

**FACTORS INFLUENCING THE ATTITUDE OF MANAGERS TOWARDS
PERFORMANCE APPRAISAL AT KENYA ELECTRICITY GENERATING
COMPANY LTD**

NAME: KIHARA FAITH WAGAKI

SUPERVISOR: PROF. PETER K'OBONYO

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DECLARATION

This research project report is my original work and has not been presented to any University for examination.

Sign.....

Date.....

KIHARA FAITH WAGAKI

REG. NO.: D61/61422/2010

This research project report is submitted for examination with my approval as the University appointed supervisor

Sign.....

Date.....

PROF. PETER K’OBONYO

School of Business

University of Nairobi

DEDICATION

This project is dedicated to my husband James and my two lovely sons who have always stood by me and dealt with all of my absence from many family occasions with a smile.

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ABSTRACT

Performance appraisal is a discrete, formal, organizationally sanctioned event with clearly stated performance dimensions and criteria used in the evaluation process. It can be an evaluative or developmental. The evaluative function is the use of performance appraisal for salary administration, promotion decisions, retention-termination decisions, and recognition of individual performance, layoffs, and the identification of poor performance, while the developmental is the identification of employee training needs, performance feedback, determining transfers and assignments, and the identification of individual strengths and weaknesses. The study set out to find out the attitude of managers towards performance appraisal at Kenya Electricity Generating Company and also to determine the factors that influence the attitude of the managers towards performance appraisal. The study focused on both Equity and Expectancy theories. The study utilized cross-sectional research design, targeted all the 132 managers at Kenya Electricity Generating Company at all levels. Primary data was collected using questionnaires with mainly closed-ended questions which were analyzed using descriptive statistics. Frequency tables and percentages are used to present the data. From the data, majority of the respondents strongly agreed that the tools used technical expertise and the attitude of the manager, the - qualifications, training and experience as well as timing of the appraisal and the - nature of work influenced appraisals of employees at Kenya Electricity Generating Company. On the factors affecting attitudes of managers, lack of appropriate training, organizational culture, lack of feedback, poor implementation of results, perceived unfairness in the appraisal process as well as the lack of top management support as the main factors influencing appraisal attitude of managers at Kenya Electricity Generating Company. The study recommends that the management should provide proper training to the appraisers, provide the feedback, implement the outcome which will employees should be training to own the process and view it positively. The company should also seek to utilize qualified and experienced managers who are unbiased and objective.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Performance appraisal (PA) forms the core of performance management systems. According to Swanepoel et al. (2000); Performance Appraisal is a formal and systematic process of identifying, observing, measuring, recording and developing the job-relevant strengths and weaknesses of employees. Fletcher (2001) posits that the PA has a strategic approach and integrates organizational policies and human resource activities. Performance appraisal should also be viewed as a system of highly interactive processes which involve personnel at all levels in differing degrees in determining job expectations, writing job descriptions, selecting relevant appraisal criteria, developing assessment tools and procedures, and collecting, interpreting, and reporting results (Saari, and Judge, 2004).

While performance appraisal has been heralded as being beneficial to organizations, there are many reputable sources including researchers, management commentators, psychometricians who have expressed doubts about the validity and reliability of the performance appraisal process. According to Derven, (1990) the process is so inherently flawed that it may be impossible to perfect it. Opponents of performance appraisal believe that the linkage to reward outcomes reduces or eliminates the developmental value of appraisals. Rather than an opportunity for constructive review and encouragement, the reward-linked process is perceived as judgmental, punitive and harrowing. Also, reactions and conflicts on the employees' side are often inevitable. Dissatisfaction and feelings of unfairness in process and inequity in evaluations can lead any appraisal system to failure (Taylor et al 1995). Appraisal reflects attitudes towards motivation and performance (self) and relationships (for example peers, subordinates,

supervisors, organization), all of which vary from one country to the next. Therefore, appraisal should be in conjunction with cultural norms, values, and beliefs in order to be operative.

However, Equity Theory argues that individuals who perceive themselves as either under-rewarded or over-rewarded will experience distress, and that this distress leads to efforts to restore equity within the relationship. If an employee feels underpaid then it will result in the employee feeling hostile towards the organization and perhaps their co-workers, which may result in the employee not performing well at work anymore. Smith further argues that when individuals find themselves participating in inequitable relationships, they become distressed.

On the other hand, Expectancy theory proposes that a person will decide to act in a certain way because they are motivated to select behaviour over other behaviors due to what they expect the result to be. The individual employee makes choices based on estimates of how well the expected results of a given behavior are going to match up with or eventually lead to the desired results. Vroom explains the behavioral process of why individuals are motivated to choose one behavioral option over another. It also explains how they make decisions to achieve the outcome that they perceive as most valuable.

With these theories in mind, it is inevitable to argue that employees including managers will portray and possess given attitude in reaction to the expectations that they have regards the outcomes of performance appraisal. Managers and employees alike will develop a positive attitude towards appraisal when they realize that the objectives and the outcomes of the appraisal process are positive and is worth the trouble. However if they perceive the outcome as negative and may not add value to their productivity, they will develop a negative attitude towards the appraisal process as the outcomes may not be as attractive as desired. The managers and employees alike will also develop negative or positive attitudes if they notice that the outcomes of the appraisals are administered among them equitable or without bias. If the salary reviews are to be done as an outcome

of the appraisals, the employees and managers will develop a positive attitude towards appraisal if such reviews are implemented without favor or bias on some of them. If promotions were due as a result of the appraisal, then a positive attitude will be enhanced if all that are due for the promotion will earn the promotion without doubt. However, if the opposite occurs, then negative attitude is inevitable.

1.1.1 Performance Appraisal

According to DeNisi and Pritchard (2006) performance appraisal is a discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and/or criteria that are used in the evaluation process. Furthermore, it is an evaluation process, in that quantitative scores are often assigned based on the judged level of the employee's job performance on the dimensions or criteria used, and the scores are shared with the employee being evaluated. Boswelljohn and Boudreau (2000), examined two typical performance appraisal uses: evaluative and developmental.

The evaluative function includes the use of performance appraisal for salary administration, promotion decisions, retention-termination decisions, and recognition of individual performance, layoffs, and the identification of poor performance. This is similar to Ostroffs (1993) conceptualization of the administrative performance appraisal purpose. Developmental functions include the identification of individual training needs, providing performance feedback, determining transfers and assignments, and the identification of individual strengths and weaknesses. Appraisals are generally considered to have a positive influence on performance, but they also may have a negative impact on motivation, role perceptions, and turnover when they are poorly designed or administered (Churchill et al., 1985).

Human Resource department plays the most important role of enabler and coordinator as far as Performance appraisal is concerned (Saari, 2000). This role has multiple parts namely educating both appraiser and appraisee on the process of PA, ensuring that at all

levels and across the organizations the PA timetable is adhered to, communicating and documenting the records to all concerned and also ensuring that actions on Performance enhancement get planned and implemented through appropriate interventions. This ensures that the PA as an integral part of strategic HR process develops capabilities to address future needs of the organization within rapidly changing environment (Chen and Francesco, 2003).

1.1.2 The concept of Attitude

An attitude can be defined as a positive or negative evaluation of people, objects, event, activities, ideas, or just about anything in your environment (Zimbardo et al., 1999). Based on their attitudes toward work, employees feel more or less committed to the job (Feather and Rauter, 2004). Those with a generally negative outlook at their work situation have no reason to feel invested in a future with the company. They can leave at any time and might just be waiting for the right opportunity (Saari, 2000). High employee turnover is significantly costly to business in a number of ways, including training, hiring resources and work left undone. By contrast, employees with positive attitudes toward the job are more likely to develop a sense of commitment to the business and stay for the long haul, lowering turnover costs and increasing productivity through experience (Lisa, 2000).

Cultural influences and work environment are other determinants of employee attitudes. To increase job satisfaction, the worker's traits must be well suited to the job at hand. For instance, an introverted worker may not enjoy a job requiring continuous interaction with others. Likewise, managers must align incentives in a way that maximizes not just pay but job satisfaction. More recent analysis have shown that culture is as strong a predictor of employee attitudes as the type of job a person has (Saari, 2000; Saari & Erez, 2002; Saari & Schneider, 2001).

