

**A SURVEY OF SCHOOL SENIOR MANAGERS' PERCEPTIONS OF  
PERFORMANCE MANAGEMENT SYSTEM IN SCHOOLS  
OFFERING BRITISH NATIONAL CURRICULUM (BNC) IN  
NAIROBI, KENYA**

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**A management research project submitted in partial fulfillment of the  
requirements for the Degree Of Master Of Business and Administration  
(MBA), School Of Business, University of Nairobi**

## DECLARATION

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

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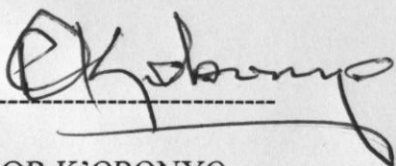
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This study, in its present form, has been made possible by a number of people and institutions to whom I am greatly indebted and to whom I would like to express a lot of gratitude.

To my supervisor, Professor, K'obonyo, I extend my sincere thanks for his guidance, suggestions, comments, criticisms and constant encouragement throughout the period of this research project.

I am grateful to the University of Nairobi, the entire academic staff of the School Of Business and my colleagues in the MBA Class for their contributions towards the success of this project.

In addition, I wish to thank the institutions that took part in the survey without their contribution the research would not have been possible.

I must make my sincere gratitude to my **To my Parents** for their moral, material and emotional support from the inception of the project.

To my husband I say a big thank you for being my "mom and dad" of our two very young sons throughout the entire course, for providing all the support, encouragement, right environment, that I needed, when I had to juggle college, work and being home for you and our sons.

**With all my love**

To my sons my gratitude to you for bearing with me when "I still had more home work to complete." The list would not be complete without thanking the rest of my family members and friends who prayed for me through the entire project.

Finally, and most of all my biggest gratitude goes to my heavenly Father, for fulfilling my dream, and answering my prayer, by making this entire project a reality.

*Father I truly give you praise. Thank you*

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## ABSTRACT

Performance management systems are progressively being embraced as a strategy to improve on individual, team and organizational performance by organizations in the public and private sectors as well as Non Governmental Organisations (NGO). On 1<sup>st</sup> September 2000 the Appraisal Regulation was introduced in the United Kingdom to set up guidelines for Performance management in the mainstream schools (British national curriculum based schools).

This study was aimed at establishing the perceptions of School heads on the following aspects of performance management system in schools offering the British National curriculum in Nairobi, Kenya: its meaning, its key elements and finally its benefits. The results from this study will help to gauge the success of the implementation of the performance management systems in the British national curriculum schools.

The survey was based on the sixteen British National Curriculum based schools in Nairobi. Interviews were carried out with either the school principal, deputy principal, section heads or senior administrator entrusted with the development of the strategies and policies.

The study results were as follows on the aspects of performance management system in schools offering the British National curriculum in Nairobi, Kenya: 45% of the respondents could correctly define performance management systems, 100% of the respondents perceived the performance management systems to have benefits, on average all the respondents agreed with the elements of performance management systems.

From the perceptions of the senior managers there is a high likelihood of success in the implementation of performance management systems.

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## CHAPTER ONE: INTRODUCTION

### 1.1 Performance Management Systems

Performance Management is a relatively new term in management. It was first coined by Beer and Ruh in 1976 and began to take shape in the 1980's and has steadily increased in popularity (Foot and Hook 1996). According to Weightman (1991), it has become a buzz, phrase of management. Performance Management encompasses the key elements of HRM practices and seeks to improve individual, team and organizational performance by aligning individuals, teams, systems and processes to the organizational goal which is in turn aligned to the key success factors (Bratton and Gold 2003). Sparrow and Hilltrop (1994) observed that performance management was the way forward for individuals and for the whole company and that it was an area of Human Resource Management that has the potential of making the most significant contribution to organizational effectiveness and growth.

Performance Management systems have been embraced by organizations both in the private and public sectors. Some examples of countries that have adopted performance management in the civil sector are New Zealand, Malaysia, Canada, United States Of America, United Kingdom and Kenya who have all adopted the performance contracts. In the United Kingdom for instance the Best Value framework was introduced in 1997 and now forms the statutory framework for Performance management in the local government. The overall aim of the Best Value Framework is to encourage the reorientation of service delivery (Bratton and Gold 2003). On 1<sup>st</sup> September 2000 the Appraisal Regulation was introduced in the United Kingdom to set up the guidelines for Performance Management in the mainstream schools. In the following year September 2001, a new Appraisal Regulation came into place to include nursery and part time teachers. Performance management was introduced in the UK schools with the aims of improving the quality of teaching in schools, to raise academic standards, increase job satisfaction amongst teachers and to develop professionalism and expertise. Consequently there is a site on performance management in the Teacher Net website that has been developed by the Education department to give guidelines on performance management to governors and head teachers. Included in the guidelines are how to plan, implement, monitor and review the performance management system, aims of

performance management, timings of reviews, links of performance with pay, career stages, weak performance and confidentiality (Teacher Net 1995-2006). In Kenya in line with the "Economic Recovery Strategy for Wealth and Employment Creation" (2003-2007), the Performance Contracts were introduced in the civil service with the aim of introducing a performance-oriented culture that would facilitate the attainment of the desired results. The elements of the performance contracts are: mission statements of public institutions, performance oriented culture, negotiated contracts and targets by government agency and government, performance appraisal systems, performance reviews, performance improvement programmes, linking rewards/sanctions to work results, placing management of public resources in the most competent hands and finally the improvement of inputs systems and processes so as to improve on the outputs (Njau 2005)

### **1.1.1 Background Of Education System In Kenya**

The foundations of the modern education in Kenya were laid by the missionaries who came to the country with the aim of spreading Christianity. In order to accomplish this, they taught the locals how to read and later on taught practical subjects such as carpentry and gardening. In 1902 a school for European children was opened. A British government-sponsored study of education in East Africa, known as the "Frazer Report of 1909" proposed that separate educational systems should be maintained for Europeans, Asians, and Africans. By 1910, thirty-five mission schools had been founded. This pattern continued until independence.

After independence the country reformed the education system to cater for the local African needs i.e. their need to be trained for middle-level and upper-level government service and for the commercial and industrial sectors of the economy (Kaplan 1976). The (7-4-2-3) system i.e. (primary, secondary, high school, university) was then introduced. After Kenya obtained its independence in 1963, a few schools continued to offer the British National Curriculum (BNC) to serve the population of white settlers who had chosen to remain in the country. In 1989 the 8-4-4 system (primary, secondary and university) was introduced to replace the 7-4-2-3 systems. This was as a result of the

proposals of the Presidential Working party on the Second University (1981) or the Mackay report (K' Olewe 1997).

The BNC based schools have the following features, which distinguish them from the local curriculum based schools: curriculum based on the British national curriculum, wide range of extra-curriculum activities, expatriate staff, foreign students and the fees charged, high investments in sophisticated resources and equipments to support the core and extra curriculum activities and school fees which ranges from two to three times higher than those of local curriculum based schools.

Over time growth of this has been observed in the BNC schools sector (Karmokolias and Van Lutsenberg 1997). The growth in this sector can be attributed to the need to meet the educational needs of these groups of people: children who experience difficulty with the local 8-4-4 system of education due to subject width (K' Olewe 1997), immigrants from neighboring countries, growing numbers of top income group earners, international and business organizations with branches in the country.

### 1.1.2 Challenges Faced By The BNC schools in Kenya

The BNC schools in Kenya are facing the following challenges based on the trends that are taking place within their internal and external environment: growing competitions, political changes, changing technology, rising customer expectations, changes in the workforce, low academic standards, employee relations, managing change and organizational capacity.

**Growing competition:** There has been growth in the sector arising from the ease of the school registration process. There is yet no professional body in Kenya to govern the standards of the BNC schools. Another challenge arises from the high investments in equipments and technology to aid in the subject delivery in the 8-4-4 private schools thus making them attractive for the top income group earners (School Reform News Staff 1999).

**Political Changes:** There have been a number of new government legislations/regulatory policies in education in both Britain and Kenya. In Britain some of the suggestions are to overhaul the A Level due to the dropping academic standards (Warwick and Adam July 2004). In Kenya there has been a proposal by the government to reduce the examinable subjects in the 8-4-4 curriculums, so as to make it less stressful

for the students. With this change BNC schools are at a risk of losing some of their students to the 8-4-4 private schools.

**Low Academic Standards:** The academic standards have been generally low. In the GCSE and O level exams Warwick and Adam (September 2005) observed that the pupils were able to gain a Grade C and above with grades of 45% or less! This raises question over the standards of BNC examinations. In the same examinations it was noted that there had been a marked improvement in the students pass rate that had risen from 53.7% to 56.3%. This was the highest recorded rise in more than a decade.

**Technology changes:** One of the trends is the use of information technology in subject delivery (North Central Regional Technology In Education 2005). A good number of the BNC schools desire to invest in the required technology and to train their staff in order to remain competitive but are faced with prohibitive constraints, primarily related to scarcity of financial resources and inadequate management skills (Karmokolias and Van Lutsenberg 1997).

**Rising customer expectations:** The society is continually demanding for higher quality education and value for their money. Society has always had high expectations of teachers, and more so today. This has been necessitated by the following trends in society i.e. move towards the nuclear family, the increasing involvement of women in the work force, the expansion of universal literacy programmes and the deluge of information in this information age. Teachers are expected to be knowledgeable, skillful, and dynamic in action as managers, facilitators of learning and guide to good moral behavior. They are also to be good child-minders, disciplinarians, counselors, examiners, computer programmers, accounts keepers, typists and clerks (Ministry Of Education Malaysia 1996).

**Changes in the workforce:** The caliber of teacher is slowly changing. The teacher of the day is more educated than the predecessor. A good majority of the teachers are university graduates and the current trend is to seek for a Masters degree or supporting diploma or certificates e.g. in counseling or marketing. With these qualifications and exposure the teacher is well informed of the changes and trends in the labor market thus making them more demanding and expecting more from the employer. The teacher today raises questions on issues e.g. career growth and development, compensation, employee related issues, job designs e.t.c.

**Employee relations:** Presently there is no professional body to regulate the running of the BNC schools or a trade union to represent the needs of the teachers in the private schools in the country. Each school is managed according to the visions or beliefs of their current administrators. Consequently the BNC schools have experienced exodus of teaching staff to other better paying BNC schools or other professions due to low morale. This has ultimately hurt the business of quite a number of the school especially when parents withdraw their children from their school because they no longer perceive it as being stable or offering quality education.

**Organizational capacity:** Due to the dynamic changes in the environment of the BNC school and the rising expectations of the various stakeholders i.e. owners of the school, the clients, employees, government regulations and the society at large there is need for the school to invest in managerial development programs. This will enable them to enhance their organizational capacity and therefore strike a win-win situation amongst their stakeholders leading to improved productivity. Eshiwani (1987) observed that many of our learning institutions had weak managerial capabilities. There are still many heads in schools that continue to run schools without attending any managerial courses. Any skills they have acquired have been through attending short seminars.

The above mentioned trends and challenges in the business environment i.e. rising customer expectations, technology, adjusting to change intellectual capital changes in workforce are not unique to the BNC school but are experienced globally (Ulrich 1997). An effective organizational capacity is the pre-condition for the BNC school obtaining competitive advantage.

The management team must be skilled and competent to take up the challenges of their dynamic environment. The team should possess the following competencies: leadership, vision, empowering others, building trust, managing performance and decision-making (United Nations 1999). The BNC school should therefore adopt the Performance Management Systems, which have been well embraced by and have proved successful in dealing with similar challenges. Sparrow and Hilltrop (1994) observed that a number of large organizations had successfully introduced performance management system as a means of improving business results in the face of growing competition.

1.3 Objective The performance system has a very high likelihood of creating a win-win situation in the BNC school amongst the stakeholders and of giving important output such as graduate student who possesses the following qualities: academic excellence and have a well-rounded character, delightful parents who perceive the school as having given them more than their value for money, employees who display high levels of professionalism, managers who display high levels of leadership, boards of directors/shareholders who continuously receive high returns for their investments.

## 1.2 Statement Of The Problem

The current trend in the implementation of Performance Management System in the private and public sectors in Kenya and the UK schools. Non Governmental Organizations (NGO) amongst others underscores the importance attached to Performance Management System. It is widely accepted as the key to success in the increasingly competitive environment, including the education sector.

From a preliminary survey, I have learnt that an increasing number of BNC schools in Nairobi have or are considering adapting Performance appraisal system. These include: Brookhouse Schools, Premier Academy, Aga Khan Academy, Braeside School and Rusinga school. The aim of this is to improve on the performance of their schools and hence their competitiveness. However, performance appraisal is only a small subset of performance management system. As Fletcher and Williams (1992) of the University of London, found from their research on twenty six public and private sector organizations in the UK, many organizations tended to equate performance management system with the employee appraisal or performance related pay (Mumford and Gold 2004). English (1991) observed that many organizations considered that they had adopted performance management system but it was not true because one or more of the elements or conditions were missing. It is possible for the BNC schools in Nairobi to make a similar error. This is why it is important to gauge these schools senior managers' perceptions of performance management and its critical elements. This will show whether or not these schools are likely to succeed in implementing performance management systems.

### 1.3 Objectives Of The Study

1. To determine the perceptions of school managers on the key elements of Performance Management in schools offering the British National Curriculum in Nairobi, Kenya.
2. To establish perceptions of managers on the meaning of Performance Management System in schools offering the British National Curriculum in Nairobi, Kenya.
3. To establish perceptions of managers on the benefits of Performance Management System in schools offering the British National Curriculum in Nairobi, Kenya.

