employee's performance and reporting through giving feedback to all employees in their areas of improvement in roles, in case of knowledge gap, training will be recommended. The unit can also help the human resources department evaluate the their policies and processes on how they affect the stakeholders like the employees and their managers and recommend for a change in the process or policy in case of negative feedback from the main stakeholders who are mainly affected.

5.4 Recommendation

The study recommends that the setting of objectives to be a very important parameter, employees in the bank have a positive perception towards the objective as it helps them focus on the main goal of the organisation, the should be involved in the process of setting goal and be given an opportunity to come up with ideas that will help them perform better and also setting objectives gives employees direction on how to achieve the goal.

The study also recommended performance appraisal system to be very important element, appraisals should be focused on to help employees meet individual targets, they allow

employees get encouraged to express their ideas that will help in achieving the main goal, they also make employees know what is expected of them and lastly employees are able to track their performance.

The study also recommends feedback to be a very key element to help an organisation meet their targeted goal, it allows employees to get to know their areas of improvement, that the feedback should be free from errors as it is a way of motivation and that it displays how the employee is contributing to the main goal. The study also recommends that an organization should reward their employees fairly, unbiased to enhance performance, managers should recognize individual achievements and award accordingly and not selectively, bonuses and promotions should be awarded on merit as this will enhance good performance.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE

SECTION A: DEMOGRAPHIC DATA

1. What's your job level or position?
 - i. Senior Management []
 - ii. Managerial []
 - iii. Clerical []
2. In which departments are you stationed?
 - i. Retail Banking []
 - ii. Commercial banking []
 - iii. Commercial and Institutional Banking []
 - iv. Credit []
 - v. Finance []
 - vi. Contacts Center []
 - vii. Information Technology []
 - viii. Human Resource []
3. Kindly indicate your Gender?
 - i. Male []
 - ii. Female []
 - iii. Kindly indicate your age bracket?
 - i. 20- 30 Years []
 - ii. 31-40 Years []
 - iii. 41-50 Years []
 - iv. 51-60 Years []
4. What is your academic qualification?
 - i. Diploma []
 - ii. Bachelor's Degree []
 - iii. Post graduate []
 - iv. PhD []

5. How many years have you worked at Standard Chartered Bank? (Tick where appropriate).

i. 0-10Years []

ii. 11-20 Years []

iii. 21-30 Years []

iv. Above 30 Years []

Section B:

Setting objectives

6. To what extent do you agree with the following statements on setting objectives?

Use a scale of 1 to 5. Where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree

	1	2	3	4	5
I participate in the goal setting process where I set my own goals.					
The performance goals are effectively communicated					
The goals set are stretchy and increase customer demand and service expectations.					
Staff participate in coming up with goals through the ideas and solutions they give.					
The goals set by the organisation are SMART (specific, measurable, appropriate relevant and timely).					
The organization provides effective and efficient resources to accomplish the objectives set.					

How else does setting of objectives influence employees performance?

.....

Performance appraisals

7. Do you complete a performance appraisal process?

Yes [] No []

If yes, when did you have an appraisal last?

i. Annually []

ii. Bi- annually []

iii. Both []

8. How often is appraisal carried out in your department?

ii. Annually []

iii. Bi- annually []

iv. Both []

To what extent do you agree with the following statements on performance appraisals at SCB? Use a scale of 1 to 5. Where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree

	1	2	3	4	5
I clearly understand the purpose of performance appraisal and goals are clearly defined in the appraisal process.					
I do appraise myself before being appraised					
I feel motivated after performance appraisals					
Performance appraisal improves the relationship with my manager					
Performance appraisals influence positively individual performance.					
Performance appraisal is valuable to my performance					
Performance appraisals help identify areas for development.					
Performance appraisals in the organisation are fair					

How else does performance appraisals influence employees performance?

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.....

Feedback

To what extent do you agree with the following statements on feedback after performance appraisal at SCB?

Use a scale of 1 to 5. Where 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree

	1	2	3	4	5
The feedback I get from my Manager is fair and unbiased.					
Feedback is communicated or given promptly after appraisal.					
The feedback I get agree with what I receive from my manager					
Am satisfied with the way the organization provides feedback					
The feedback I get on how I do my work is relevant					
The organization provide positive feedback for good performers and criticize poor performance.					

How else does feedback influence your performance?

.....
.....
.....

Reward

To what extent do you agree with the following statements on Reward at SCB?

Use a scale of 1 to 5. Where 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly agree

	1	2	3	4	5
The reward system is fair and satisfactory					
Bonuses and salaries increments are pegged on your performance					
Remuneration varies according to individual merit					
Promotion and career growth is based on individual employee performance					
Reward motivates me to look for ways and be creative to improve my performance					
The reward motivates me to meet my targets.					

How else does reward affect your performance?

.....
.....

Performance.

Does the standard chartered bank performance management system influence your performance positively?

Use scale scale of 1 to 5. Where

1= strongly disagree

2= Disagree

3= Neutral

4= Agree

5= strongly agree