Grima (2007) posits that employees that have a negative attitude toward their company are far more likely to be disengaged, fulfilling their jobs with the least amount of work

possible and at the lowest quality level. This attitude of disengagement, disconnection and lack of concern for the company's well-being is costly to employers by way of lost productivity. Employees with the same competencies and skill levels are likely to be many times more productive if they have a positive attitude toward work, and feel connected, committed and invested in the success of the company (Chen and Francesco, 2003).

According to Doob (1947), learning can account for most of the attitude we hold. Theories of classical conditioning, instrumental conditioning and social learning are mainly responsible for formation of attitude. Unlike personality, attitudes are expected to change as a function of experience. Tesser (1993) has argued that hereditary variables may affect attitudes but believes that they may do so indirectly. One of the most common themes in performance appraisals focuses on employee attitude. Attitude is the most important criterion in performance appraisal, especially as for those companies who value customer services very much. Some studies have also posited that attitudes are shaped by age (Anderson, 1983), education (Bandura, 1982) and socialization (Fazio, 1986).

1.1.3 Kenya Electricity Generating Company Ltd (KenGen)

Kenya Electricity Generating Company Ltd is the leading electric power generation company in Kenya, producing about 80 percent of electricity consumed in the country. The company utilizes various sources to generate electricity ranging from hydro, geothermal, thermal and wind. Hydro is the leading source, with an installed capacity of 766.88MW, which is 64.9 per cent of the company's installed capacity.

Kenya Electricity Generating Company Ltd has a sound Performance Management System in place. Human Resource department plays the most important role of enabler and coordinator as far as Performance appraisal is concerned. These roles are educating both appraiser and appraisee on the process of PA, ensuring that at all levels and across the organizations the PA timetable is adhered to, communicating and documenting the

records to all concerned and also ensuring that actions on Performance enhancement get planned and implemented through appropriate interventions.

In Kenya Electricity Generating Company Ltd, Performance Appraisal is an ongoing process and Supervisors usually give feedback to the employees during the weekly performance board meetings held by every department. The formal evaluation takes place twice a year. The process is automated and appraisal forms are filled online by the employees whereby the employee rates him/herself and submits the form to the immediate supervisor to rate him/her against the set objectives. Thereafter the supervisor and employee dialogue to agree on the final rating. If they are both in agreement the supervisor forwards the form to the Area Manager to put his comments and in case there is a dispute between the two the Manager intervenes and the parties settle the dispute. After putting his remarks, the Manager forwards the form to the Performance and Change section for further action. Performance Appraisal results are used for both developmental and evaluative functions i.e. promotion, payment of bonus, identification of training needs etc.

1.2 Research Problem

The attitudes of employees in the workplace can have a significant effect on the business as a whole (Saari & Schneider, 2001). Attitude is one of the hidden, hard-to-measure factors that end up being crucial to the success of a company. Whether for better or for worse, employee attitudes tend to have a drastic impact on the productivity of a business, both directly and through the effect on other job-related factors (Diefendorff, Brown, Kamin, and Lord, 2002).

The importance of performance appraisal cannot be gainsaid. It has been identified as one of the tools to drive overall performance in an organization in that it provides employees and managers with opportunities to discuss areas in which employees excel and those in which employees need improvement. However research has shown that performance appraisal can be either positive or negative depending on the attitudes of managers and

subordinates. While attitudes vary from organization to organization it is important to find out what influences these attitudes with a view to managing them so that performance appraisal can be a force of good. The main issues of Performance Appraisal are; lack of feedback, lack of objectivity and fairness in the process by appraisers, delay/lack of implementation and lack of involvement of employees in goal setting process.

The attitudes that managers would have as regards performance appraisal will definitely have a great impact on the success or failure of the exercise. It is the managers who appraise their juniors are the ones also who implement the objectives of the exercise. Thus, it is the managers who determine and influence in a big way the outcomes of any appraisal program. If the managers develop a negative attitude towards the appraisal, it will not succeed as they would not see the urgency nor the need to conduct the same, which consequently would provide an opportunity for the employees to realize the objectives performance appraisal including salary reviews, redeployment, promotion, training and capacity building among other objectives. However, if the managers possess a positive attitude towards the appraisal programs, it will translate to the realization of the objectives which will influence the way the employees view the appraisal and would eventually translate to better performance when employees are motivated to achieve more in their output so as to enhance their chances of being promoted or their salaries being reviewed upwards.

Studies done in Kenya on performance appraisal have focused on effectiveness of performance appraisal (Guantai, 2012), effects of performance appraisal (Messah and Kamenchu, 2011) and perceptions of performance appraisal (Richu, 2007) and Kipyegon (2007) sought to examine and provide information on the effectiveness of staff performance appraisal as value addition strategy in organizations. These studies, however, have not assessed the attitude of managers towards Performance Appraisal. Nguli (2012) also studied the attitudes of employees towards performance appraisal at the Family Planning Association of Kenya. A study conducted by Solomon (2006) on the attitudes of staff towards performance appraisal in South Africa reported that the said

attitudes were negative. To the researcher's best knowledge no study has been undertaken in Kenya concerning the attitude of managers towards performance appraisal and the factors influencing the same. This presents a gap in knowledge that this study is intended to fill. The following question captured the essence of the research problem: What are the factors that influence the attitude of managers towards performance appraisal at Kenya Electricity Generating Company Ltd.?

1.3 Research Objectives

1. Find out the attitude of managers towards performance appraisal at Kenya Electricity Generating Company Ltd.
2. Determine the factors that influence the attitude of the managers towards performance appraisal at Kenya Electricity Generating Company Ltd.

1.4 Value of the Study

The Human Resource directors of different organizations will benefit in that they will understand the different factors that influence the attitude of managers to the performance appraisal function in their organization. This will therefore enhance the appraisal of employees as the human resources managers will put in place measures to check on these attitudes which would be negative. The scope of the study Kenya Electricity Generating Company Ltd and its management will also benefit from the results of this study as they will be able to understand the issues that have enhanced or affected their appraisals systems with which they can be able to design attitudinal studies to address the shortfalls that this study will identify.

The other organizations in the electricity sub sector will also benefit as the circumstances under which Kenya Electricity Generating Company Ltd operates are not that different and will therefore be able to apply the findings of this study in their appraisal systems too. The study will on its own way identify the attitudes and main issues surrounding the appraisal successes and or failures at Kenya Electricity Generating Company Ltd. from

the managers' perspectives, a divergence from what many studies had done before - from the employee perspectives.

The study is useful to future researchers as it will be used as a reference for their studies. The study will seek to address all the issues surrounding the attitudes of managers towards appraisal but since it may not exhaustively address all the issues, the study recommends areas for further research where future researchers therefore is able to find study areas and topics from this. Generally, the study definitely adds into the wealth of knowledge in the field of Human Resources management and specifically Performance appraisal.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviewed literature on employee attitudes towards performance appraisal and the factors influencing these attitudes. The literature provides the background of the study as has been done by earlier researchers and authorities and will help this study to identify the gap that exists for this study to fill. The chapter also provides the theoretical orientation that this study seeks to employ and advance at the end of it all.

2.2 Theoretical Framework

The study seeks to adopt the theories of Equity by Adams Smith and the Expectancy theory by Victor Vroom to explain the attitudes by managers towards employee performance appraisals and how such attitudes affects the entire exercise including the outcomes and the employee expectations.

2.2.1 Equity Theory

The equity theory was promulgated by John Stacey Adam sand posits that satisfaction is based on a person's perception of fairness. Applying this theory when conducting a company's performance appraisals involves balancing the assessment of an employee's contribution to his job with the compensation and other rewards associated with his success. In general, highly-paid and rewarded employees tend to be the most motivated to continue performing well on the job (Weeks, Roberts, Chonko & Jones, 2004).

According to equity theory, an employee's perception of the fairness of his work's input and outcome influences his motivation (Vakola & Nikolaou, 2005). Effective performance management systems enable a small-business manager to clarify job responsibilities and expectations, develop an employee's capabilities, and align an employee's behavior to the company's strategic goals and values. An employee typically feels satisfied with the outcome of his effort, including his pay, when the compensation

matches what he feels he puts into the job (Schraeder, 2004). If an employee perceives that others get more for doing less, he typically becomes less motivated to work hard. Managers create a productive work environment by communicating job requirements clearly and establishing fair and consistent performance objectives for all employees.