### 1.4 Importance Of The Study

The following groups of people find the research output beneficial.

- High-level manager's e.g. principals and Deputy Principles of BNC who may choose to use Performance Management system as a strategy to enable them gain competitive advantage.
- Future researchers, who may use the results to answer some research questions, or who may use the research to explore other areas of study.
- Regulatory bodies e.g. Teacher's service commission (TSC) and the Ministry of Education who can use the results to improve on the academic performance of the students.
- Senior management teams from other industries who may choose to use Performance Management system as a strategy to enable them gain competitive advantage.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

The driving force behind any organization irrespective of its objectives, type of output or size is performance. It is against performance that organizations relevance will be judged. Performance is defined as the record of outcomes produced on a specific job function or activity during a specified period of time (Bernadin and Russel 1993). According to Brumbrach (1988) "Performance means both behavior and results. Behaviors emanate from the performance and transform performance from abstraction to action. Not just the instruments for results, behaviors are also outcomes in their own-right the product of mental and physical effort applied to tasks and can be judged apart from results"(Njagi 2003)

In this chapter the following topics will be discussed: introduction of performance, factors that influence performance, performance management, motivation theories that have made contributions to performance management, purposes of performance management, elements of performance management, perceptions and finally the summary of the literature review.

### 2.2 Factors That Have The Highest Influence On Performance

So what are the factors that have the most influence on an organization's performance? This has been the focus question for many researchers and managers, and has been brought about by the trends and challenges in the business environment (Ulrich 1997). A number of researchers and authors observed that in order for an organization, to enhance its performance, it will need a skilled, competent and knowledgeable management team that will be able to steer the organization to its optimum level through effective leadership of the employees through the development of the required attitudes, behaviors and skills.

Patterson, West, Lawthom and Nickell (1999) observed from their research based on over a hundred UK manufacturing companies, that the most important determinant in predicting company performance was people management practices.



Ironically in the same research, evidence proved that Human Resource Management was one of the most neglected areas of managerial practice within organizations.

Marchington and Wilkinson (2004) concluded from the examples of researches mentioned below that there was a high positive correlation between high commitment Human Resource Management and business performance. The researches are as follows: Arthur (1994), Huselid (1995), Mac Duffie (1995), Delery and Doty (1996), Youndt et al (1996), Applebaum et al (2000), Patterson et al (1997), Wood and de Menez (1998), Guest et al (2000a), Guest et al (2000b).

Drucker is quoted to have said that the greatest opportunity for increasing productivity is to be found in knowledge work, itself, and especially in management (Wehrich and Koontz 1994). Hamel & Prahalad (1989) proposed that competitive advantage could be attained where a firm obtained, effectively developed and trained their human resource and these employees were able to learn faster and apply its learning more effectively than its rivals (Armstrong 2003). Ulrich (1997) observed that knowledge has become a direct competitive advantage for companies selling ideas and relationships.

It is therefore very critical for organizations to adopt effective and efficient ways of managing their performance by focusing on skills, competence, life long learning and changing the work design where appropriate. This can be obtained by adopting the Performance management system.

### 2.3 Performance Management

Performance Management is a means of getting better results from the organization, teams and individuals by understanding and managing performance within an agreed framework of planned goals, standards and competence requirements. It is a process for establishing shared understanding about what is to be achieved, and an approach to managing and developing people in a way that increases the probability that it will be achieved in the short and longer time. It is driven by line Management (Armstrong 2003). The Performance management system consists of integration of Human resource management activities that are linked to the organizations planned goals (Mumford and Gold 2004). Bratton and Gold described performance management

system as an attempt to show a strategic integration of Human Resource activities, which together are linked to the goals and direction of an organization. These activities are the key elements of the performance management system that must exist in order to ensure its success (Price 1997). Performance management has developed from the following old established systems that aimed at measuring performance: Merit Rating, Management by objectives and Performance appraisals (Armstrong 2003).

### **2.3.1 Motivation Theories That Have Contributed To Performance Management**

The motivation theories that have contributed to performance management are Goal theory, Reinforcement theory and Expectancy theory (Foot and Hook 1996). According to Njagi (2003) Equity theory had also made an important contribution to Performance Management.

Goal Setting Theory that was developed Latham & Locke in 1979 (Armstrong 2003). It states that motivation, commitment and performance are higher when employees participate in the making of specific goals. Participation in setting the difficult goals, obtaining feedback on performance, guidance and advice helped to maintaining motivation and commitment particularly towards the achievement of even higher goals. Grez and Zidon (1984) concurred with Latham and Locke and emphasized the need for acceptance of and commitment to goals. They stated that for as long as there was agreement, demanding goals lead to better performance than easy ones. Goals theory plays a key part in performance management process, when setting challenging objectives and drawing up performance agreements, and providing continuous feedback on the performance (Armstrong 2003).

Adams developed equity theory in 1965. The theory is concerned with perceptions people have about how they are being treated as compared with others. Equity theory states that people will be better motivated, if they are treated equitably and demotivated if they are treated inequitably. In the implementation of the performance management process there must be an effective communication process between employers, managements and employees, regarding performance reviews, performance related pay, promotions in order to ensure that the employees are well motivated thus leading to company's success (Stoner and Freeman 1978).

Expectancy theory was originally proposed by Vroom in 1994. This is a model of motivation specifying that the effort to achieve high performance is a function of the perceived likelihood that high performance can be achieved, and will be rewarded if achieved, and that the reward will be worth the effort expected (Stoner and Freeman 1978).

In performance management the expectancy theory comes into play where performance-related pay is used, i.e. rewards are linked to performance (Armstrong 2003).

Reinforcement theory was developed Skinner. This approach is called positive reinforcement or behavior modification. It holds that individuals can be motivated by proper design of their work environment and praise for their performance and that punishment produces negative results. In the process of performance management, there is continuous feedback, use of quality circles and clear effective communication systems (Stoner and Freeman 1978).

### **2.3.2 Purposes Of Performance Management**

In establishing the performance management system, the organization aims at meeting strategic, administrative and development purposes. Strategic Purpose enables the organization to meet its main objectives by linking the employees' behavior with the overall organizational goals.

Administrative Purpose is achieved through the provision of information about day-to-day decisions about salary, benefits. The system can also be used to support decisions e.g. retention and terminations & recruitment finally development purpose is achieved as it serves as a basis for developing employee's knowledge and skills (Noe, Hollenbeck, Gerhart and Wright 2004).

### **2.3.3 Elements Of A Performance Management System**

So what are the key elements/ features/ characteristics/ principles or conditions that a performance management system should have that would ensure its effectiveness in improving the overall performance of the organization? Authors have come up with different elements and some of the more popularly suggested ones are as follows: development of a mission statement, critical success factors, ethical considerations, legal considerations, organization strategies and objectives,

organizational culture/values statements, open communication, independent teams, performance indicators and standards, conduct of performance reviews, pay reviews, performance improvement programmes.

### **Development Of A Mission Statement**

This is a statement that defines the fundamental purpose that sets a firm apart from other firms of its type and identifies the scope of its operations in product and market types. There are various types of missions e.g. the mission of a school would be to "maximize the aspirations and attainments of all students" whereas that of a police department would be to "protect people's safety and welfare".

### **Critical Success Factors (CSFs)**

D. Ronald Daniel of McKinsey and Company, "Management Information Crisis," Harvard Business Review, Sept.-Oct.1961, developed the concept of "success factors". The process was refined by Jack F. Rockart in, "A Primer on Critical Success Factors" published in. The Rise of Managerial Computing: The Best of the Center for Information Systems Research, edited with Christine V. Bullen, Homewood, IL: Dow Jones-Irwin, 1986.

Critical success factors (CSFs) are those things, which must go right for the organization to achieve its mission and must therefore receive continuous management attention. These are the key performance areas that are of greatest importance in implementing the company's strategies e.g. improved productivity, high employee morale, improved product service qualities. Rockart suggested four basic types of CSFs. They are: industry CSFs resulting from specific industry characteristics, strategy CSFs resulting from the chosen competitive strategy of the business, environmental CSFs resulting from economic or technological changes; and temporal CSFs resulting from internal organizational needs and changes. These must have measurable indicators, as shown in Table 1.

Table 1: Example of Critical Success factors for Company XYZ

Critical Success Factor	Source of CSF	Primary Measures & Targets
1. Increase # of customers	Industry	95% customer retention rate; 15% new customers per yr
2. Install PC-based customer service ...hot line	Strategy	90% of customer queries answered in 1 hour
3. Increase # customer service reps	Strategy	3 reps per 100 customers
4. Restructure capital structure	Environmental	Lower cost of capital by 2%
5. Raise employee morale and ...productivity	Temporal	Increase employee retention rate to 95% / yr.

Source: *e-Competitors (2005) Critical Success Factors, Michael, A.S*

The advantages of identifying CSFs are that they are: simple to understand, help focus attention on major concerns, easy to communicate to employees and finally are easy to monitor. Bratton and Gold (2003) stated that one of the key features of a performance management system is to provide a link between the critical success factors to the organizations goals.

### Ethical Considerations

In carrying out the performance management, Armstrong (2003) suggests that the following ethical principles as defined by Winstanley and Stuart – Smith (1996) should be put into consideration. First there should be respect for the individual. People should be treated as 'ends in themselves' and not merely as 'means to other ends'. Secondly there should be mutual respect; the parties involved in performance management process should respect each other's needs and pre occupations. There should also be procedural fairness. In order to achieve this procedures incorporated in

performance management should be operated fairly to limit the adverse effect on individuals. Finally, there needs to be transparency within the performance system. People affected by decisions emerging from the performance management process should have the opportunity to scrutinize the basis upon which decisions were made.

### **Legal Considerations**

Noe, Hallenbeck, Gerbart and Wright (2004) suggested that in developing the performance management system, there is a need to ensure that it meets the legal requirements. This arises from the fact that performance measures play a central role in decisions about pay, promotions and discipline. The lawsuits related to performance management usually involve charges of: discrimination based on gender and race, unjust dismissal with the claim that the employee was dismissed for reasons besides the ones that the employer states.

### **Open Communications**

Performance Management system requires a management style that is open and honest and encourages two-way communication between superiors and subordinates. It therefore relies on consensus and cooperation rather than control or coercion and continuous feedback. With the development of good communications channels there will be better understanding, acceptance and commitment to the system (Armstrong 2003)

### **Organization Strategies And Objectives**

Objectives are the guides or directions that enable the managers to favor one course of action over another. They are also referred to as goals. Strategies on the other hand are courses of action that enables the objectives of an organization to be achieved (Drury 2002).

The objectives and strategies should be set with the Critical Success Factors in mind so as to take advantage of the opportunities available in the business environment and to minimize the negative impacts of the business constraints (Mumford and Gold 2004). Armstrong (2003) proposed that the characteristic of good objectives is that they

take into account all the aspects of the job and should be able to bring about the intended change. Objectives should be "SMART": S = Specific / stretching, M = Measurable, A = Achievable, R = Relevant, T = Time framed (Armstrong 2003).

Objectives therefore define what the organization, functions, departments and teams are expected to achieve over a period of time. Different levels in organizational hierarchy are concerned with different types of objectives. The Board of directors is for instance concerned with the overall objectives of the organization in the key result areas. Middle level managers on the other hand are concerned with setting of key-result-area of their departments. Finally subordinate employees with the guidance and encouragement of their managers draw up personal development plans that will be both beneficial to them, and the departmental and team objectives. The organization should therefore have a clear statement of what is to be achieved (Armstrong 2003).

## Organizational Culture

Armstrong (2003) describes organizational culture as the patterns of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people behave and enable things get done. Values refer to what is believed to be important about how people and the organizations behave. Norms are the unwritten rules of behavior. Some examples of culture are as follows: Communications, Performance feedback, Concern for employee welfare, Quality, Flexibility etc. A performance based organizational culture is required. This should be well supported by organizational structures, processes, resources and authority systems that are designed to optimize the performance of all employees. With this organizational culture that is continuous and evolutionary, it is believed that performance improves over time (Price 1997). An example of a firm that used its culture to develop a strong performance management culture is PowerGen and Cuba Geigy as shown overleaf in Table 2 (Sparrow and Hilltrop 1994).

**Table 2: Elements Of A Performance Management Culture At Powergen**

- |   |   |
|---|---|
| 1. Ensures that corporate culture is characterized as one where striving for continuous improvement is the norm.                                    | 3. Facilitates continuous improvement of individual performance against key corporate objectives and leadership practices.    |
| 2. Cascades a clear understanding of what has to be achieved by each individual and the manner in which it is to be achieved down the organization. | 4. Devolves, performance improvement responsibility and accountability to individual managers (rather than the HRM function). |

*Source: Philpott and Sheppard 1992 by: Sparrow P. & Hilltop J.M (1994) European Human Resource Management, Prentice Hall Europe*

### **Team Performance**

Njagi (2003) observed that team performance is an important element of the performance management system. A team here is defined as a small number of people with complimentary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable (Amimo 2003). Team working encourages the pooling of ideas and improving working processes. Teamwork supports the process of synergism. Synergy being defined as the process where the whole is greater than the sum of its parts (Covey 1996). Synergy takes place when two or more people produce more together than the sum of what they could have produced separately. Pastor Jesse Kamau during Teamwork Workshop held in April 2006 at Lukenya with Rusinga School concurred with Andrew Carnegie's definition of teamwork i.e. "Teamwork is the ability to work together towards a common vision. The ability to direct individual accomplishments towards organizational objectives. It is the fuel that allows common people to attain uncommon results."



