

**PERCEIVED INFLUENCE OF PERFORMANCE APPRAISAL
CRITERIA ON EMPLOYEE JOB SATISFACTION IN KENYA
AIRWAYS**

BY

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DECLARATION

I declare that this proposal is my original work and has not been submitted for a degree in any other university or Institution of Higher Learning for examination/academic purposes.

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This research proposal has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this proposal to my late husband Michael, my sons Gavin and Teddy, my mother, siblings and friends who have been my source of inspiration and encouragement in my studies. You are such a wonderful gift. May our good Lord bless you abundantly.

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ABSTRACT

The objective of this study was to determine the perceived influence of performance appraisal criteria on employee job satisfaction at the Kenya Airways. Much of the previous research into the influence of performance appraisal criteria on employee job satisfaction has concentrated generally on developed countries. Local studies remain scanty and in both cases mixed findings have been reported, some reporting a positive relationship and some finding no significant relationship. The study took a descriptive survey design targeting all the employees at the Kenya airways. Owing to the relatively large number of the same, a sample size of 134 employees was obtained sampled on a stratified random sampling technique. A total of 120 employees responded hence an 89.6% response rate. The research tools employed included an interview with Kenya airways human resource manager, the key respondent sampled purposively and questionnaires for the employees. The primary data collected was analyzed both descriptively and inferentially. It was found that overall; the dimensions of job satisfaction have a positive influence on job satisfaction, albeit weak. Of statistical significance among the dimensions are current pay, job experience and promotional opportunities. It also found that overall; the various relative motivational aspects of performance appraisal have a positive influence on job satisfaction, but also weak. Of statistical significance in the relation are: output quality, output quantity and job knowledge. Hypothesis test however indicates a strong positive relationship between performance appraisal criteria and job satisfaction. It can therefore be concluded that the performance appraisal criteria has a positive influence on employee job satisfaction at the Kenya airways. The study recommends that employees be involved in the whole process of performance appraisal. Training should also be organized for staff so that they learn more about the concept and fully buy in for the organization to achieve the full benefits of performance appraisal. Effective and open communication with employees on the performance appraisal criteria and use of the graphic rating scale as a performance appraisal method should be incorporated.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The efforts of employees can determine the success and survival of an organization and appraisal is potentially one way in which those efforts can be aligned with the aims of an organization, employees can be motivated and their performance managed. Performance appraisal is among the most important human resource (HR) practices (Boswell, 2002). Many organizations express dissatisfaction with their appraisal schemes. 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. For instance, it is frequently argued that in order for performance appraisal to positively influence employee behaviour and future development, employees must experience positive appraisal reactions. If not, any appraisal system will be doomed to failure. Job appraisal satisfaction is the most frequently measured appraisal reaction (Keeping and Levy, 2000).

Several researches have investigated the importance of job satisfaction especially in work and organisational literature. This is mainly due to the fact that many experts believe that job satisfaction trends can affect labour market behaviour and influence work productivity, work effort, employee absenteeism and staff turnover. Moreover, job satisfaction is considered a strong predictor of overall individual well-being (Diaz-Serrano and Cabral Vieira, 2005), as well as a good predictor of intentions or decisions of employees to leave a job (Gazioglu and Tansel, 2002). Beyond the research literature and

studies, job satisfaction is also important in everyday life. Organisations have significant effects on the people who work for them and some of those effects are reflected in how people feel about their work (Spector, 1997). This makes job satisfaction an issue of substantial importance for both employers and employees. As many studies suggest, employers benefit from satisfied employees as they are more likely to profit from lower staff turnover and higher productivity if their employees experience a high level of job satisfaction. However, employees should also ‘be happy in their work, given the amount of time they have to devote to it throughout their working lives’ (Nguyen, Taylor and Bradley, 2003). Job satisfaction is important in its own right as a part of social welfare, and this (simple) taxonomy [of a good job] allows a start to be made on such questions as ‘In what respects are older workers’ jobs better than those of younger workers?’ (and vice versa), ‘Who has the good jobs?’ and ‘Are good jobs being replaced by bad jobs?’. In addition, measures of job quality seem to be useful predictors of future labour market behaviour. Workers’ decisions about whether to work or not, what kind of job to accept or stay in, and how hard to work are all likely to depend in part upon the worker’s subjective evaluation of their work, in other words on their job satisfaction (Clark, 1998).

1.1.1 The concept of Perception

According to Michener, DeLamater and Myers (2004), perception refers to constructing an understanding of the social world from the data we get through our senses. Thus, perception “refers to the process by which we form impressions of other people’s traits and personalities.” (Michener, DeLamater and Myers, 2004). Like most concepts within the social science disciplines, perception (or what other scholars refer to as social perception) has been defined in a variety of ways since its first usage. From the lay man’s

perspective, perception is defined as an act of being aware of “one’s environment through physical sensation, which denotes an individual’s ability to understand” (Chambers Dictionary). However, many social psychologists have tended to develop the concept around one of its most essential characteristics that the world around us is not psychologically uniform to all individuals. This is the fact, in all probability, that accounts for the difference in the opinions and actions of individuals/groups that are exposed to the same social phenomenon (Hague, 2001).