Equity Theory proposes that a person's motivation is based on what he or she considers to be fair when compared to others (Redmond, 2010). As noted by Gogia (2010), when applied to the workplace, Equity Theory focuses on an employee's work-compensation relationship or "exchange relationship" as well as that employee's attempt to minimize any sense of unfairness that might result. Because Equity Theory deals with social relationships and fairness/unfairness, it is also known as The Social Comparisons Theory or Inequity Theory (Gogia, 2010).

Equity theory of motivation recognizes that motivation can be affected through an individual's perception of fair treatment in social exchanges. When compared to other people, individuals want to be compensated fairly for their contributions (the outcomes they experience match their inputs). A person's beliefs in regards to what is fair and what is not fair can affect their motivation, attitudes, and behaviors. Equity theory helps explain why highly paid union workers go on strike when no one else but the members understand why and why millionaire athletes feel that they are underpaid and do not feel they make enough money

2.2.2 Expectancy theory

Expectancy theory had been proposed by Victor Vroom in 1964. This theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. The theory assumes that behavior results from conscious choices among alternatives whose purpose it is to maximize pleasure and minimize pain. Together with Edward Lawler and Lyman Porter, Vroom suggested that the relationship between people's behavior at work and their goals was not as simple as was first imagined by other scientists. Vroom realized that an employee's

performance is based on individual's factors such as personality, skills, knowledge, experience and abilities. The theory suggests that although individuals may have different sets of goals, they can be motivated if they believe that there is a positive correlation between efforts and performance, favorable performance will result in a desirable reward, the reward will satisfy an important need and that the desire to satisfy the need is strong enough to make the effort worthwhile.

The theory is based upon valence which refers to the emotional orientations people hold with respect to outcomes [rewards]. The depth of the want of an employee for extrinsic [money, promotion, time-off, benefits] or intrinsic [satisfaction] rewards). Management must discover what employees' value. It is also based on expectancy which argues that employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training, or supervision employees need. On instrumentality, the perception of employees as to whether they will actually get what they desire even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that.

Vroom suggests that an employee's beliefs about Expectancy, Instrumentality, and Valence interact psychologically to create a motivational force such that the employee acts in ways that bring pleasure and avoid pain. The individuals modify their behavior in such a way which is most likely to lead them to attain these goals. This theory underlies the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Salaman et al, 2005)

2.3 Performance Appraisal

According to Reinke (2003) performance appraisal has increasingly become part of a more strategic approach to integrating Human Resource activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher, 2001).

The ultimate goal of performance appraisal should be to provide information that will best enable managers to improve employee performance. Thus, ideally, the performance appraisal provides information to help managers manage in such a way that employee performance improves (DeNisi and Pritchard, 2006). Providing the employee with feedback is widely recognized as a crucial activity. Such feedback may encourage and enable self-development, and thus will be instrumental for the organization as a whole. Mullins (2006) supports the importance of evaluations in terms of their effect on organizational effectiveness, stating that feedback is a critical portion of an organization's control system.

Still, many organizations express dissatisfaction with their appraisal schemes Mullins (2006). According to Fletcher (2001), this may signal a lack of success of performance appraisal as a mechanism for developing and motivating people. There is general consensus among performance appraisal researchers and practitioners that assessment of appraisal reactions is important (Keeping and Levy, 2000). For instance, it is frequently argued that in order for performance appraisal to positively influence employee behavior and future development, employees must experience positive appraisal reactions. If not, any appraisal system will be doomed to failure. Performance appraisal satisfaction is the most frequently measured appraisal reaction (Keeping and Levy, 2000).

At the beginning of the performance management cycle, it is important to review with employees their performance expectations, including both the behaviors employees are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle (Nelson & Quick, 2006). Behaviors are important because they reflect how an employee goes about getting the job done, how the individual supports the team, communicates, mentors others and so forth. Some employees may achieve exceptional results but are extremely difficult to work with, unhelpful or exhibit maladaptive behaviors at work. Because such behaviors can be extremely disruptive, behavior is important to consider in most work situations. On the other hand, an employee can be

extremely helpful, considerate and interpersonally effective, yet never achieve any important results (Locke & Latham, 2002).

During the performance planning process, both behavioral and results expectations should have been set. Performance in both of these areas should be discussed and feedback provided on an ongoing basis throughout the rating period (Hampel and Martinson, 2009). In addition to providing feedback whenever exceptional or ineffective performance is observed, providing periodic feedback about day-to-day accomplishments and contributions is also very valuable. Unfortunately, this does not happen to the extent that it should in organizations because many managers are not skilled in providing feedback. In fact, managers frequently avoid providing feedback because they do not know how to deliver it productively in ways that will minimize employee defensiveness (Madsen, 2009).

A critical issue faced by organizations is how to measure and evaluate results (Locke, & Latham, 2002). Some results can be evaluated by tracking various objective indicators of performance, such as dollar volume of sales, profitability and amount of product produced. While objective indicators of performance can be useful, there are two potential problems with them. The first is that such measures can be affected by differences in opportunities that are available to different employees (Ehigie, & Otukoya, 2005).

Another issue with objective measures of performance is ensuring the accuracy of the metrics collected and putting systems in place to track those of interest for performance evaluation (Coyne, & Ong, 2007). Developing and collecting meaningful metrics in organizations can have significant resource implications and thus the number and type of metrics to be collected must be carefully considered.

2.4 Attitude

According to the Theory of Reasoned Actions, when an attribute is perceived as valuable, individuals form a positive attitude about it. The value of benefits is the correspondence between employee needs and provided coverage and will be a factor in forming benefits satisfaction. Benefits fit is somewhat reflected in flexible benefits plans that allow employees to choose the types and levels of benefits (Fletcher, 2004). A worker attitude towards work is directly linked to the job satisfaction; a worker who is satisfied with his job performs better and excels at what he does. It is therefore imperative for a company to understand the attitude of its workers and measure the job satisfaction of its employees, as job satisfaction is essential for productivity (Boswell and Boudreau (2000). Worker attitude and job satisfaction deals with how an organization behaves. It involves the management directing employees into improving organizational and personal effectiveness. It plays an enormous role in determining the attitudes of employees and their job satisfaction. When an employee is happy, it is usually because they are satisfied with their work. This also improves the quality of their work. Attitude and job satisfaction may not fall completely on the management but also on the employees. If employees enjoy their work, they will not need external motivation from management, but instead the satisfaction they attain from completing their work will motivate them (Robbins, 2004).

The management's style of leading plays a huge role in worker attitude and job production. Empowerment is one factor that can motivate better productivity. If the management gives an employee opportunity to work according to their own standards, preferred that these standards measure up to those of the company, job productivity will increase. Human empowerment is satisfactory to every individual. Self-satisfaction leads to job satisfaction. We also have strategic planning by management. This is crucial when dealing with influencing job productivity. An example of a way to motivate employees is the management offering them opportunities for promotions and pay rise negotiations.

This will encourage job productivity since employees will want to receive these rewards (Jackson, 2002).

Organizational objectives also affect how the management relates with the employees. If the organizational goal is to achieve a certain percentage of profit in a business year, then it will exert pressure on the employees to increase productivity. Positive influence is not the only way to ensure an increase in productivity. Some organizations offer contracts that clearly state the amount of productivity needed from employees. This is in the case of sales and marketing where a sales representative needs to achieve a target on a certain deadline. This may mount pressure on the employees and in turn affect their job satisfaction. In some cases, the management is not as strict with the employees. The problem with this is that the employees might eventually relax on the job. An organization may also decide to add more working days depending on their goals. Complying with such a decision is hard and it may leave the employees bitter and resentful towards management. This attitude will affect job productivity, as the employees will arrive to work with no motivation. Another factor in work attitude is time away from work. Apart from free time on the weekend, which is compulsory according to work ethics, employees need to take time off from work. This normally is the leave period (Jackson, 2002).