## **Performance Indicators And Standards**

In establishing the performance indicators and standards the following elements need to be put into consideration: performance standards, performance measures, methods of measuring results, sources of performance information, performance reviews, preparation for feedback sessions and conducting the feedback session. The following section will explain the above in greater detail.

### **Performance Standard**

A performance standard can be defined as a statement of the conditions that exist when a job is being performed effectively. The performance standards usually remain relatively the same as the task remains the same. The performance standard should be stated in such a way, that it is specific and observable. The standards should preferably be in quantifiable terms e.g. speed of response. Where this is not possible a qualitative approach may have to be adopted e.g. this job or task will have been well done if a specific outcome is obtained (Armstrong 2003). The performance standards should be clearly outlined in job descriptions and should be communicated to the new employees during induction and socialization (Marchington and Wilkinson 2004). The job descriptions are reviewed regularly as the job changes, and are also agreed between the manager and the subordinates (Foot and Hook 1996).

### **Performance Measures**

Performance measures provide evidence of the extent to which the jobholders have produced the intended results. This is the basis for providing feedback for both the managers and individuals to monitor their own performance. Armstrong (2003) suggested the following as a guide for defining performance measures: measures should relate to results not efforts, the results must be within the jobholder's control, measures should be objective and observable and can be defined in terms of finance, output, impact on internal and external customers, time etc, data must be available for management and existing measures should be used or adapted wherever possible.

Performance measures should be agreed upon among all critical parties and should be based on the business objectives. What is to be performed and measures and

assessments of all performance should be against the jointly agreed goals. It should apply to all staff. A working environment should also be created that is conducive to successful performance. Finally there should be an effective way to measure the desired performance.

### Methods for Measuring Results

There are various methods that can be used for measuring results such as making comparisons using simple ranking, paired-comparison, rating individuals e.g. graphic rating scale, mixed-standard scales, critical –incident method, behaviorally anchored rating scale (BARS), management by objectives (MBO), and total quality management (TQM). Table 3 shows the distinctions of the various approaches to performance measurements in terms of fit with strategy, validity, reliability, acceptability and specificity.

Method	Fit with strategy	Validity	Reliability	Acceptability	Specificity
Ranking	Very high	Low	High	High	High
Paired-comparison	High	Low	High	High	High
Graphic rating scale	High	Low	High	High	High
Mixed-standard scales	High	Low	High	High	High
Critical –incident method	High	Low	High	High	High
Behaviorally anchored rating scale (BARS)	High	Low	High	High	High
Management by objectives (MBO)	High	Low	High	High	High
Total quality management (TQM)	High	Low	High	High	High

See R.L. Hackman, J.R. Gerhart B and Wageman J.M (1994) *Fundamentals of Human Resource Management*, The McGraw-Hill Companies

From the above table (See Hackman, Gerhart and Wageman 1994) it can be seen that graphic rating scale were best as response from the other kinds, were easier to look at and observations could not were the responsibility to managers and employees alike. The Total quality management was superior in finding the causes of problems, increasing

**Table 3: Basic Approaches To Performance Measurement**

Criteria					
Approach	Fit With Strategy	Validity	Reliability	Acceptability	Specificity
Comparative	Poor, unless Manager takes time to make link.	Can be high if ratings are done carefully.	Depends on rater, but usually no measure of agreement used.	Moderate, easy to develop and use but resistant to normative standard.	Very low.
Attribute	Usually low, requires Manager to make link.	Usually low, can be fine if developed carefully.	Usually low, can be improved by specific definitions of attributes.	High, easy to develop and use.	Very low.
Behavioral	Can be quite high.	Usually high minimizes contamination and deficiency.	Usually high.	Moderate, difficult to develop, but accepted well for use.	Very high
Results	Very high.	Usually high, can be both contaminated and deficient.	High main problem can be test-retest depends on timing of measure.	High, usually developed with input from those to be evaluated.	High regarding results, but low regarding behaviors necessary to achieve them.
Quality	Very high.	High, but can be both contaminated and deficient.	High	High, usually developed with input from those to be evaluated.	High regarding results, but low regarding behaviors necessary to achieve them.

*Noe R.A, Hollenbeck J.R, Gerhart B and Wright P.M (2004) Fundamentals Of Human Resource Management, The McGraw-Hill Companies*

From the above table (Noe, Hollenbeck, Gerhart and Wright 2004) observed that measurements of results were less subjective than the other kinds, were easier to link to the organizations goals and were highly acceptable to managers and employees alike. The Total quality management was needful in finding the causes of problems, measures

of performance or relationships between work-related variables. It was therefore useful in avoiding problem areas and solving problems. A description of Management by objectives and Total quality management measures are as follows:

**Management by objectives (MBO):** This method falls under the criteria of results performance measurement. This is a system in which people at each level of the organization set goals in a process that flows from top to bottom, so employees at all levels are contributing to the organizations overall goals. These goals become the standards for evaluating each employee's performance. (Noe, Hollenbeck, Gerhart, Wright 2004). MBO has the following essential elements and key stages as outlined by Price (1997): Goal setting, Action planning, Self-control and Periodic reviews

**Total Quality Management (TQM):** This method falls under the criteria of quality performance measurement. It measures both individual performance and the system within which the individual works. This assessment is a process through which employees and their customers work together to set standards and measure performance, with the overall goal being to improve customer satisfaction. Here the employee's customers may be inside or outside the organization, a customer being whoever consumes the goods and services produced by the employees. The feedback aims at helping employees continuously improve the satisfaction of their customers. It is also aimed at avoiding pitfalls of rating individuals on outcomes e.g. sales or profits over which the employees do not have complete control. (Noe, Hollenbeck, Gerhart and Wright 2004)

### Sources Of Performance Information

There are various sources of performance information such as managers, peers, subordinates, self and customers. Using just one person as a source of information poses certain problems. People tend to be subjective by liking some people more than others, and those feelings can bias how employees' efforts are perceived. One person is also likely to see an employee in a limited number of situations. In order to get as complete an assessment as possible, Nyambega (2005) recommend the 360-degree performance appraisal. This combines information from the employee's managers, peers, subordinates, self and customers. He quotes the Bible from the book of Proverbs 11:14 which states the

'Where there is no guidance, the people fall, but in abundance of counselors there is victory.'

## **Performance Reviews**

The performance reviews includes the Continuous ongoing reviews and the Formal approval or review. Continuous reviews are informal meetings that take place throughout the year. They involve the manager, employee and the team. The aim is to enable the employees and team to focus on developmental issues that are related to the set objectives and standards. Through these meetings the employee is supported during the implementation stage and problems can be arrested before they get out of hand. According to Nyambegera (2005) the feedback can be very brief for instance 'Good job' or more detailed for instance 'You're working too fast, slow down'. These meetings also help ensure that there are no surprises at the formal review.

Formal Reviews usually take place annually and its key objectives are: measurements of results against targets, feedback of employees' performance, positive reinforcement of the employee, exchange of views which is free and frank, agreement on action plan for the future.

## **Preparing For Performance Reviews**

Both the manager and employee should be well prepared for the feedback session. The manager should create the right contact and location for the meeting in order to create the right atmosphere for the meeting. The employee should complete a self-assessment ahead of time. The self-assessment requires employees to think about their performance over the past rating period and to be aware of their strengths and weaknesses so that they can participate more fully in the discussion.

## **Conducting The Feedback Session**

During the feedback session, the managers should adopt the joint problem solving interview style. This is sometimes referred to as 'counseling'. Here the managers and employees work together to solve performance problems in an atmosphere

of respect and encouragement (Noe, Hollenbeck, Gerhart and Wright 2004). Here the manager indicates he or she is willing to listen to all problems put forward by the individual and in return, the employee listens to the performance problems the manager's wishes to rise.

### **Performance Improvement Programmes**

This are aimed at finding solutions to performance problems. According to Weigtman (1999) where a gap has been established between the required and actual performance, steps need to be taken to find the reasons for the gap. Noe, Hollenbeck, Gerhart and Wright (2004) suggest that performance problems stem from the employees' levels of ability and motivation. Generally the performance problems can be categorized into four groups which all need different improvement programmes. They are as follows: low ability and high motivation, low ability and low motivation, high ability and low motivation, and finally high ability and high motivation. The problems are explained below.

**Low Ability And High Motivation:** Sometimes lack of ability is an issue when an employee is new on the jobs or where the job has changed. In the case where a motivated employee lacks knowledge, skills or abilities, the deficiency could be removed through coaching, training, feedback, restructuring job assignment and goal setting.

Coaching is a person-to-person technique designed to develop individual skills, knowledge and attitudes. It is most effective if it takes place informally as part of the normal process of management or team leadership. It includes effective feedback controlled delegation using whatever situation may arise as learning opportunity and providing guidance on how to carry out specific tasks with the aim of helping the employee learn (Noe, Hollenbeck, Gerhart and Wright 2004).

Training is a planned continuous effort by management to improve employee competency levels and organizational performance at their present jobs. Feedback is where more detailed feedback is provided for the employee on how they are progressing on a job against the set standards (Noe, Hollenbeck, Gerhart and Wright 2004).

Restructuring job assignment is done so that the demands of the job no longer exceed the employee's abilities whereas goal setting is where the manager and employee set the goals together (Noe, Hollenbeck, Gerhart and Wright 2004).

**High Ability And Low Motivation:** In the case where an employee has high ability but low motivation, the deficiency could be removed through fair treatment and adequate reward, counseling career management and stress management.

Fair treatment and adequate reward is where the employee is treated fairly, rewarded adequately and given more positive feedback i.e. praising (Noe, Hollenbeck, Gerhart and Wright 2004).

Counseling is where managers use listening skills as part of their daily work. Organizations may avail professional counseling services for more personal and / deep seated problems e.g. issues of child care, family responsibilities, alcohol and drug abuse, depression brought about by changes in life stage e.t.c. (Marchington and Wilkinson 2004).

Career Management consists of the processes of career planning and management succession. Career planning shapes the progression of individuals within an organization in accordance with assessments of organizational needs and the performance, potential and preferences of individual members of the enterprise. Management succession planning takes place to ensure that as far as possible the organization has the managers it requires meeting future organisation needs. Stress management involves supporting the employee to effectively manage stress (Noe, Hollenbeck, Gerhart and Wright 2004)

**Low Ability And Low Motivation:** Where the employee's performance is poor because they lack neither the abilities nor motivation to perform the job, then they may not be fit for the position. To help solve this problem the manager could adopt the following measures: providing specific feedback or withholding rewards. Where the employee does not respond by improving their performance then the manager may either demote them or terminate the employment (Noe, Hollenbeck, Gerhart and Wright 2004)

**High Ability And High Motivation:** Where the employees have been high ability and highly motivated then the managers should adopt the following measures in order to retain the good employee: Provide further development opportunities, reward the employee and providing feedback (Noe, Hollenbeck, Gerhart and Wright 2004).

High Motivation	<ul style="list-style-type: none"> <li>• Goal setting</li> <li>• Training or temporary assignment for skill development</li> <li>• Restructured assignment</li> </ul>	<ul style="list-style-type: none"> <li>• Provide honest, direct feedback</li> <li>• Provide development opportunities</li> </ul>
Low Motivation	<ul style="list-style-type: none"> <li>• Withholding pay increase</li> <li>• Demotion</li> <li>• Displacement</li> <li>• Firing</li> <li>• Specific, direct feedback on performance problems</li> </ul>	<ul style="list-style-type: none"> <li>• Give honest, direct feedback</li> <li>• Provide counseling</li> <li>• Use team building and conflict resolution</li> <li>• Link rewards to performance outcomes</li> <li>• Offer training for needed knowledge or skills</li> <li>• Manage stress levels</li> </ul>

Noe B., Hollenbeck J.R., Gerhart B and Wright P.M (2004) *Fundamentals Of Human Resource Management, The McGraw-Hill Companies*

From Table 4 above it is evident that the methods used to solve the performance problem all depend on the type of the problem (Noe, Hollenbeck, Gerhart and Wright 2004).

**Pay Review:**

There has been a lot of controversy on linking the performance appraisal to pay. Linking performance to pay brings about the potential conflict between the need for employees to self-ratify about their performance and reluctance to do so because it will penalize their pay award. Some organizations therefore opt to conduct performance appraisal interviews and performance-related interviews separately in order to minimize the effects of pay and Hesk (1967), Arnold (2003) suggests creating Armstrong and Moore (1998) that the pay should be linked directly to performance. This is because the objective of pay for performance is to improve individual, team and organizational performance by helping the employee to become more conscious of their performance.



**TABLE 4: Improving Performance Ability**

	Low	High
High Motivation	<p>Misdirected effort</p> <ul style="list-style-type: none"> <li>• Coaching</li> <li>• Frequent performance feedback</li> <li>• Goal setting</li> <li>• Training or temporary assignment for skill development.</li> <li>• Restructured job assignment</li> </ul>	<p>Solid performers</p> <ul style="list-style-type: none"> <li>• Reward good performance</li> <li>• Identify development opportunities</li> <li>• Provide honest, direct feedback.</li> </ul>
Low Motivation	<p>Deadwood</p> <ul style="list-style-type: none"> <li>• Withholding pay increase</li> <li>• Demotion</li> <li>• Outplacement</li> <li>• Firing</li> <li>• Specific, direct feedback on performance problems</li> </ul>	<p>Under utilizes</p> <ul style="list-style-type: none"> <li>• Give honest, direct feedback</li> <li>• Provide counseling</li> <li>• Use team building and conflict resolution</li> <li>• Link rewards to performance outcomes.</li> <li>• Offer training for needed knowledge or skills.</li> <li>• Manage stress levels</li> </ul>

Noe R.A, Hollenbeck J.R, Gerhart B and Wright P.M (2004) *Fundamentals Of Human Resource Management, The McGraw-Hill Companies*

From Table 4 above it is evident that the methods used to solve the performance problem will depend on the type of the problem (Noe, Hollenbeck, Gerhart and Wright 2004).