One of the perceivers-specific factors that influence perception is familiarity with the object of perception. Familiarity implies that, compared to others, we are better positioned to make observations leading to better relative ability to arrive at superior decisions about a particular situation. The perceptual process allows us to experience the world around us. Take a moment to think of all the things you perceive on a daily basis. At any given moment, you might see familiar objects in your environment, feel the touch of objects and people against your skin, smell the aroma of a home-cooked meal and hear the sound of music playing in your next door neighbour’s apartment. All of these things help make up our conscious experience and allow us to interact with the people and objects around us (Malan, 2003).

1.1.2 Performance Appraisal Methods

Appraisal methods are the approaches used by organizations to assess performance of their employees. Terry (2003) defines performance appraisal as the periodic evaluation of an employee’s performance measured against the job’s stated or presumed requirements. She further notes that it has been defined as the process of identifying, evaluating and developing the work performance of employees in the organization, so that the

organizational goals and objectives are more effectively achieved, while at the same time benefiting employees in terms of recognition, receiving feedback, catering for work needs and offering career guidance (Terry, 2003). Whetzel & Oppler (2003) note that performance appraisal outcome can be put to an array of uses. These as they put include promotions, confirmations, training and development, compensation reviews, competency building, improving communication, evaluation of HR Programs and in feedback & grievances. They further categorize Performance Appraisals goals into four, including: Developmental use, Administrative decisions/uses, Organizational maintenance and Documentation. Performance appraisal methods are broadly categorized into two; Past Oriented Methods and Future Oriented Methods.

Past oriented methods comprise rating scales, checklists, forced choice method, forced distribution method, critical incident method, behaviorally anchored scales, field review method, performance tests and observations, annual confidential reports, essay method, cost accounting and comparative evaluation approaches. Their general advantages comprise the fact that performance has occurred and can be measured as well as their ability to provide employees with feedback. A general disadvantage however is that it measures performance when it has already occurred and cannot be changed. Future oriented performance appraisal methods on the other hand comprise the Management By Objectives method, Psychological appraisals, assessment centers and the 360-Degree Feedback method. In sum, they are employed to determine how employees can be performing the days to come. Focusing on employee potential or setting future performance goals can assess this.

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, Baron,(1991). A performance appraisal system must be well defined, corporately supported and monitored. It must also be widely communicated and focused towards achieving corporate objectives. In essence, an appraisal system must be integrated as part of a performance management system aligned toward achieving corporate goals. Larger organizations will often conduct performance appraisals once or twice a year, and many smaller organizations follow suit. However, as smaller organizations work in rapidly changing environments in which staff duties vary daily a firm may need to take a different approach (Terry, 2003).

1.1.3 Performance Appraisal Criteria

Whetzel & Oppler (2003) identified various performance appraisal factors that could be used as criteria in various performance appraisal methods: employee job output quality, job output quantity, job adaptability and job knowledge. They advice that each of the criteria should be easily measurable and supported by observed facts over the appraisal period. This enables one to assess growth, such as when employees' statistics show significant improvement over time. They provide that job output quality measures the ability to set high standards for own personal performance; Quantity of Work measures the volume of work produced by the employee; Job knowledge measures one's mastery

of the concepts needed to perform certain work and that adaptability on the other hand measures efficiency with which employee works under stress and responds to change (Whetzel & Oppler, 2003).

1.1.4 Job Satisfaction

According to Spector (1997), "Job satisfaction is defined as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Spector, 1997, p. 2). Mutile (2012) asserts that job satisfaction as pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important. It is generally recognized in the organizational behaviour field that job satisfaction is the most important and frequently studied attitude (Mutile, 2012). Job satisfaction is associated with how well our personal expectations at work are in line with outcomes (McKenna, 2005). The idea of organization as a social system requires that some benefits are received by its participants as well as by its customers and clients. "Satisfaction" and "morale" are similar terms referring to the extent to which the organization meets the needs of employees. Measures of satisfaction include employee attitudes, turnover, absenteeism and grievances (Terry, 2003).

Job satisfaction is the most widely investigated job attitude, as well as one of the most extensively researched subjects in Industrial/Organizational Psychology (Judge & Church, 2000). Many work motivation theories have represented the implied role of job satisfaction. In addition, many work satisfaction theories have tried to explain job satisfaction and its influence. They include: Maslow's (1943) Hierarchy of Needs, Herzberg's (1968) Two-Factor (Motivator-Hygiene) Theory, Adam's (1965) Equity

Theory among others. As a result of this expansive research, job satisfaction has been linked to productivity, motivation, absenteeism/tardiness, accidents, mental/physical health, and general life satisfaction (Landy, 1978). A common idea within the research has been that, to some extent, the emotional state of an individual is affected by interactions with their work environment. People identify themselves by their profession, such as a doctor, lawyer, or teacher. A person's individual well-being at work, therefore, is a very significant aspect of research (Judge & Klinger, 2007).