2.5 Factors Influencing attitudes towards performance appraisal

Supervisors and employees generally have ambivalent attitudes, at best, toward performance appraisal (Cederblom & Pernerl, 2002). Although most of these people would recognize the perceived benefit, in principle, of documenting, communicating, and setting goals in areas of performance, many are also frustrated with the actual benefits received from performance appraisal in their organizations. The benefits and rewards of performance appraisal appear to be often overstated (Cohen, 2006). Nickols (2007) suggests that “the typical performance appraisal system devours staggering amounts of

time and energy, depresses and demotivates people, destroys trust and teamwork and, adding insult to injury, it delivers little demonstrable value at great cost”.

Feedback is critical to the success or failure of performance appraisal (Dagot, & Vonthron, 2003). The broader literature on emotions suggests that providing positive feedback will generally lead to positive emotions, such as pride and happiness, whereas negative feedback will generally result in negative emotions, such as disappointment or guilt. These affective experiences influence certain work behaviors and the emotions, in turn, will influence work behaviors and attitudes (Nickols, 2007). Managers may be better off framing their feedback to subordinates in a positive rather than a negative manner whenever possible as this stimulates positive affect, which comes with decreased turnover intentions and increased employees’ commitment. Managers should carefully choose a setting for providing negative feedback, for instance, one where no others are present, so that emotional reactions can be monitored and addressed (Belschak, Hartog 2009).

Erasmus et al (2003) posits that organizational actions could derail performance appraisal. Little time is spent on the appraisal process, raters are not trained and are not held accountable, and the employee’s role in the process is overlooked along with potentially valuable sources of performance information from the employee, peers, and subordinates. Previous research by Grima, (2007) has shown that performance appraisal purpose affects rating processes and outcomes and employees indicate a preference for certain performance appraisal uses it is conceivable that employee attitudes may vary depending on perceptions of how the performance appraisal is used (Wendy Boswell John Boudreau, 2000).

According to Coyne & Ong, (2007) if people perceive performance appraisal purposes differently, as has been suggested then attitudes may vary depending on that perception. Attitudes toward the appraiser are important, particularly because the person providing performance appraisal is often the employee's supervisor (Madsen, 2009). The feelings

created during the performance appraisal may endure and affect the employee-supervisor relationship in general (Wendy Boswelljohn Boudreau, 2000). These authors observed that evaluation may create negative feelings toward the appraiser (the immediate supervisor) and could arguably be detrimental to the relationship. This may be particularly true if the employee receives a low performance appraisal rating or perceives injustice.

The perceived intention of appraisal could be its undoing since in most cases employees' link appraisal to salary decisions. Salary increases may even lead to negative feelings if the increase is perceived as inequitable or minimal (Wendy and Boudreau, 2000). In a research conducted by Longenecker (2005), several consequences of ineffective performance appraisals were identified. They included stifling performance improvement, demotivating managers, breeding loss of managers' confidence, causing a loss of managerial focus on priorities, causing the breakdown of pay-for-performance systems, reducing effectiveness of management development efforts, creating tension in work relationships with supervisors, and causing ineffective goal setting. However, when it is done poorly, it is a dysfunctional organizational practice and has many negative results.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research design and data collection methods that were used by the researcher in this study. It discusses aspects such as research design, target population, data collection and data analysis.

The study adopted a positivism paradigm. The positivist paradigm arose from the philosophy identified as logical positivism and is based on rigid rules of logic and measurement, truth, absolute principles and prediction (Halcomb and Andrew, 2005; Cole, 2006; Weaver and Olson). The positivist philosophy argues that there is one objective reality. Therefore, as a consequence, valid research is demonstrated only by the degree of proof that can be corresponded to the phenomena that study results stand for (Hope and Waterman, 2003).

3.2 Research Design

The study used cross-sectional research design. A cross-sectional study involved observation of all of a population, or a representative subset, at one specific point in time. A cross-sectional study design is used when the purpose of the study is descriptive, often in the form of a survey. Usually there is no hypothesis as such, but the aim is to describe a population or a subgroup within the population with respect to an outcome and a set of risk factors and when the purpose of the study is to find the prevalence of the outcome of interest, for the population or subgroups within the population at a given point in time. Cross-sectional studies are carried out to investigate associations between factors and the outcome of interest (Kothari, 2003)

Under this technique researchers record the information that is present in a population, but they do not manipulate variables. This type of research can be used to describe characteristics that exist in a population, but not to determine cause-and-effect

relationships between different variables. These methods are often used to make inferences about possible relationships or to gather preliminary data to support further research and experimentation. This technique therefore, is appropriate for this study as data was collected only once. This design has been used by other previous studies in performance appraisal such as (Wendy and Boudreau, 2000) and Longenecker (2005) and they were successful.

3.3 Target Population

The population for the study was the managers working at Kenya Electricity Generating Company Ltd. A Manager is a person responsible for planning and directing the work of a group or individuals, monitoring their work, and taking corrective action when necessary in other words he has a span of control.

According to the human resource department, there are 132 managers in a Kenya Electricity Generating Company Ltd at 19th July, 2013. There are 7, 24 &101 in top level, middle level and lower level respectively. Because the population is small, a census was used; hence there was no sampling in this study. The study sought to collect both nominal data ordinal measures where respondents were asked to name some of their responses as well as rank their responses too. This enhanced the study as it provided the researcher with various forms of responses and was able to compare them from each respondent as well as between respondents.

3.4 Data Collection

The study relied on Primary Data which was largely quantitative. A semi –structured questionnaire comprising three sections was used to collect data for the study. Section one collected data on general information, section two collected data on attitudes while section three collected data on factors that influenced the attitudes. The questions had variables which were measured in both interval and nominal scales. For interval measures, a 5-point Likert-scale was used to measure respondents' agreement with the

concepts under investigation. Majority of the questions were close ended (Mugenda and Mugenda, 2003).

To ensure high response rate, the researcher sent an email reminder to late respondents. Before distributing questionnaires the researcher sent a letter to the Human Resources Manager, Kenya Electricity Generating Company Ltd, to request to be allowed to administer questionnaires to Kenya Electricity Generating Company Ltd Managers.

3.5 Data Analysis

Once the data had been collected, the data was coded, edited and analyzed using descriptive statistics. Measures of central tendency and of dispersion were calculated so as to determine the tendency of the data and be able to draw conclusions. For qualitative data, inferential statistics was used so as to identify the trend of the respondents as regards the attitude of managers towards employee performance appraisal. The application of Scientific Package for Social Scientists (SPSS) and Microsoft Excel software were also used to help in identifying correlations between variables. The analysed data is presented by use of frequency tables, percentages and charts including pie charts and bar graphs.

3.6 Reliability and Validity

Triangulation method was used to establish the content validity of the instruments. The researcher also sought expert judgment on the content validity of the instruments from the supervisors. This was done by holding discussions, as well as making relevant comments and suggestions which were then synchronized. Reliability of the instruments was checked by running a pretest on the instruments to determine whether the instruments elicited the type of data anticipated. The triangulation approach adapted by

the study ensured accuracy and maximum reliability of collected information as well as protection against any bias.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter, responses are analyzed using the SPSS. Findings are reported in figures and tables. It provides the personal information of the respondents as well as the attitude of managers towards performance appraisal and finally the factors that influence the attitude of the managers towards performance appraisal at Kenya Electricity Generating Company Ltd.

4.2 Response Rate

The study targeted 132 managers of Kenya Electricity Generating Company Ltd. spread out in the various levels of management. Out of these, 52 of them responded to the questionnaire. This represented 40%. The study was undertaken during a period in which most managers were away in the field while others were in training outside the Country.