### Pay Reviews

There has been a lot of controversy on linking the performance appraisal to pay. Relating performance to pay brings about the potential conflict between the need for employees to talk frankly about their performance and reluctance to do so because it will jeopardize their pay award. Some organizations therefore opt to conduct performance development interviews and performance reward interviews separately in order to minimize the effects (Foot and Hook 1996). Atandi (2003) suggests quoting Armstrong and Murlis (1998) that the pay should be linked directly to performance. This is because the objective of pay for performance is to improve individual, team and organizational performance by helping the employee's focuses on the elements of their performance.

which delivers organizational success. Efforts are therefore directed where they are needed (Atandi 2003).

### 2.3 Perceptions

Perception can be defined as the process by which an individual selects, organizes sensory information and interprets information inputs to create a meaningful picture of the world (Wikipedia 2006) Information flows through us through any one of our five senses: sight, hearing, smell, touch or taste. Perception depends upon the physical character of the stimuli, the relation of the stimuli to the surrounding field and also on the conditions within the individual. People can have different perceptions of the same stimulus object or situation because of three perceptual processes: selective exposure, selective distortion, and selective retention.

**Selective exposure:** This is where a person is exposed to a tremendous amount of stimuli but only notices stimuli that bears on a current felt need of theirs, or one that they anticipate or one whose change level is large in relation to the normal size of the stimuli.

**Selective distortion:** This is the tendency of people to twist information into personal meaning. People therefore tend to interpret information in a way that will support rather than challenge their preconceptions.

**Selective retention:** This is the tendency of people tend to retain information that supports their attitudes and beliefs (Kotler 1982)

From an individual's continual exposure to a stimulus, learning usually results. Learning can be defined as changes in a person's behaviors resulting from an experience. Learning theorists hold that a person's learning is produced through the interplay of drives, stimuli, cues, responses and reinforcement. Kotler (1982) defines drive as a strong internal stimulus impelling action and cues as minor stimuli that determine when, where and how the person responds. It is from the learning process that beliefs and attitudes are formed. Belief can be defined as a descriptive thought that a person holds about something whereas attitude can be defined as a specific mental state of the individual towards something according to which his behavior towards it is molded (Sharma 1992).

Arising from the above explanation of the nature and characteristics of perceptions one can conclude that perceptions of school managers are likely to influence their understanding of and approach to performance management. Bratton and Gold

(2003) highlighted that in the performance management system the attitudes of management are crucial because they are the key actors in the implementation of the various human resource process.

## 2.6 Summary Of The Literature Review

In conclusion, performance management can be defined as a process designed to improve organizational, team and individual performance. In order to ensure the success of a performance management system, the full support and commitment is required from the line managers, top management and employees i.e. they should all be totally committed to the system. Sparrow and Hilltop (1994) observes the following. The performance Management will essentially be most effective where: line managers own the system, top managers are visibly committed to the system and finally to the greatest possible extent, employees are consulted about the design of the system.

The following elements needs to be adopted in a performance management system in order to ensure its success: development of a mission statement, critical success factors, ethical considerations, legal considerations, organization strategies and objectives, organizational culture/values statements, open communication, independent teams, performance indicators and standards, conduct of performance reviews, pay reviews, performance improvement programmes.

Perception is the process by which an individual selects, organizes sensory information and interprets information inputs to create a meaningful picture of the world. The perceptions of management are crucial because they are the key actors in the implementation of the Performance management system.

## CHAPTER THREE: METHODOLOGY

### 3.1 Introduction

This chapter describes the research methodology that was used in the study. It details the Research design, Population of study, Data collection and the Data analysis.

### 3.2 Research Design

A descriptive design was used because of my intention to collect and use cross-sectional data. The research was aimed at establishing the perceptions of school heads on the following aspects of performance management system: its meaning, its benefits and its main elements.

### 3.3 Population Of Study

The organizational structures for the BNC schools vary but generally consist of the senior management team at the top followed by line managers and finally the employees. The target population consisted of a representative from the senior management team from each BNC School in Nairobi. These are the persons who are responsible for laying down the strategies and policies of their school. The respondent chosen was either the school principal, deputy principal, head of sections or senior school administrators. The list of schools from which the respondents were selected (Appendix 3) was compiled from the Kenya High Commission. The list was however vetted and adjusted to reflect the schools that are currently exclusively providing the British National Curriculum. The census method was used, as there are only sixteen schools in the Nairobi.

### 3.4 Data Collection

Primary data was used. The data was collected by the use of a structured questionnaire and consisted of both open-ended and closed-ended questions. The questionnaire is divided into two parts, Section A and B. Section A seeks background data whereas Section B has questions that focus on the meaning, benefits and the elements of the performance management system. A Likert Scale was used to measure the perceptions of the managers. The items in question 7 in Section B were adapted from e-Competitors (2005), Armstrong

(2003), Noe, Hollenbeck, Gerhart and Wright (2004), Price (1997), Sparrow and Hilltrop (1994), Covey (1996) and Foot and Hook (1996).

### 3.4 Data Analysis

The collected data was analyzed by the use of descriptive statistics, such as means, percentages and frequencies. SPSS package was used for the analysis. Bar charts were used to present the results.

#### 4.2 Perceptions On The Meaning Of Performance Management Systems

As shown in Figure 11, 35% of the respondents were of the opinion that performance management systems are a process designed to improve organizational, team and individual performance, and is owned and driven by line managers. 9% of the respondents saw it as a process designed to improve individual performance that is owned and driven by line managers. 36% stated that it is a process designed to improve the organization. Finally 2% felt that everyone in the organization should own it not just the managers. The results indicate that the majority of the senior managers (55%) do not have the definition of performance management system as a process designed to improve organizational, team and individual performance, which is owned and driven by line managers.

## CHAPTER FOUR: ANALYSIS AND FINDINGS

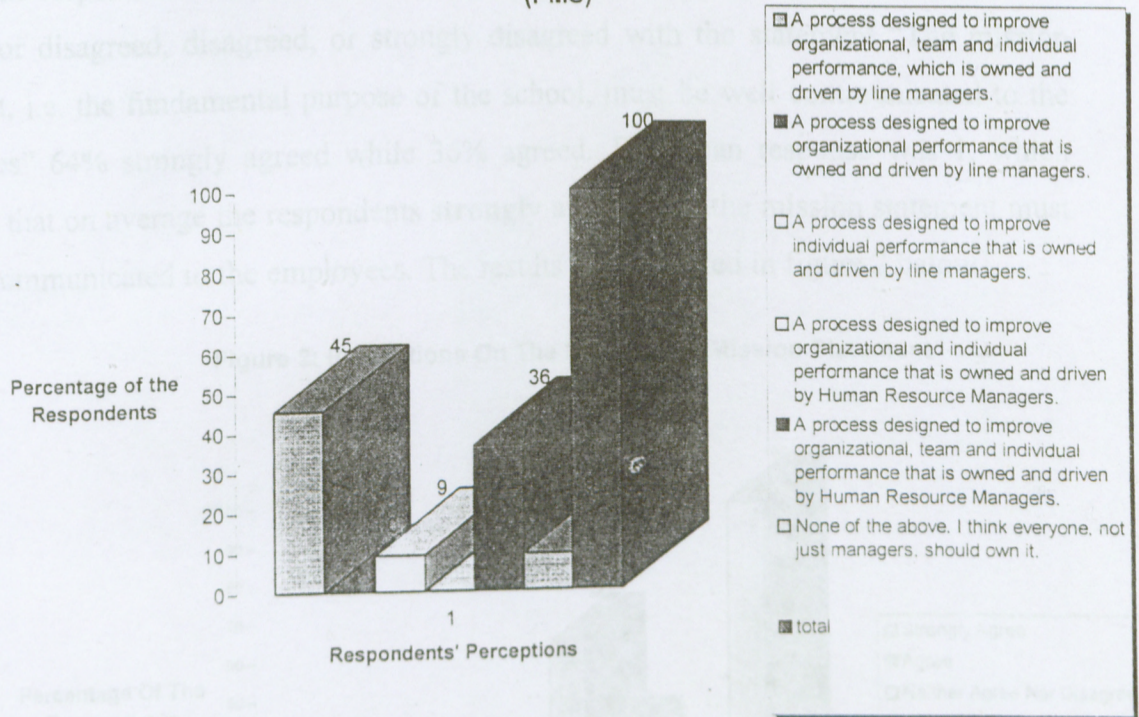
### 4.1 Introduction

This chapter analyses the data on the perceptions of senior managers of BNC schools on the meaning of performance management, benefits of performance management and the elements of the performance management system. Data was obtained from eleven out of sixteen BNC schools in Nairobi. This is 69% of the population.

### 4.2 Perceptions On The Meaning Of Performance Management Systems

As shown in Figure 1, 45% of the respondents were of the opinion that performance management systems are a process designed to improve organizational, team and individual performance, and is owned and driven by line managers. 9% of the respondents saw it as a process designed to improve individual performance that is owned and driven by line managers. 36% stated that it is a process designed to improve the organization. Finally 9% felt that everyone in the organization should own it not just the managers. The results indicate that the majority of the senior managers (55%) do not know the definition of performance management systems: that is, a process designed to improve organizational, team and individual performance, which is owned and driven by line managers.

Figure 1: Perceptions On The Meaning Of Performance Management Systems (PMS)



### 4.3 Perception On The Benefits Of The Performance Management Systems

All the respondents (100%) felt that there are benefits that accrue to organizations that embrace performance management systems.

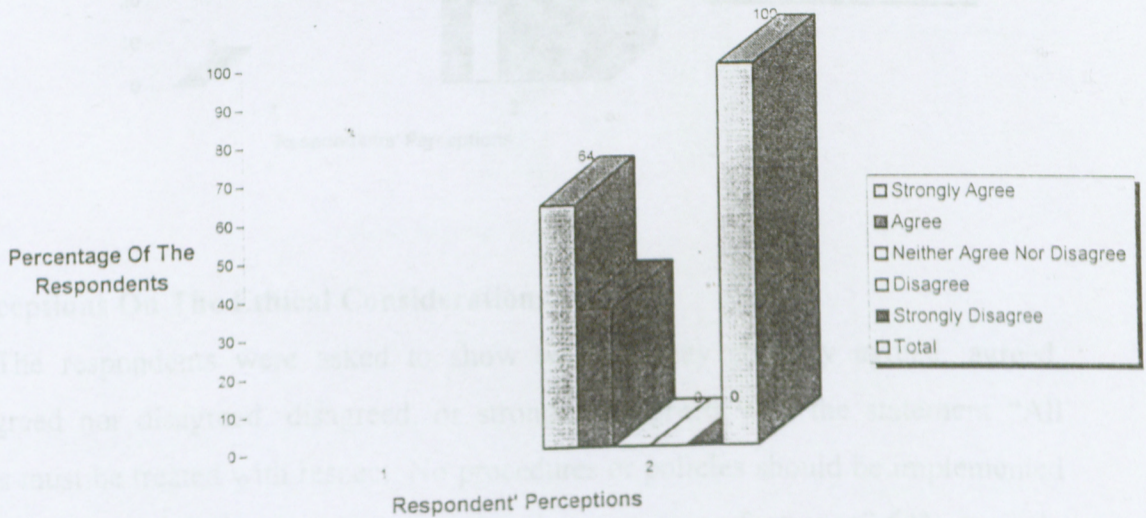
### 4.4 Perceptions On The Elements Of The Performance Management Systems

Twenty-one (21) statements that represent generally accepted elements of performance management systems were presented. They included development of a mission statement, critical success factors, ethical considerations, legal considerations, organization strategies and objectives, open communication, organizational culture/values statements, independent teams, performance indicators and standards, performance improvement programmes and pay reviews. The respondents were asked to indicate the strength of their agreement or disagreement with each statement. The results are presented in figures 2 to 22.

#### 4.4.1 Perceptions On The Need For A Mission Statement

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The mission statement, i.e. the fundamental purpose of the school, must be well communicated to the employees" 64% strongly agreed while 36% agreed. The mean response was 1, which indicates that on average the respondents **strongly agreed** that the mission statement must be well communicated to the employees. The results are presented in figure 2 below.

Figure 2: Perceptions On The Need For A Mission Statement

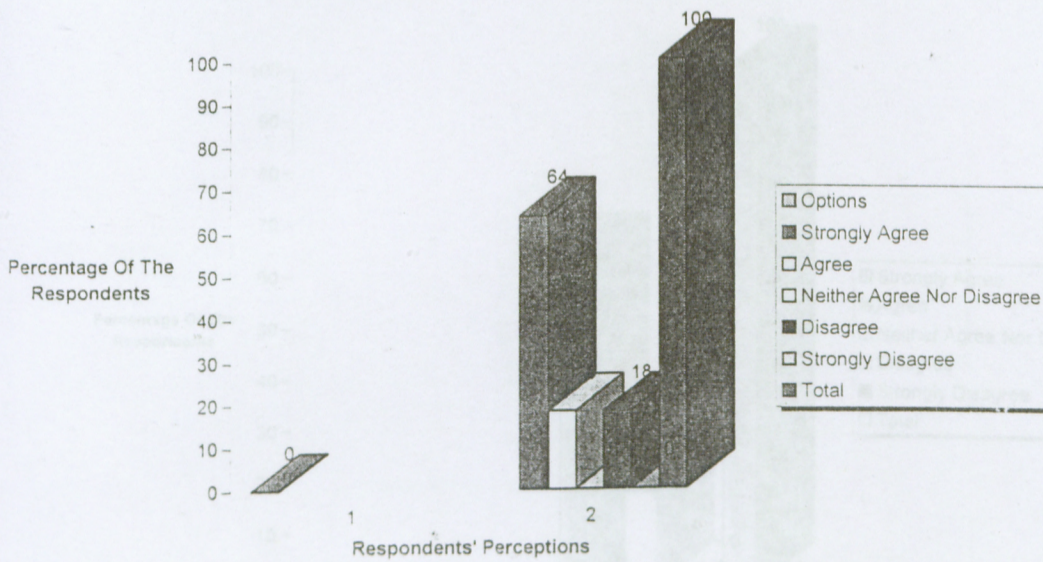


#### 4.4.2 Perceptions On The Critical Success Factors

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "All the employees must be well acquainted with the critical success factors i.e. the key performance areas that enable the school to attain its mission 64% strongly agreed, 18% agreed and another 18% disagreed. The results are presented in Figure 3 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that employees must be acquainted with the critical success factors.



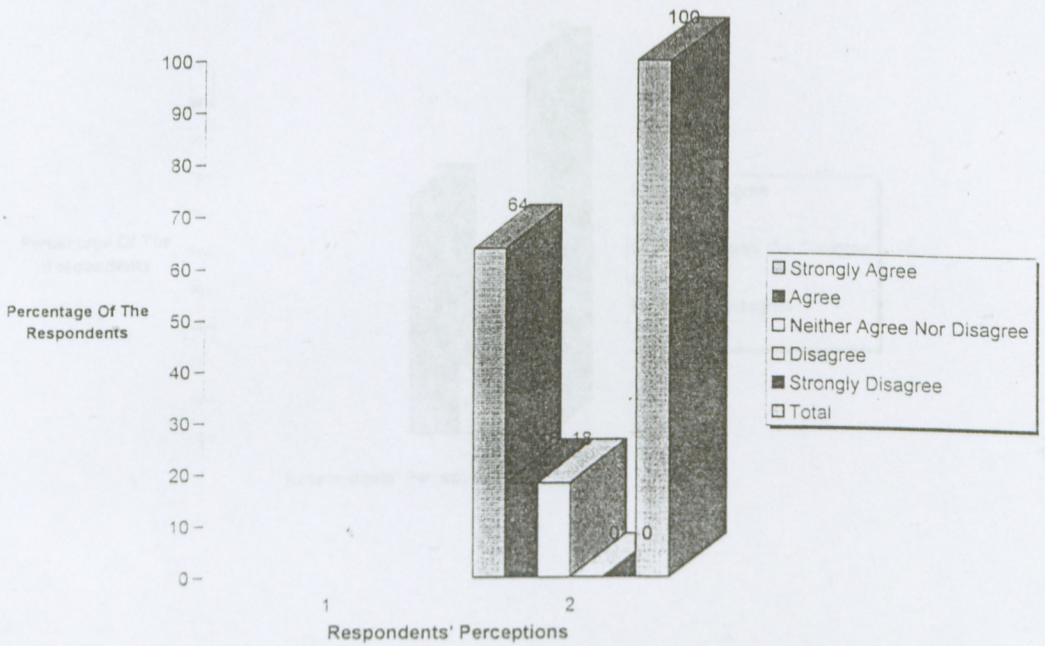
Figure 3: Perceptions On The Critical Success Factors



#### 4.4.3 Perceptions On The Ethical Considerations

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "All employees must be treated with respect. No procedures or policies should be implemented that would adversely affect them in an attempt to improve on performance" 64% strongly agreed, 18% agreed and 18% neither agreed nor disagreed. The results are presented in Figure 4 below. The mean response rate was 2, which indicates that on average the respondents agreed that there should be ethical considerations in the managing of performance.

Figure 4: Perceptions On The Ethical Considerations



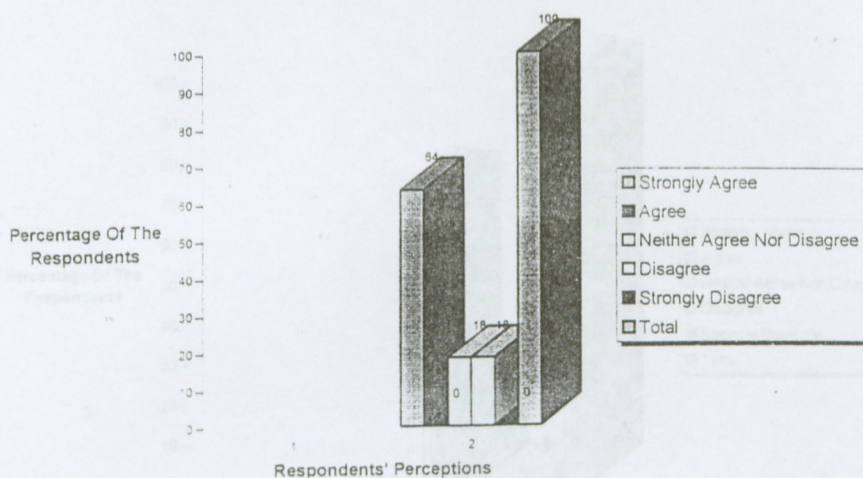
#### 4.4.4 Perceptions On The Organization's Strategies And Objectives

Respondents' views were sought on the following aspects of organization's strategies and objectives: strategies being digital to be critical success factors and

#### 4.4.4 Perceptions On The Legal Considerations

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Legal requirements must be put into consideration in all issues regarding performance improvements" 64% strongly agreed, 18% neither agreed nor disagreed while 18% disagreed. The results are presented in Figure 5 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that there must be legal considerations in the managing of performance.

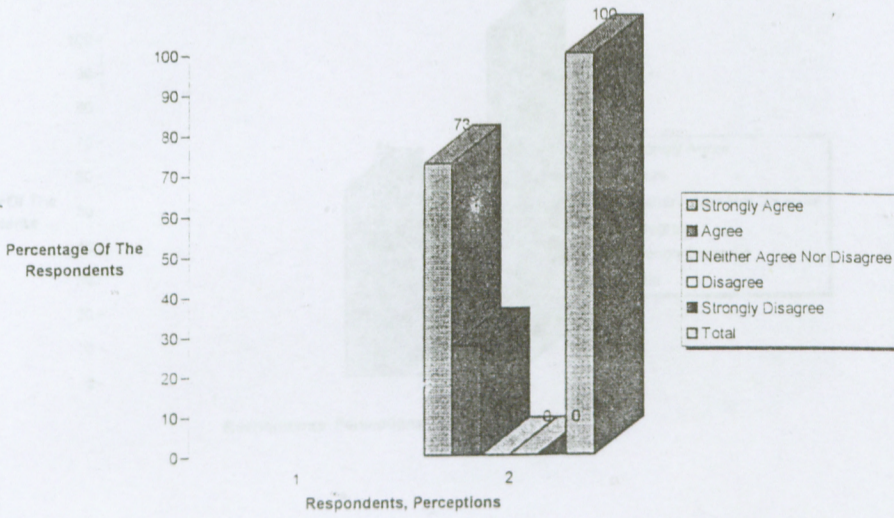
Figure 5: Perceptions On Legal Considerations



#### 4.4.5 Perceptions On The Organization's Strategies And Objectives

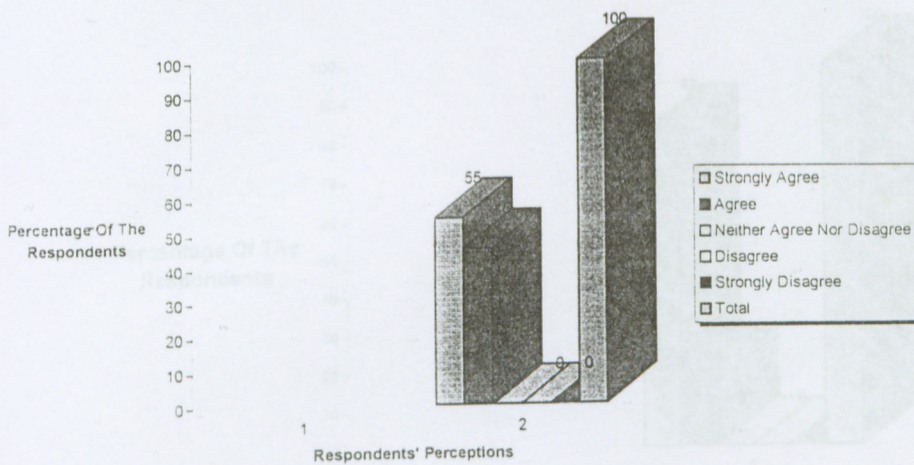
Respondents views were sought on the following aspects of organization's strategies and objectives: strategies being aligned to the critical success factors and employees being well acquainted to the organization's strategies and objectives. The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The strategies/ targets must be well aligned to the Critical Success Factors" 73% strongly agreed while 27% agreed. The results are presented in Figure 6 below. The mean response rate was 1, which indicates that on average the respondents **strongly agreed** that the organizations strategies must be well aligned to the critical success factors.

Figure 6: Perceptions On The Organizational Strategies And Objectives Being Aligned To The Critical Success Factors



The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement “The employees must be well acquainted with the schools strategies/targets and know how they can support them” 55% strongly agreed while 45% agreed. The results are presented in Figure 7 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the employees must be well acquainted to the organization’s strategies and objectives and knows how they can support them.

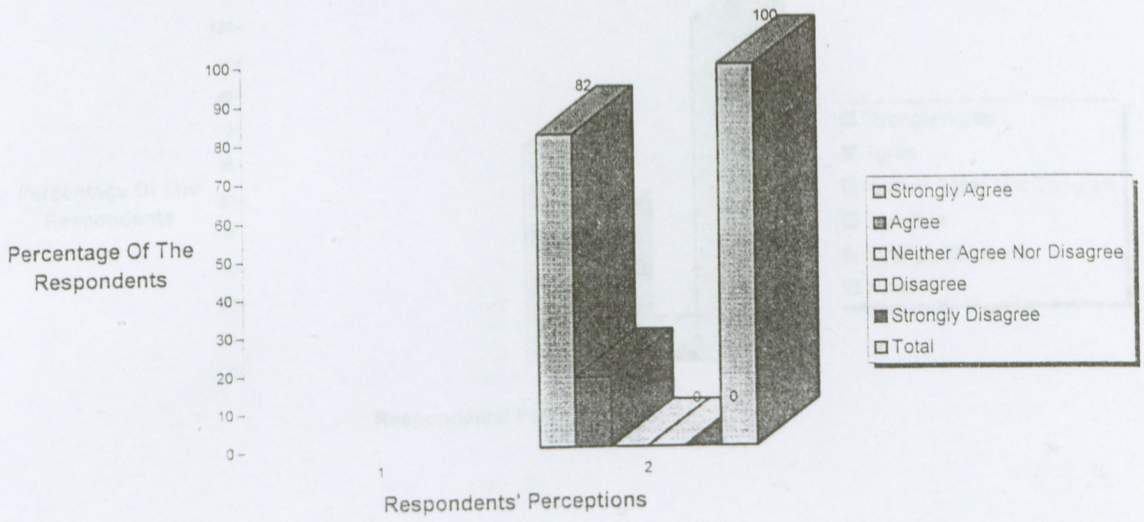
Figure 7: Perceptions Of Employees Being Well Acquainted To Organisation's Strategies and Objectives



#### 4.4.6 Perceptions On The Open Two- Way Communications

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The school must have an open two-way communications system, which relies on cooperation and consensus" 82% strongly agreed whereas 18% agreed. The results are presented in Figure 8 below. The mean response rate was 1, which indicates that on average the respondents **strongly agreed** that the organization must have an open two-way communications systems.

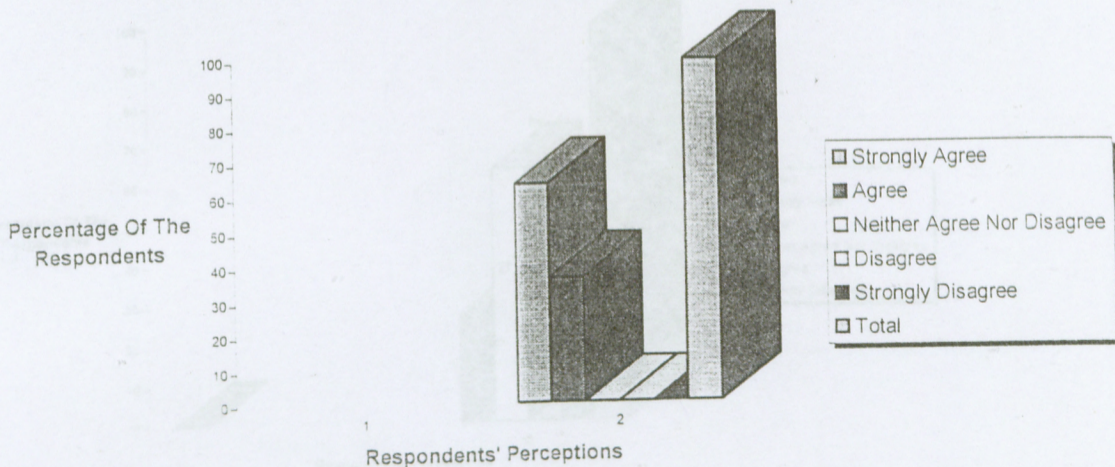
Figure 8: Perceptions On Open Two-Way Communications Systems



#### 4.4.7 Perceptions On The Organizational Cultures/Value Statements

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The school must have a culture based on continuous performance improvement" 64% strongly agreed, while 36% agreed. The results are presented in Figure 9 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the organization must have a culture that is based on continuous performance improvement.