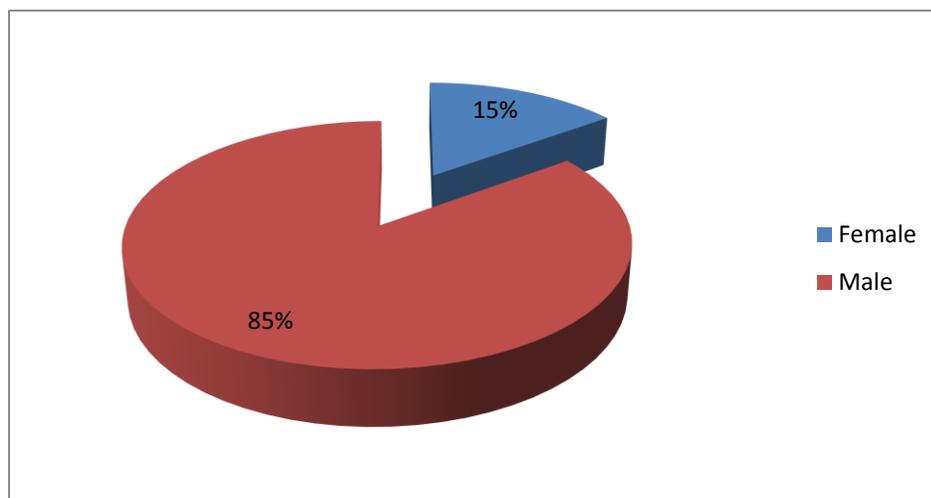
4.3 Demographic Data

The study, using the questionnaire, initially sought to find out the demographics of the respondents, which they are outlined here below.

4.3.1 Personal Information

The responses summarized in figure 4.1, show that majority (44), representing 84.6% were male while the remainder (8), representing 15.4% were female. This is an indication that the gender parity at the company has not been achieved from these results.

Figure 4.1: Classification of respondents according to gender



Source: Field Data (2013).

When asked about the level of management they are in, majority (38) representing 73.1% of the respondents said that they were in the middle level, while another 12 said that they were in the lower level of management. Only one of them indicated top level management. This result indicates that the majority are qualified respondents for the study since the study targeted managers who are responsible for performance appraisal of employees at Kenya Electricity Generating Company Ltd.

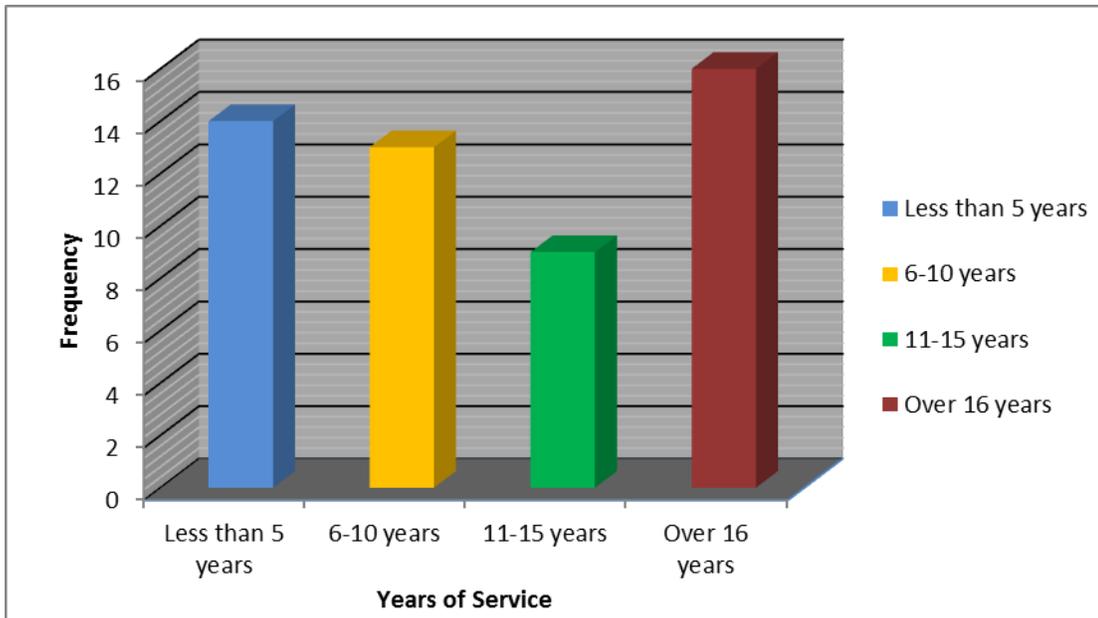
Table 4.1: Distribution of respondents by Level of Management

	Frequency	Percent	Cumulative Percent
Top	1	1.9	1.9
Middle	38	73.1	75.0
Lower	12	23.1	98.1
4.00	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

The study also inquired about the length of service at the company since performance appraisal would be done yearly thus a more experienced person within the company would give a better view of how performance appraisal has been done over the years. Majority of the respondents (16) indicated that they have been at the company for over 16 years while another 14 said that have been in the company for less than 5 years. Thirteen (13) of the respondents indicated that they have been at the Company for between 6 and 10 years. Only 9 respondents said that they have been at the company for between 11 and 15 years. The experienced staff were quite suitable for the study as they had been in the company and have witnessed the successes and even the failures of employee appraisals over the years.

Figure 4.2: Distribution of respondents by years of service



Source: Field Data (2013).

When asked about the length of stay within the current designation, three quarters (75%) of them said that they had been in those positions for less than 5 years. Another 9 respondents said that they had been in the current position for between 6 and 10 years. Only 2 of them said that they had been ion the current position for between 11 and 15

years while another 1 said that they had stagnated for at least over 16 years within the same designation.

Table 4.2: Number of years in current grade

	Frequency	Percent	Cumulative Percent
Less than 5 years	39	76.5	76.5
6-10 years	9	17.6	94.1
11-15 years	2	3.9	98.0
Over 16 years	1	2.0	100.0
Total	51	100.0	
Missing System	1		
Total	52		

Source: Field Data (2013).

As regards their highest academic qualifications, majority of them (25) said that they had a bachelor's degree while another 16 said that they had additional postgraduate qualifications. Only 7, 2 and another 2 had Diploma, Secondary and Primary qualifications.

Table 4.3: Classification of respondents based on highest qualification

	Frequency	Percent	Cumulative Percent
Primary	2	3.8	3.8
Secondary	2	3.8	7.7
Diploma	7	13.5	21.2
Bachelors	25	48.1	69.2
Others	16	30.8	100.0
Total	52	100.0	

Source: Field Data (2013).

4.2.2 Performance Appraisal

The study sought also to find out the various issues as regards appraisal at the company. When asked about the appraisal tools that were used at the company. Majority of the respondents (37) representing 71.2% said that the company used performance appraisal forms to conduct the appraisals while another 14 said that the company used performance appraisal interviews. Only 1 of the respondents mentioned other forms of tools as the ones used for appraisal at the Company.

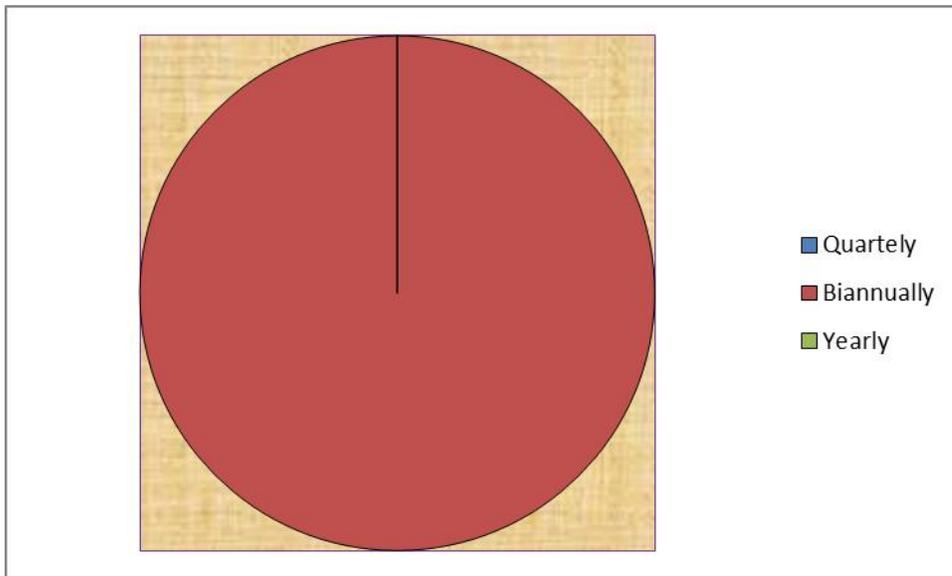
Table 4.4: Appraisal Tools used at KenGen

Tools	Frequency	Percent	Cumulative Percent
Performance appraisal forms	37	71.2	71.2
Performance appraisal interviews	14	26.9	98.1
Others	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

When asked on the frequency at which appraisals are done in the Company, all the respondents (52) said that the exercise is conducted biannually.

Figure 4.3: Frequency of Appraisal



Source: Field Data (2013).

The study also inquired of the respondents the extent to which they rate the current performance at the company. Of these 7 of them (13.5%) said that the current performance was excellent while 17 or 32.7% said that the performance was good. However the majority (26) said that the performance was fair and only the remaining 2 of

them (3.8%) thought that the performance was poor. This translates to an overall good performance.

Table 4.5: Managers' Rating of the Role of Appraisal at KenGen

	Frequency	Percent	Cumulative Percent
Excellent	7	13.5	13.5
Good	17	32.7	46.2
Fair	26	50.0	96.2
Poor	2	3.8	100.0
Total	52	100.0	

Source: Field Data (2013).

The respondents were asked to rate their appreciation of the role performance played at Kenya Electricity Generating Company Ltd. Majority of them (29) or 55.8% said that they did appreciate while the remaining 44.2% (23) did not appreciate the role played. When asked on the reasons why did not appreciate the roles played, some said that there were no rewards indicators out of the exercise including promotions and salary reviews.

Table 4.6: Managers’ response on the Appreciation of Role played by Performance appraisal

	Frequency	Percent	Cumulative Percent
Yes	29	55.8	55.8
No	23	44.2	100.0
Total	52	100.0	

Source: Field Data (2013).

When asked to give reasons for their response, they said that many times, the role lacked objectivity, lacked explicit implementation strategies for appraisal results and that the questionnaire was full of subjective questions without targets being set in advance. They also mentioned that the appraisal process was a mere formality with no intention from management of seeing it through, that it lacked clarity of intended objectives and that the appraisers failed to listen to the appraises.

4.2.3 Factors Influencing Outcomes of Performance Appraisal

The study sought to know the effect that various factors influence the outcome of performance appraisal. On whether the appraisal was influenced by the tools that were used, 25 respondents strongly agreed while another 18 agreed that the tools actually influenced the outcome. Only 7 of them said that they did not know whether it influenced or not but 2 of the respondents disagreed that the influence was not there.

Table 4.7: Appraisal Tools used

	Frequency	Percent	Cumulative Percent
Strongly Agree	25	48.1	48.1
Agree	18	34.6	82.7
Don't Know	7	13.5	96.2
Disagree	2	3.8	100.0
Total	52	100.0	

Source: Field Data (2013).

On the impact of the technical expertise of the appraiser on the outcome of performance appraisal, the majority of the respondents (24) agreed that it did influence while another 19 respondents strongly agreed. Only 8 respondents said that they did not know whether it influenced or not while only 1 respondent disagreed that the technical expertise of the appraiser influenced.

Table 4.8: Technical Expertise of Appraiser

	Frequency	Percent	Cumulative Percent
Strongly Agree	19	36.5	36.5
Agree	24	46.2	82.7
Don't Know	8	15.4	98.1
Disagree	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

The study also sought to know if the attitude of the managers influenced employee performance appraisal at Kenya Electricity Generating Company Ltd .Indeed, 25 (48.1%) of the respondents strongly agreed that the attitude of the manager affected appraisal while another 34.6% (18) also agreed. Only 8 respondents said that they did not know if the attitude affected performance appraisal but 1 respondent strongly disagreed that the attitude of the manager influenced employee performance appraisal.

Table 4.9: Manager’s Attitude

	Frequency	Percent	Cumulative Percent
Strongly Agree	25	48.1	48.1
Agree	18	34.6	82.7
Don't Know	8	15.4	98.1
Strongly Disagree	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

On whether employee performance appraisal was influenced by the qualifications and experience of the appraisers, to which an equal number (18) of the respondents agreed and said they did not know if it did actually affect. Only 6 respondents strongly agreed that it did affect while another 7 of them disagreed but 2 respondents strongly disagreed.

Table 4.10: Qualifications and Experience of Managers

	Frequency	Percent	Cumulative Percent
Strongly Agree	6	11.5	11.8
Agree	18	34.6	47.1
Don't Know	18	34.6	82.4
Disagree	7	13.5	96.1
Strongly Disagree	2	3.8	100.0
Total	51	98.1	
Missing System	1	1.9	
Total	52	100.0	

Source: Field Data (2013).

On the effect of training level and experience of the managers who conducted appraisal at the Company on the appraisal system, the majority of the respondents (27) representing 51.9% agreed that it did influence while 11 (21.2%) said strongly agreed with this. Another 11 respondents (21.2%) however said that they did not know if truly it affected. Two (2) respondents disagreed while the remaining 1 respondent strongly disagreed that the effect of training and experience had on employee performance appraisal.

Table 4.11: Training and Experience

	Frequency	Percent	Cumulative Percent
Strongly Agree	11	21.2	21.2
Agree	27	51.9	73.1
Don't Know	11	21.2	94.2
Disagree	2	3.8	98.1
Strongly Disagree	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

When asked about the effect of the timing of the appraisal on the appraisal process, majority of the respondents (20) or 38.5% agreed while another 14 respondents (26.9%) strongly agreed that it affected. Four (4) respondents strongly disagreed that there was an effect, 6 disagreed while another 8 said did not know whether the timing of appraisal influenced the appraisal of employees at Kenya Electricity Generating Company Ltd.

Table 4.12: Timing of Appraisal

	Frequency	Percent	Cumulative Percent
Strongly Agree	14	26.9	26.9
Agree	20	38.5	65.4
Don't Know	8	15.4	80.8
Disagree	6	11.5	92.3
Strongly Disagree	4	7.7	100.0
Total	52	100.0	

Source: Field Data (2013).

On whether performance appraisal at Kenya Electricity Generating Company Ltd was influenced by the nature of work that an employee performed to which majority of the respondents (20) strongly agreed while another 11 of them agreed. However 13 respondents said that they did not know. Only 5 respondents disagreed while another 2 strongly disagreed that the nature of work affected or influenced performance appraisal at Kenya Electricity Generating Company Ltd.

Table 4.13: Nature of Work and Appraisal

	Frequency	Percent	Cumulative Percent
Strongly Agree	20	38.5	39.2
Agree	11	21.2	60.8
Don't Know	13	25.0	86.3
Disagree	5	9.6	96.1
Strongly Disagree	2	3.8	100.0
Total	51	98.1	
Missing System	1	1.9	
Total	52	100.0	

Source: Field Data (2013).

4.2.4 Factors Influencing the Attitude towards Performance Appraisal

The study also sought to specifically find out the factors that influenced the attitude of the respondents towards performance appraisal. The respondents were asked whether lack of appropriate training on performance appraisal influenced their attitude to performance appraisal to which the majority of the respondents (27) representing 51.9% confirmed that the lack of training indeed affected their attitudes towards appraisal to a great extent. Another 14 (26.9%) respondents said it affected to a good extent. Only 7 respondents (13.5%) said that the effect was to a little extent while another remaining 4 respondents (7.7%) said that they there was no effect on their end.

Table 4.14: Lack of Appropriate Training

	Frequency	Percent	Cumulative Percent
Great Extent	27	51.9	51.9
Good Extent	14	26.9	78.8
Little Extent	7	13.5	92.3
No Effect	4	7.7	100.0
Total	52	100.0	

Source: Field Data (2013).

On whether organizational culture has an influence the attitude towards performance appraisal, 48.1% of the respondents confirmed that it did affect to a great extent while another 36.5% said that the effect was there to a good extent. The remaining 11.5% said that the effect was there but to a little extent.

Table 4.15: Organizational Culture and Appraisal

	Frequency	Percent	Cumulative Percent
Great Extent	25	48.1	50.0
Good Extent	19	36.5	88.0
Little Extent	6	11.5	100.0
Total	50	96.2	
Missing System	2	3.8	
Total	52	100.0	

Source: Field Data (2013).

The study also sought to find out whether lack of feedback on performance appraisal influenced the attitude towards performance appraisal to which a great percentage

(76.9%) said that the effect was there to a great extent. Another 8 respondents, representing 15.4% said that the effect was there to a good extent while another 3 said the effect was there but to a little extent. Only 1 respondent said that there was no influence of this lack of feedback on the appraisal at Kenya Electricity Generating Company Ltd.