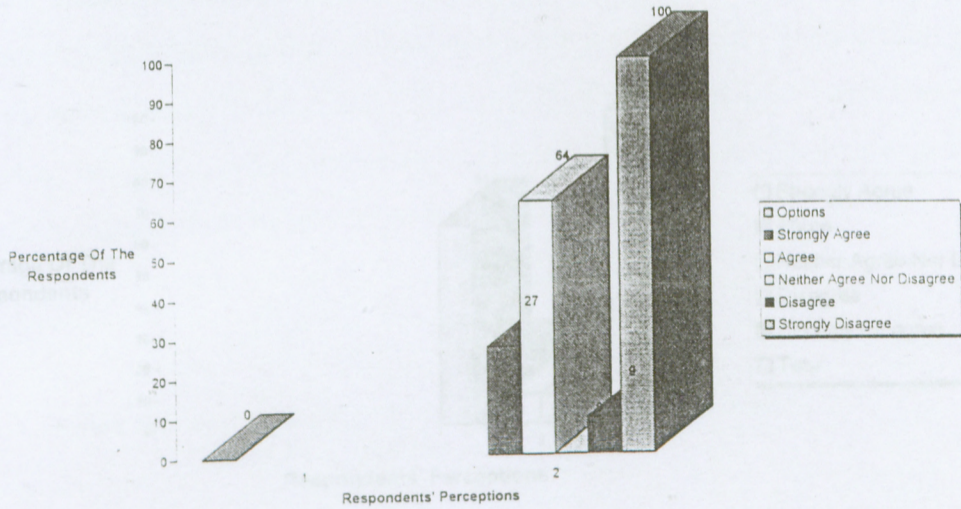
Figure 9: Perceptions On Organisational Culture/Value Statements



#### 4.4.8 Perceptions On The Independent Teams

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Employees must all belong to self-managed teams which have autonomy to make decisions and carry out their tasks within the overall schools' policies" 27% strongly agreed, 64% agreed whereas 9% disagreed. The results are presented in Figure 10 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the employees must all belong to self managed teams.

Figure 10: Perceptions On Independent Teams



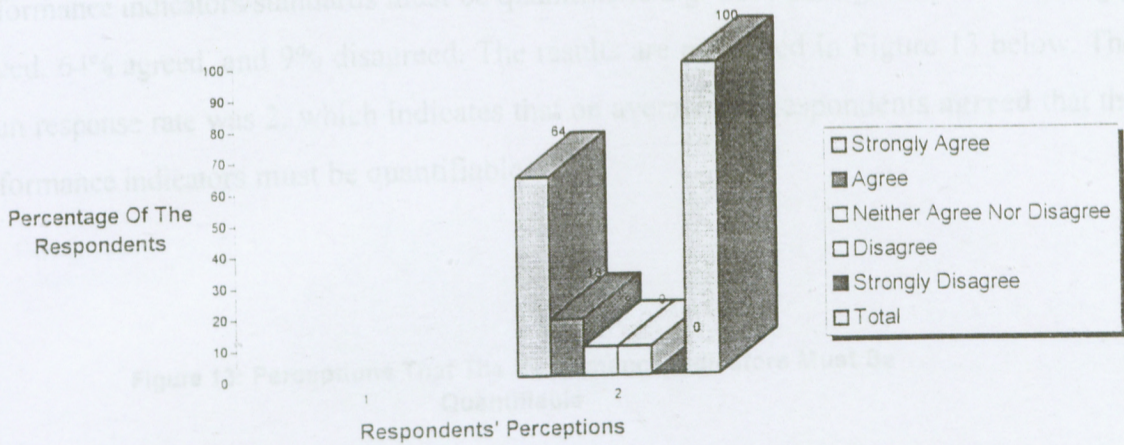
#### 4.4.9 Perceptions On The Performance Indicators and Standards

In the research on the element of performance indicators and standards, the following aspects were investigated: measurable targets and indicators, employees being well acquainted with the performance indicators, performance indicators being quantifiable, methods of measuring results being related to job output, employees receiving feedback on performance, organizational systems being part of the evaluation, 360-degree appraisal method used, continuous reviews throughout the year with one formal yearly review, joint problem solving interview style used in the performance review and employees protected against unfair and bias assessments.

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The employees must all have measurable goals/targets that are aligned to the schools overall mission" 64% strongly agreed, 18% agreed, 9% neither agreed nor disagreed and 9% disagreed. The results are presented in Figure 11 below. The mean response rate was 2, which indicates that on average the respondents agreed that the employees must all have measurable goals/targets that are aligned to the school's overall mission.

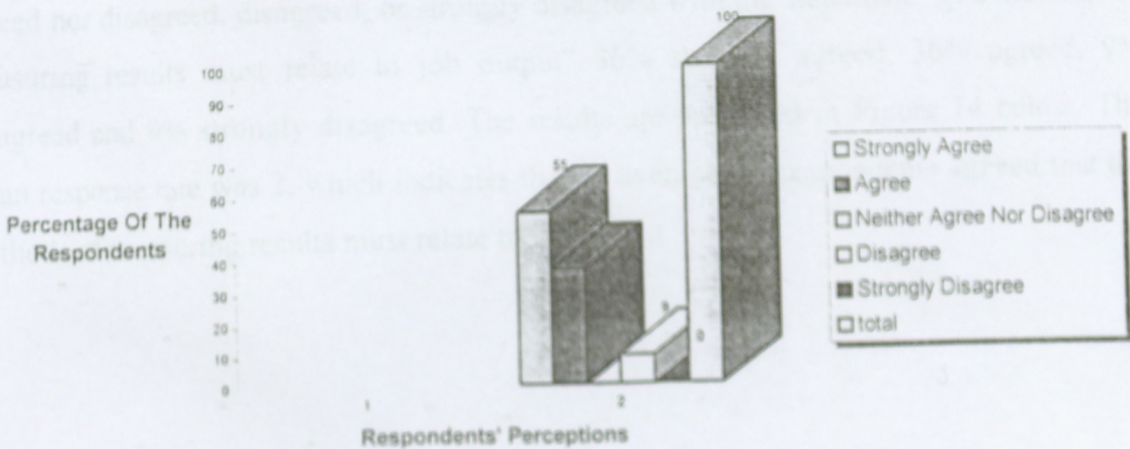


**Figure 11: Perceptions That Employees Must Have Measurable Targets That Are Aligned To The Overall Mission**



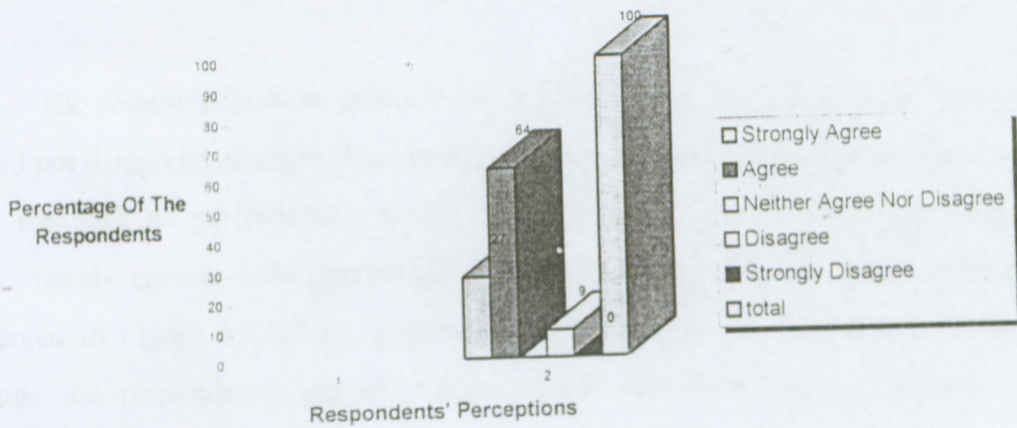
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The employees must be well acquainted with the performance indicators" 55% strongly agreed, 36% agreed, and 9% disagreed. The results are presented in Figure 12 below. The mean response rate was 1, which indicates that on average the respondents **strongly agreed** that the employees must all be acquainted with the performance indicators.

**Figure 12: Perceptions That The Employees Must Be Well Acquainted With The Performance Indicators**



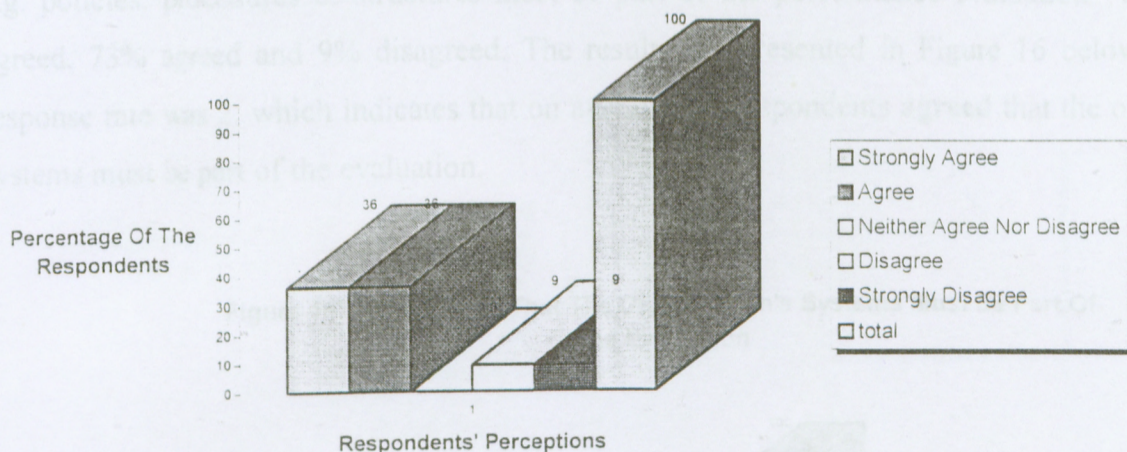
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The performance indicators/standards must be quantifiable e.g. 50% pass grades" 27% strongly agreed, 64% agreed, and 9% disagreed. The results are presented in Figure 13 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the performance indicators must be quantifiable.

Figure 13: Perceptions That The Performance Indicators Must Be Quantifiable



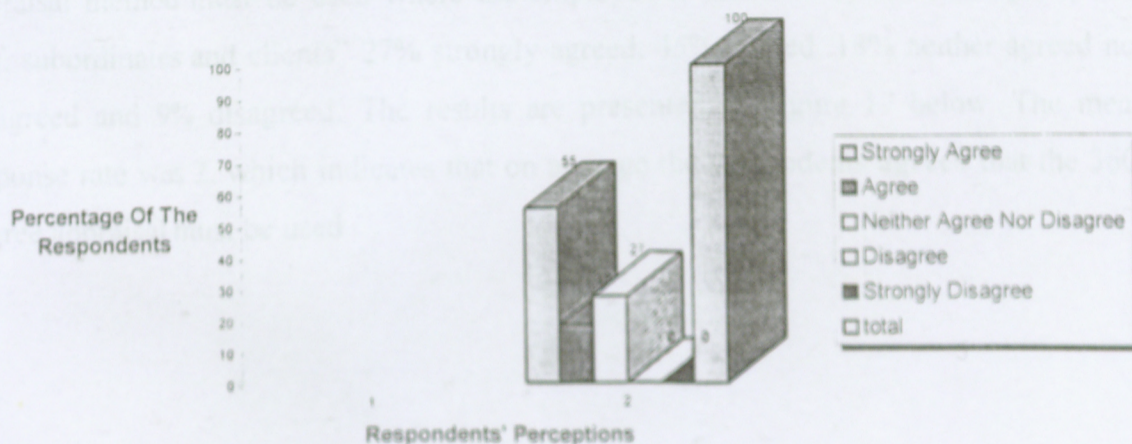
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The methods of measuring results must relate to job output" 36% strongly agreed, 36% agreed, 9% disagreed and 9% strongly disagreed. The results are presented in Figure 14 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the methods of measuring results must relate to job output.

Figure 14: Perceptions That Methods Of Measuring Results Must Relate To Job Output



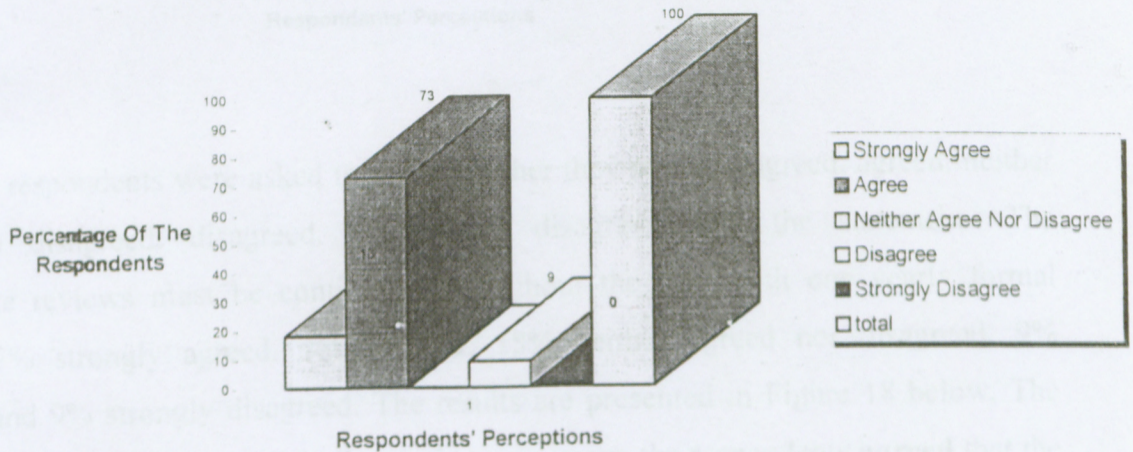
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Employees must have feedback on performance, salary determination criteria, training opportunities etc" 55% strongly agreed, 18% agreed and 27% neither agreed nor disagreed. The results are presented in Figure 15 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the employees must receive feedback on their performance.