Table 4.16: Lack of feedback

	Frequency	Percent	Cumulative Percent
Great Extent	40	76.9	76.9
Good Extent	8	15.4	92.3
Little Extent	3	5.8	98.1
No Effect	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

The study also sought to find out if the poor implementation of performance appraisal results influences the attitude towards performance appraisal. Majority of the respondents (43) representing 82.7% said that poor implementation of the results affected appraisal to a great extent while another 6 respondents (11.5%) said that the effect was to a good extent. Only 2 respondents said the effect was to a little extent while the remaining 1 respondent said that there was no effect of poor implementation on the performance appraisal.

Table 4.17: Implementation of Appraisal Outcome

	Frequency	Percent	Cumulative Percent
Great Extent	43	82.7	82.7
Good Extent	6	11.5	94.2
Little Extent	2	3.8	98.1
No Effect	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

The study also sought from the respondents the effect of perceived unfairness in the performance appraisal exercise on the attitude towards performance appraisal to which another majority of the respondents (31) said that the effect was there and was to a great extent while another 14 respondents said the effect was to a good extent while another 5 respondents said the effect was to a little extent. Only 2 respondents thought that there was no effect on the performance appraisal.

Table 4.18: Perceived Unfairness

	Frequency	Percent	Cumulative Percent
Great Extent	31	59.6	59.6
Good Extent	14	26.9	86.5
Little Extent	5	9.6	96.2
No Effect	2	3.8	100.0
Total	52	100.0	

Source: Field Data (2013).

On whether lack of top management support affected performance appraisal, 31 respondents said that the effect was to a great extent while another 16 said that the effect was to a good extent. Four (4) others said the effect was there but to a little extent while another 1 respondent thought there was no effect on performance appraisal.

Table 4.19: Management Support for Appraisal

	Frequency	Percent	Cumulative Percent
Great Extent	31	59.6	59.6
Good Extent	16	30.8	90.4
Little Extent	4	7.7	98.1
No Effect	1	1.9	100.0
Total	52	100.0	

Source: Field Data (2013).

The factors influencing the attitude of manager's from the highest to the lowest as per the responses from the respondents is as tabulated in table 20.

Table 4.20: Rank of factors influencing the attitude of Managers towards Performance Appraisal

Factors	Great Extent	Good Extent	Total	% of Total
Poor implementation of performance appraisal results influences the attitude towards performance Appraisal.	43	6	49	94.23
Lack of feedback on performance appraisal influence the attitude towards performance Appraisal.	40	8	48	92.31
Lack of top management support and commitment influences the attitude towards performance Appraisal.	31	16	47	90.38
Perceived unfairness in the performance appraisal exercise influence the attitude towards performance Appraisal.	31	14	45	86.54
Organizational culture has an influence the attitude towards performance Appraisal.	25	19	44	84.62
Lack of appropriate training on performance appraisal influences the attitude towards performance Appraisal.	27	14	41	78.85

Source: Field Data (2013).

When respondents were asked about other factors influenced their attitude towards performance appraisal to which they indicated that the management uses appraisal to settle scores with the junior staff, poor or lack of moderation which leads to skewed

results for some sections, that the rewards awarded did not reflect results of the appraisal process, appraisers being less performing than the appraisee, and that there exist s too much shifts of work assignments from those targeted in previous evaluation and hence there were specific measurements and that the management gave more attention to the union rather than the individual employees, they said that many employees are not trained on their line of duties while when asked on the recommendations they would have as regards the appraisal. Others also stated that the personal relationship between the appraiser and appraise also affected the process. Other respondents also mentioned that the process was too frequent with no much time to prepare for the next one. Thus recommends more spacing between appraisals.

In their recommendations, they indicated that the recommendations and suggestions that staff offers during or after appraisals should be taken seriously by the management. They also recommended that the management should change the appraisal forms and remove the subjective questions, enhance moderations through independent moderations of the results, provide clear rewards based on performance and clear mode of implementation of the same rewards as well as a timely release of evaluation results. Some respondents also recommended the automation of the process so as to maximize the available intelligent systems within Kenya Electricity Generating Company Ltd like SAP, SCADA/DCS, CDM and WorkflowGen. They also suggest that the results generated from these systems should be readily available for the staff on request. Others also recommended that there should be a divorce of personalities from the appraisal process. The respondents also indicated the need to promptly implement the appraisal results and that promotion should be purely based on these appraisal results. Yet another respondent also recommended that there is need to redistribute properly the weights among the measures in the process.

CHAPTER FIVE

SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a summary of the findings of the study, makes a conclusion of these findings for the entire study as well as making recommendations that Kenya Electricity Generating Company Ltd. can employ to further improve the appraisal process. The chapter also recommends areas for further research by future researchers.

5.2 Summary of Findings

From the study, it was found out the majority of the respondents (84.6%) were male while 15.4% were female showing an imbalance of the gender within the company. Seventy three (73.1%) of the respondents said that they were in the middle level, while 12 said that they were in the lower level of management and only 1 was in top management which was as good mix for the study as it targeted those who conduct appraisals as well as the appraises which they qualified from both perspectives. In terms of experience, majority of them (16) had been at the company for over 16 years while 14 respondents had been in the company for less than 5 years while 13 have been at the Company for between 6 and 10 years but as regards the length of stay in the present grade, three quarters (75%) of them said that they had been in those positions for less than 5 years. As regards their highest academic qualifications, majority of them (25) said that they had a bachelor's degree while another 16 said that they had additional postgraduate qualifications, meaning the majority of the respondents (employees) were learned, a positive indicator of the company's performance. Thirty seven (37) respondents, 71.2%, said performance appraisal forms were used while another 14 said performance appraisal interviews were used to conduct the appraisals. Majority of the respondents (46) said that the exercise was conducted biannually, and in terms of their rate of the current

performance, 13.5% said that the current performance was excellent while 32.7% said that the performance was good. However the majority (26) said that the performance was fair but 3.8% thought that the performance was poor.

Whether the respondents appreciated the role that performance played at Kenya Electricity Generating Company Ltd, majority of them (29) said that they did appreciate while the remaining 23 said that they did not appreciate the role played. Twenty five (25) respondents strongly agreed while another 18 agreed that the tools used to conduct the appraisal actually influenced the outcome but for technical expertise of the appraiser on the outcome of performance appraisal, 24 agreed that it did influence while another 19 respondents strongly agreed. Twenty five (25 or 48.1%) of the respondents strongly agreed that the attitude of the manager affected appraisal while another 34.6% agreed. On the effect of qualifications and experience of the appraisers on appraisal, 18 respondents agreed while another 18 respondents said they did not know if it did actually affect

Twenty seven (27) respondents representing 51.9% agreed that training level and experience of the managers did influence the appraisal process while 11 (21.2%) strongly agreed with this. On the effect of the timing of the appraisal on the appraisal process, majority of the respondents (20) or 38.5% agreed while another 14 respondents (26.9%) strongly agreed that it affected as well as the effect of the nature of work that an employee performed to which majority of the respondents where 20 strongly agreed while another 11 of them agreed. Asked whether lack of appropriate training on performance appraisal influenced their attitude to performance appraisal, majority of the respondents 51.9% confirmed that it did actually affect, while another 26.9% respondents said it affected to a good extent.

Forty eight percent (48.1%) of the respondents confirmed organizational culture had an influence on the attitude towards performance appraisal to a great extent while another 36.5% said that the effect was there to a good extent and for whether lack of feedback on performance appraisal influenced the attitude towards performance appraisal, 76.9% of

the respondents said that the effect was there to a great extent. The majority of the respondents (82.7%) said that poor implementation of the results affected appraisal to a great extent while another 6 respondents (11.5%) said that the effect was to a good extent. However as whether there was an effect of perceived unfairness in the performance appraisal exercise on the attitude towards performance appraisal, the majority of the respondents (31) said that the effect was to a great extent while another 14 respondents said the effect was to a good extent while another 5 respondents said the effect was to a little extent. When asked whether lack of top management support affected performance appraisal, 31 respondents said that the effect was to a great extent while another 16 said that the effect was to a good extent.

5.3 Discussion

The results that the respondents that attitude of the manager affects the performance appraisal process confirms what other researchers like Robbins (2004). Attitude and job satisfaction may not fall completely on the management but also on the employees. If employees enjoy their work, they will not need external motivation from management, but instead the satisfaction they attain from completing their work will motivate them. A worker attitude towards work is directly linked to the job satisfaction; a worker who is satisfied with his job performs better and excels at what he does. It is therefore imperative for a company to understand the attitude of its workers and measure the job satisfaction of its employees, as job satisfaction is essential for productivity (Boswell and Boudreau (2000). They also argued that the management's style of leading plays a huge role in worker attitude and job production. On the effects of feedback, the respondents agreed that the presence or absence of feedback affected appraisal which conforms to Dagot, & Vonthron (2003) who argued that feedback is critical to the success or failure of performance appraisal The broader literature on emotions suggests that providing positive feedback will generally lead to positive emotions, such as pride and happiness, whereas negative feedback will generally result in negative emotions, such as disappointment or guilt. These affective experiences influence certain work behaviors and the emotions, in

turn, will influence work behaviors and attitudes (Nickols, 2007). On the perception of outcomes of appraisals could be its undoing since in most cases employees' link appraisal to salary decisions which relates closely with the respondents' view on the same. Salary increases may even lead to negative feelings if the increase is perceived as inequitable or minimal (Wendy and Boudreau, 2000).

5.4 Conclusion

The study sought to find out:

1. The attitude of managers towards performance appraisal at Kenya Electricity Generating Company Ltd.
2. The factors that influence the attitude of the managers towards performance appraisal at Kenya Electricity Generating Company Ltd.

From the responses the managers gave, it can be concluded that majority (84.6%) of the management staff at Kenya Electricity Generating Company Ltd are were male and that there was a good score as regards the balance of management chain in that the majority of them (73.1%) were in the middle level management. The experience also is critical to any company and given that the majority of the respondents (16) had been at the company for over 16 years meaning that there has been a relatively good retention rate for staff at the Company. Given that 75% of them said that they had been in those positions for less than 5 years academic qualifications of the respondents, it is clear that the human resources capacity at Kenya Electricity Generating Company Ltd is positive with most employees having at least a bachelors' degree while many others have additional postgraduate training. However, the respondents (majority) thought that the current performance was not good enough which is not a positive perspective for any manager.

Twenty nine (29) respondents said that they appreciated the role that performance appraisal played at Kenya Electricity Generating Company Ltd, while another twenty five (25) respondents strongly agreed and 18 others agreed that the tools used to conduct the

appraisal actually influenced the outcome. Twenty four (24) respondents agreed that technical expertise of the appraiser influenced the outcome of performance appraisal, 25 (48.1%) strongly agreed that the attitude of the manager affected appraisal and a further 34.6% agreed. On the effect of qualifications and experience of the appraisers on appraisal, 18 respondents agreed while another 18 respondents said they did not know if it did actually affect. 51.9% agreed that training level and experience of the managers influence the appraisal process, 38.5% agreed that timing of the appraisal influenced the appraisal process with a further 26.9% strongly agreeing that it affected. On the nature of work, 20 respondents strongly agreed and 51.9% of them confirmed that lack of appropriate training on performance appraisal influenced their attitude to performance appraisal.

On the factors influencing attitude towards performance appraisal, 48.1% confirmed organizational culture had an influence, 76.9% said that lack of feedback on performance appraisal influenced the attitude towards performance appraisal to a great extent. The majority, 82.7%, said that poor implementation of the results affected appraisal to a great extent. Thirty one (31) respondents said that perceived unfairness in the performance appraisal exercise affected attitude towards performance appraisal to a great extent and 31 said that lack of top management support affected performance appraisal to a great extent while.

From the study, it is anticipated that the company, Kenya Electricity Generating Company Ltd. will realize the challenges that the employees have with the appraisal system that they have at the moment. This will go a long way in ensuring that the success of future appraisal cycles should be aligned to the needs and feelings or views of the respondents. Indeed, the respondents, who were managers, indicated that the attitude towards performance appraisal is mostly because the outcome is never realized or implemented by the organization and that it had demoralized them during appraisals.

5.5 Recommendations

The study out of its conclusions suggests that the management should continue focusing on employee progression so as to enhance labor retention, encourage more of its staff to progress in professional courses and more so seek to improve their performance within the workplace. They should seek to address the gender parity at the management levels. Given that majority of the respondents appreciated the role that performance appraisal played at Kenya Electricity Generating Company Ltd , there is need for the management to refocus on the appraisal so as to achieve higher rates of acceptance among the employees. The focus should also to relook at the tools, enhance the technical expertise of the appraisers influence positively the attitude of the managers as well as enhancing the qualifications and experience of the appraisers. The managers should also strategize of the training level and experience of the managers, to recast the timing of the appraisal and possibly develop suitable tools for the different nature of work.

On the factors influencing attitude towards performance appraisal, the managers should seek to influence the organizational culture positively to achieve better results in appraisals, provide immediate and accurate feedback (knowledge of results) to the appraisees, and ensure that implementation of the results are appropriate and equitable. The perceived unfairness in the performance appraisal exercise should be corrected by the management soonest and do all within its mandate to ensure there is top level management support for the exercise. Based on this, it can be concluded that the managers' attitude towards employee performance appraisal is negative.

5.6 Suggestions for further Research

Since the study tried to be conclusive enough, a lot was also identified as requiring further studies and research so as to ascertain their influence and effect on employee performance appraisal.

1. A study on the role of employees in enhancing positive attitude in performance appraisal
2. The Standardization of appraisal procedures to enhance results and performance
3. Effective implementation of outcomes as a tool of enhancing performance among organizations

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APPENDICES

Appendix 1 – Questionnaire

You are kindly requested to answer the following questions. Information provided will be used strictly for the purpose of this study and will be treated with confidentiality. There is no correct or wrong answer.

SECTION ONE: GENERAL INFORMATION

1. Gender

Male Female

2. What is your level of management?

Top Level

Middle Level

Lower Level

3. Division/Department

4. Length of service in Kenya Electricity Generating Company Ltd

Length	Less than 5 years	6-10 years	11-15 years	Over 16 years
Response				

5. For how long have you served in your present grade?

Length	Less than 5 years	6-10 years	11-15 years	Over 16 years
Response				

6. Indicate your highest academic qualification

Highest	Primary	Secondary	Diploma	Bachelors	Other(s)
Response					

SECTION TWO: ATTITUDE TOWARDS PERFORMANCE APPRAISAL

7. What are the performance appraisal tools used in KenGen? [Tick where appropriate]

Performance appraisal forms

Performance appraisal interviews

Others [specify]

8. How often is it conducted?

Quarterly Biannually Yearly

9. How would you rate the current performance appraisal systems at KenGen?

Excellent Good Fair Poor

10. Do you appreciate the role played by performance appraisal in KenGen?

Yes No

If no, give reasons?

11. To what extent do you agree that the following factors influence the outcome of performance appraisal?

Where 5 – Strongly Agree, 4 – Agree, 3 – Don’t Know, 2 – Disagree and 1 – Strongly Disagree

Factor	5	4	3	2	1
The performance appraisal tool used					
The technical expertise of the appraiser					
The attitude of the manager					
Employee qualifications and experience					
Manager’s training and experience					
The timing of the appraisal					
The nature of the work the employee performs					

SECTION THREE: FACTORS INFLUENCING MANAGERS' ATTITUDE TOWARDS PERFORMANCE APPRAISAL

12. To what extent do the under-listed factors influence your attitude towards performance appraisal? (Tick).

Where 5 – Great Extent, 4 – Good Extent, 3 – Little Extent, 2 – No effect and 1 – Do not know

Factors	5	4	3	2	1
Lack of appropriate training on performance appraisal influences the attitude towards performance Appraisal.					
Organizational culture has an influence the attitude towards performance Appraisal.					
Lack of feedback on performance appraisal influence the attitude towards performance Appraisal.					
Poor implementation of performance appraisal results influences the attitude towards performance Appraisal.					
Perceived unfairness in the performance appraisal exercise influence the attitude towards performance Appraisal.					
Lack of top management support and commitment influences the attitude towards performance Appraisal.					

13. What recommendations do you propose on how to improve the current performance appraisal system in KenGen?

THANK YOU FOR YOUR TIME