Figure 15: Perceptions That Employees Must Receive Feedback On Their Performance



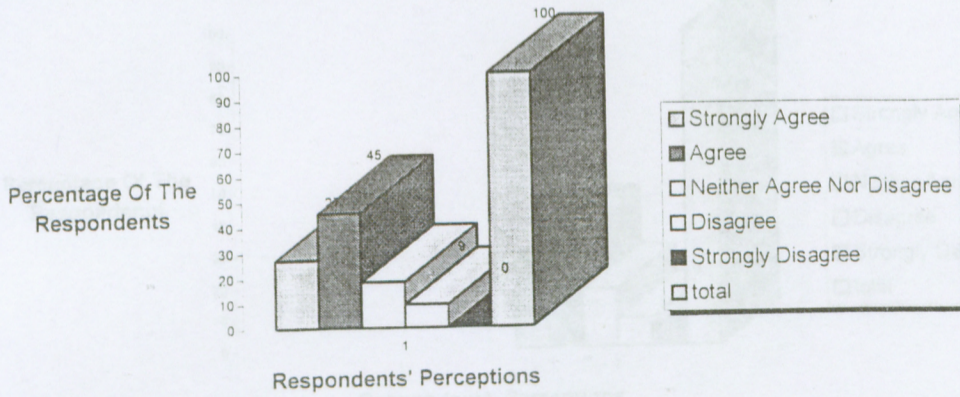
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The organizations systems e.g. policies, procedures & structures must be part of the performance evaluation" 18% strongly agreed, 73% agreed and 9% disagreed. The results are presented in Figure 16 below. The mean response rate was 2, which indicates that on average the respondents agreed that the organization's systems must be part of the evaluation.

Figure 16: Perceptions That The Organisation's Systems Must Be Part Of The Evaluation



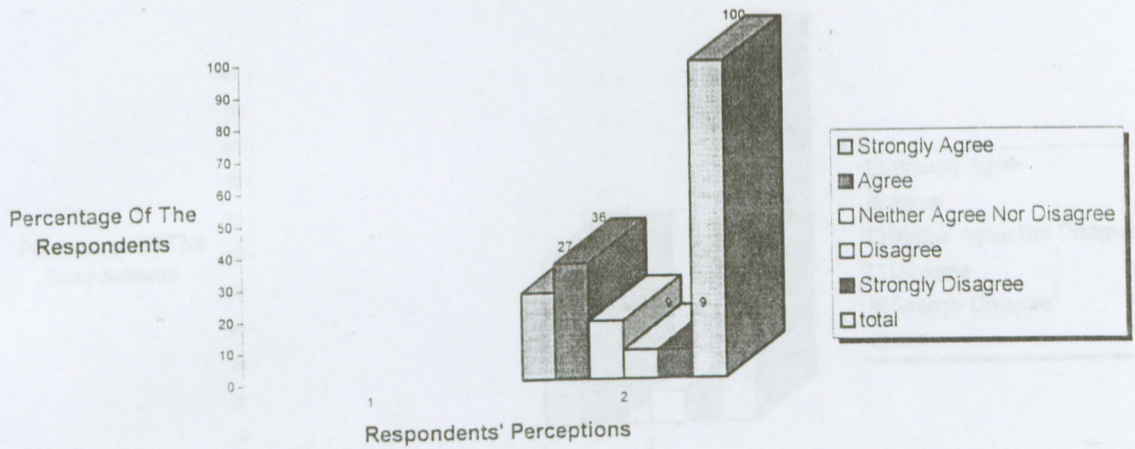
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The 360 degree appraisal method must be used where the employee is assessed by line manager, peers, self, subordinates and clients" 27% strongly agreed, 45% agreed, 18% neither agreed nor disagreed and 9% disagreed. The results are presented in Figure 17 below. The mean response rate was 2, which indicates that on average the respondents agreed that the 360-degree appraisal must be used.

Figure 17 : Perceptions That The 360-degree Appraisal Method Must Be Used



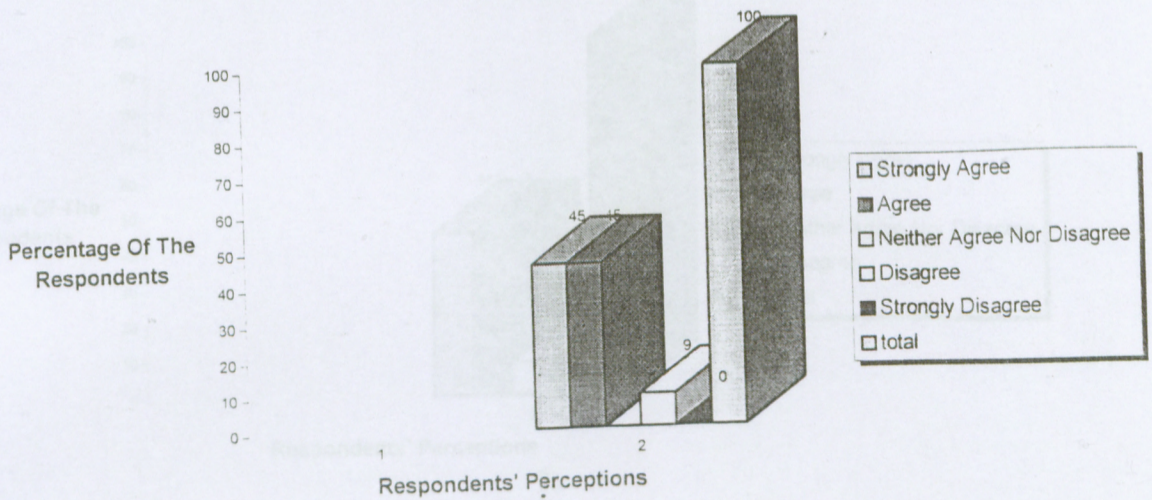
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "The performance reviews must be continuous throughout the year with one yearly formal review" 27% strongly agreed, 36% agreed, 18% neither agreed nor disagreed, 9% disagreed and 9% strongly disagreed. The results are presented in Figure 18 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the performance review must be continuous throughout the year with one yearly formal review.

Figure 18: Perceptions On Continuous Yearly Reviews With One Formal Yearly Review



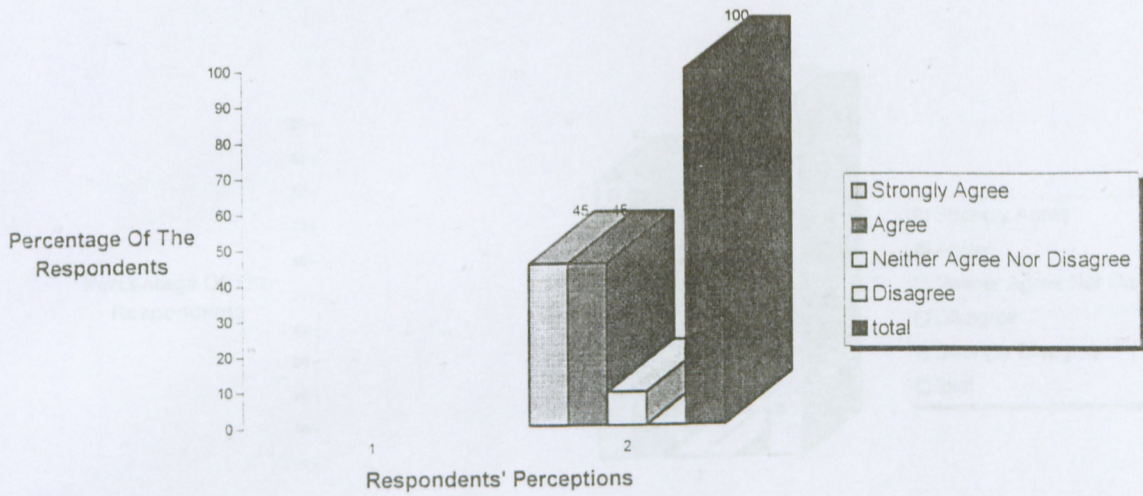
The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Joint problem solving interview style must be used in the performance review. This involves honest discussions and the employee and manager are involved in solving of the performance problem" 45% strongly agreed, 45% agreed and 9% disagreed. The results are presented in Figure 19 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that joint problem solving interview style must be used in the performance reviews.

Figure 19: Perceptions On Joint Problem Solving Interview Style In The Performance Reviews



The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Employees are protected from unfair and bias performance assessments and have a provision to appeal against performance ratings" 45% strongly agreed, 45% agreed and 9% neither agreed nor disagreed. The results are presented in Figure 20 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that employees must be protected from unfair and bias performance assessments with provisions made for appeal against the performance ratings.

**Figure 20: Perceptions On Employees Protection Against Unfair And Bias Performance Assessments**



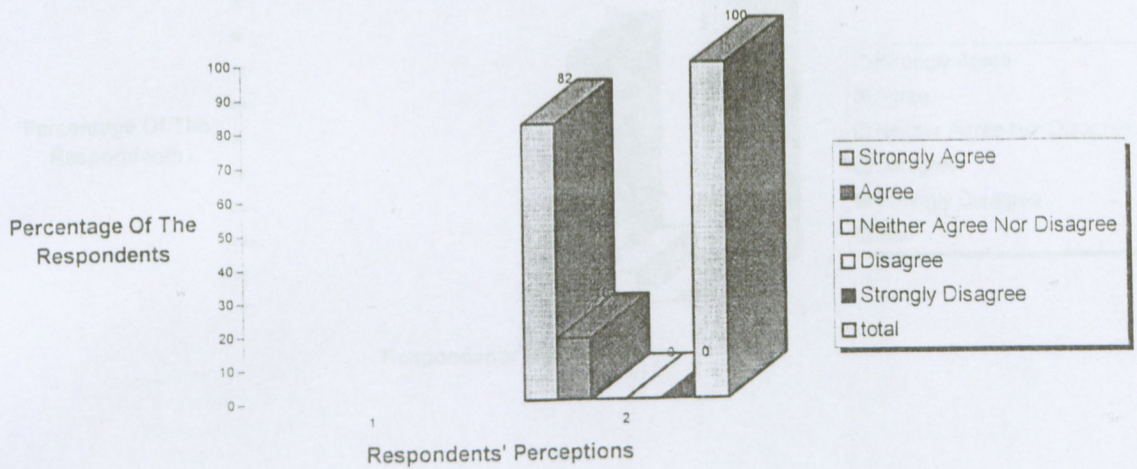
#### 4.4.10 Perceptions On The Performance Improvement programmes

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Managers must be well trained in dealing with performance problems" 82% strongly agreed and 18% agreed. The results are presented in Figure 21 below. The mean response rate was 1, which indicates that on average the respondents **strongly agreed** that the managers must be well trained in dealing with performance problems.



Figure 22: Perceptions On Pay Reviews Being Linked To Performance

Figure 21: Perceptions On Performance Improvement Programmes



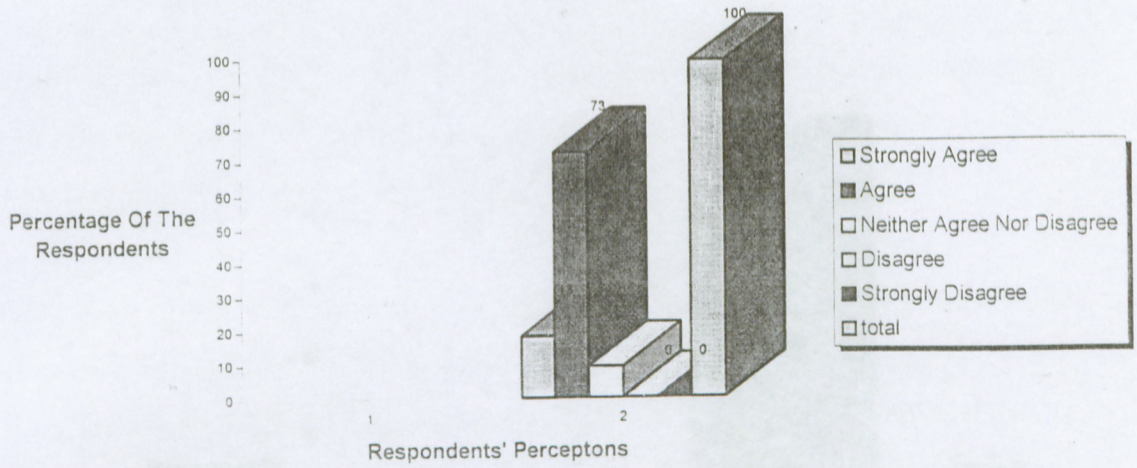
#### 4.3 Provision Of Human Resources Department In The Schools

The results were as follows regarding the provision of a human resources department in

##### 4.4.1 Perceptions On The Pay Reviews Being Directly Linked To Performance

The respondents were asked to show whether they strongly agreed, agreed, neither agreed nor disagreed, disagreed, or strongly disagreed with the statement "Pay adjustments must be directly linked to performance". 18% strongly agreed and 73% and 9% neither agreed nor agreed. The results are presented in Figure 22 below. The mean response rate was 2, which indicates that on average the respondents **agreed** that the pay reviews must be linked to performance.

Figure 22: Perceptions On Pay Reviews Being Linked To Performance



#### 4.5 Provision Of Human Resources Department In The Schools

The results were as follows regarding the provision of a human resources department in the school: 20% of the schools had a human resource department whereas 80% did not have one. The results are presented in Figure 22 below.

Figure 23: Provision Of A Human Resource Department In The School

5.1 Introduction

In this chapter the following will be discussed: conclusions drawn from the analysis of the perception of senior managers of performance management systems, recommendations for the schools and finally the limitations of the study.

5.2 Conclusions From The Data Analysis On The Perceptions Of Senior Management On Performance Management Systems

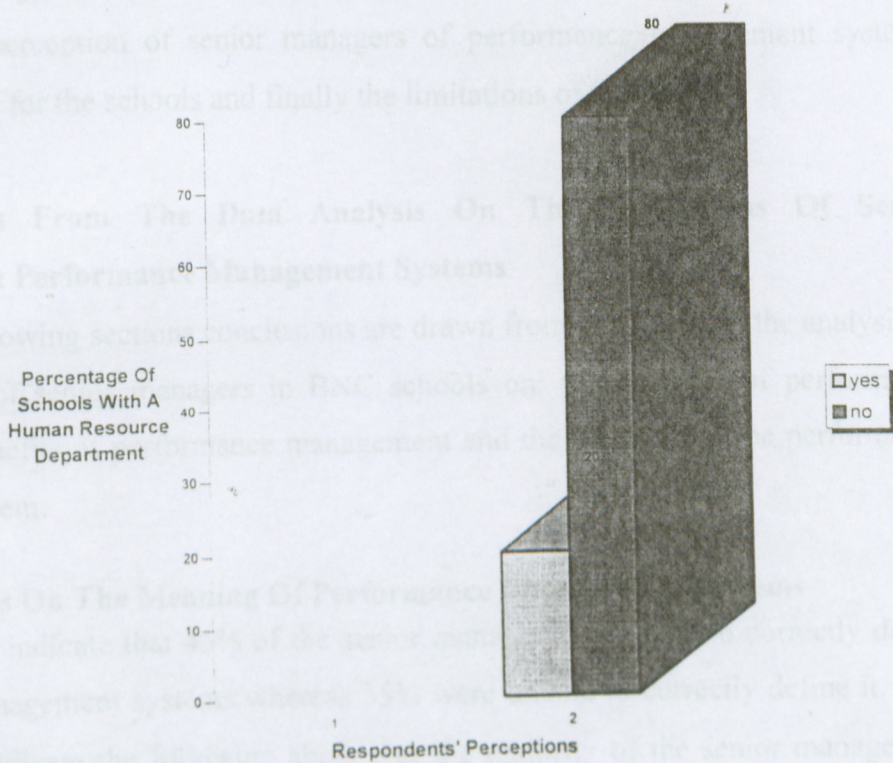
In the following section conclusions are drawn from the analysis on the perceptions of senior managers in BNC schools on the provision of a human resource management, performance management and appraisal systems.

5.2.1 Perceptions On The Meaning Of Performance Management Systems

The results indicate that 20% of the senior managers in BNC schools correctly define performance management systems, whereas 80% were not able to correctly define it. This analysis could indicate the following: as a result of the school managers in BNC schools in Nigeria that are not aware of the content in the Appraisal Regulation that was introduced in the UK schools in 2000 that has set guidelines for Performance management, they have not received professional services from Human resource specialists in the area of performance management, or they do not interact with managers from other industries and businesses on the new management practices.

5.2.2 Perceptions On The Benefits Of Performance Management Systems

All the respondents (100%) felt that there are benefits that accrue to organizations that embrace performance management systems. This could indicate that with more training on the recent principles of performance management and training of managers on the same, the schools would benefit from performance management systems if they were fully implemented.



## CHAPTER FIVE: SUMMARY AND CONCLUSIONS

### 5.1 Introduction

In this chapter the following will be discussed: conclusions drawn from the analysis of the perception of senior managers of performance management systems, recommendations for the schools and finally the limitations of the study.

### 5.2 Conclusions From The Data Analysis On The Perceptions Of Senior Management On Performance Management Systems

In the following sections conclusions are drawn from the results of the analysis on the perceptions of senior managers in BNC schools on: the meaning of performance management, benefits of performance management and the elements of the performance management system.

#### 5.2.1 Perceptions On The Meaning Of Performance Management Systems

The results indicate that 45% of the senior managers were able to correctly define performance management systems whereas 55% were unable to correctly define it. This analysis could indicate the following about that the majority of the senior managers in BNC schools in Nairobi: they are not aware of the contents in the Appraisal Regulation that was introduced in the UK schools in 2000 that has set guidelines for Performance management, they have not received professional services from Human resource specialists in the area of performance management, or they do not interact with managers from other industries and benchmark on the best management practices.

#### 5.2.2 Perceptions On The Benefits Of Performance Management Systems

All the respondents (100%) felt that there are benefits that accrue to organizations that embrace performance management systems. This could indicate that with more exposure on the elements/principles of performance management and training of managers on the same, the schools would ultimately benefit from performance management systems if they successfully implemented it.

### **5.3.2 Refer To The Teacher Net Website**

The senior managers should also study the materials in the TeacherNet website with emphasis on the articles on performance management. In this site the senior managers will find information on the following aspects of performance management systems: how to plan, implement, monitor and review the performance management system, aims of performance management systems, timings of reviews, links of performance with pay, career stages, weak performance and confidentiality (Teacher Net 1995-2006).

### **5.3.3 Consult With Human Resource Specialists.**

The BNC school's should also either consult with Human resources specialists or set up an active Human resource department that is well versed with performance management systems and competent to manage it. With the support of this department and the commitment of all the senior managers, line managers and employees the BNC school has a very high likelihood of attaining excellent performance and sustaining competitive advantage in their dynamic business environment.

### **5.3.4 Recommendations For Further Study**

Limited studies have been carried out on the various aspects of the Performance management in BNC schools in Nairobi. Studies in this area would help in highlighting some of the challenges that are faced amongst the BNC schools in Nairobi and steps would then be taken to help solve the problems. Performance management systems work best where there is the full commitment of senior managers, line managers and employees (Sparrow and Hilltrop 1994).

I would recommend further studies in the following areas:

- Perceptions of line manager's of performance management systems in schools offering British national curriculum in Nairobi.
- Perceptions of employees of performance management systems in schools offering British national curriculum in Nairobi.
- Practice of performance management principles in schools offering British national curriculum in Nairobi.

#### 5.4 Limitations Of The Study

This study has been undertaken against a backdrop of the limitations that are discussed below.

##### **Lack Of A Complete List Of British National Curriculum (BNC) schools in Nairobi:**

There being no complete list of BNC schools in Nairobi, the list used was adapted from the list of International schools in Kenya from the Kenya high commission in light of preliminary studies. Some of the schools in this list offered other educational curriculum while other BNC schools had changed their curriculums to suit the current needs of the market.

**Inaccessibility To Some Senior Managers:** The field study was carried out during the month of August that happens to be school's vacation time. It was thus difficult to obtain the views from a number of senior managers.

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b) Zigon, J (2005) *Performance Appraisal And Performance Management*, [www.zigonperf.com/resources/links.html/Performance%20ManagementZPG](http://www.zigonperf.com/resources/links.html/Performance%20ManagementZPG)

c) Kenya High Commission, *Private Schools International*, [www.Kenvahighcommision.ca/web2/infocentereducation](http://www.Kenvahighcommision.ca/web2/infocentereducation)

## APPENDIX 1

### LETTER OF INTRODUCTION

University of Nairobi

School Of Business

MBA Office

P.O. Box 30197

NAIROBI

Dear Respondent

**RE: RESEARCH**

I am a postgraduate student pursuing a Master of Business Administration (MBA) degree at the University of Nairobi. I am currently conducting a research, based on the perceptions of senior managers on performance management systems in schools offering the British National Curriculum in Nairobi Kenya. This research is part of the courses requirement.

Your school has been selected to form part of this study. Kindly, therefore spare some little time to fill the attached questionnaire. This information being sought is purely for academic purposes, and will be treated in strict confidence.

A copy of the research report will be made available to you upon request.

Your cooperation in this exercise will be highly appreciated.

Yours faithfully

Beatrice A. Ochieng

MBA Student

Prof. K'Obonyo

Lecturer & Supervisor

School Of Business

## APPENDIX 2

### QUESTIONNAIRE

This questionnaire is designed purely for research. The information given will be treated with uttermost confidentiality and anonymity.

#### SECTION A

NAME OF SCHOOL (OPTIONAL) \_\_\_\_\_ POSITION IN SCHOOL \_\_\_\_\_

Please tick against the appropriate response.

1. How many students are enrolled in your school?

- a) 0 - 250 \_\_\_\_\_
- b) 251 - 500 \_\_\_\_\_
- c) 501 - 750 \_\_\_\_\_
- d) 751 - 1000 \_\_\_\_\_
- e) Above 1000 \_\_\_\_\_

2. What is the size of your teaching staff

- a) 0 - 20 \_\_\_\_\_
- b) 21 - 40 \_\_\_\_\_
- c) 41 - 60 \_\_\_\_\_
- d) 61 - 80 \_\_\_\_\_
- e) Above 80 \_\_\_\_\_

3. When was your school established in Kenya? \_\_\_\_\_

4. Do you have a Human Resource Department in your school?

Yes \_\_\_\_\_

No \_\_\_\_\_

If your answer is no, please explain who manages the Human Resource issues e.g. recruitments, staff development, grievances and discipline etc

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**SECTION B**

5. Which of the following best describes what you understand by the term Performance Management Systems? Tick against the correct one.
- a) A process designed to improve organizational, team and individual performance, which is owned and driven by line managers. \_\_\_\_\_
  - b) A process designed to improve organizational performance that is owned and driven by line managers. \_\_\_\_\_
  - c) A process designed to improve individual performance that is owned and driven by line managers. \_\_\_\_\_
  - d) A process designed to improve organizational and individual performance that is owned and driven by Human Resource Managers. \_\_\_\_\_
  - e) A process designed to improve organizational, team and individual performance that is owned and driven by Human Resource Managers. \_\_\_\_\_
6. a) Are there any benefits that can be obtained from the performance Management System? Yes \_\_\_\_\_ No \_\_\_\_\_

7. Please indicate the extent to which you agree or disagree with the following statements by circling the appropriate number on the scale.

I believe that in order to improve on the performance of the school, departments, sections and employees	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
The mission statement i.e. the fundamental purpose of the school must be well communicated to the employees.	1	2	3	4	5
All the employees must be well acquainted with the critical success factors i.e. the key performance areas that enable the school to attain its mission.	1	2	3	4	5
All employees must be treated with respect. No procedures or policies should be implemented that would adversely affect them in an attempt to improve on performance.	1	2	3	4	5
Legal requirements must be put into consideration in all issues regarding performance improvements.	1	2	3	4	5
The school must have an open two-way communications system, which relies on cooperation and consensus.	1	2	3	4	5
The strategies/ targets must be well aligned to the Critical Success Factors.	1	2	3	4	5
The employees must be well acquainted with the schools strategies/targets and know how they can support them.	1	2	3	4	5
The employees must all have measurable goals/targets that are aligned to the schools overall mission	1	2	3	4	5
The school must have a culture based on continuous performance improvement	1	2	3	4	5
Employees must have feedback on performance, salary determination criteria, training opportunities etc	1	2	3	4	5
Employees must all belong to self-managed teams which have autonomy to make decisions and carry out their tasks within the overall schools' policies	1	2	3	4	5

The employees must be well acquainted with the performance indicators	1	2	3	4	5
The performance indicators/standards must be quantifiable e.g. 50% pass grades	1	2	3	4	5
The methods of measuring results must relate to job output	1	2	3	4	5
The organizations systems e.g. policies, procedures & structures must be part of the performance evaluation.	1	2	3	4	5
The performance reviews must be continuous throughout the year with one yearly formal review	1	2	3	4	5
The 360 degree appraisal method must be used where the employee is assessed by line manager, peers, self, subordinates and clients	1	2	3	4	5
Joint problem solving interview style must be used in the performance review. This involves honest discussions and the employee and manager are involved in solving of the performance problem	1	2	3	4	5
Employees are protected from unfair and bias performance assessments and have a provision to appeal against performance ratings	1	2	3	4	5
Managers must be well trained in dealing with performance problems	1	2	3	4	5
Pay adjustments must be directly linked to performance.	1	2	3	4	5

THANK YOU VERY MUCH FOR YOUR CO-OPERATION

## APPENDIX 3

### LIST OF SCHOOLS IN NAIROBI OFFERING THE BRITISH NATIONAL CURRICULUM

1. Aga Khan Academy
2. Banda School
3. Braeburn School
4. Braeside School
5. Brookhouse School
6. Jaffrey's Academy
7. Hillcrest Schools
8. Kenton College
9. Nairobi Academy
10. Oshwal School
11. Potter House School
12. Premier Academy
13. Princeton Academy
14. Rusinga School
15. St. Austin's Academy
16. St. Christopher's School

*Adapted from: Kenya High Commission Canada, Private Schools International*