There are two types of job satisfaction based on the level of employees' feelings regarding their jobs. The first, and most studied, is global job satisfaction, which refers to employees' overall feelings about their jobs (e.g., "Overall, I love my job.") (Mueller & Kim, 2008). The second is job facet satisfaction, which refers to feelings about specific job aspects, such as salary, benefits, and the quality of relationships with one's co-workers (e.g., "Overall, I love my job, but my schedule is difficult to manage.") (Mueller & Kim, 2008). According to Kerber and Campbell (1987), measurements of job facet satisfaction may be helpful in identifying which specific aspects of a job require improvements. The results may aid organizations in improving overall job satisfaction or in explaining organizational issues such as high turnover (Kerber & Campbell, 1987).

1.1.5 Kenya Airways

Kenya Airways Ltd., more commonly known as Kenya Airways, is the flag carrier of Kenya (O'Keeffe, 2013). The company was founded in 1977, after the dissolution of East African Airways (Buyck, 2010; Endres, 2005). The carrier's head office is located in Embakasi, Nairobi, with its hub at Jomo Kenyatta International Airport (KA, 2012). The airline was wholly owned by the Government of Kenya until April 1995, and it was

privatized in 1996, becoming the first African flag carrier in successfully doing so (Buyck, 2010). Kenya Airways is currently a public-private partnership. The largest shareholder is the Government of Kenya (29.8%), followed by KLM, which has a 26.73% stake in the company. The rest of the shares are held by private owners; shares are traded in the Nairobi Securities Exchange, the Dar es Salaam Stock Exchange, and the Uganda Securities Exchange (Lacey, 2003).

Kenya Airways is widely considered as one of the leading Sub-Saharan operators (Sudan Tribune, 2011); as of January 2013, the carrier is ranked fourth among the top ten ones that operate in Africa by seat capacity, behind South African Airways, Ethiopian Airlines and Egypt Air. The airline became a full member of Sky Team in June 2010, and is also a member of the African Airlines Association since 1977. As of June 2012, the company had 4,834 employees (Kenya Airways, 2012). At the Kenya airways, therefore, performance appraisal is an undertaken as a formal discussion which enables a perspective to be obtained on past performance as a basis for making plans for the future. The meeting concentrates on not only what has happened but on why it has happened. This data is then used for planning purposes. The core of the appraisal meeting is on what should be done in the future in terms of making development and improvement plans. The manager and the employee get together so that they can engage in a dialogue about the individuals performance and development and the support provided by the manager. This support is an essential part of Performance Management (Munjuri, 2011).

1.2 Research Problem

The business climate has changed during the last ten years. It seems that no industry is immune to a shakeup as a direct or indirect consequence of the resulting competition. For

many organizations, one result of this trend is a justifiable obsession with quality and productivity. It is therefore more important than ever to accurately measure job performance, often done through performance appraisal, so rewards can be distributed fairly and performance problems solved quickly, for firms and other entities to stay relevant in performance and reduce employee turnover by as much as possible (Swan, 2011). Job satisfaction is important from the perspective of maintaining and retaining the appropriate employees within the organization; it is about fitting the right person to the right job in the right culture and keeping them satisfied (Emily, 2003; Stephen & Sandra, 2004). Today's business environment is characterized by weak economies, rapidly changing technology, organizational re-engineering, shortened length of tenure, and outsourcing of peripheral business activities. Under these circumstances, managers should concentrate on removing sources of dissatisfaction from the workplace in order to keep employees busy, productive, and satisfied. At the same time, employees need to take responsibility for their own satisfaction in their job (Stephen & Sandra, 2004).

Following a series of reported strikes among the Kenya airways staff over pay, retrenchments and recalling of the staff, the airline is not new to controversy around job satisfaction among its staff. The national carrier did in mid 2012 embark on an ambitious job-cut plan to reduce its annual wage bill by close to US\$ 15 million, after an initial 126 of its 600 staff members, earmarked for retrenchment, voluntarily left. The airline cited a difficult operating environment, including the 2009 financial crisis and the rising interest rates at the time in justifying the job-cut plans (DN, 2012). A number of go slows were witnessed in protest against the plan. This is expected to be of significance in evaluating job satisfaction at the organization.

Several studies have been conducted around the world on the relationship between performance appraisal and job satisfaction with mixed findings, some reporting a positive relationship and some finding no significant relationship. The advantages of employee satisfaction that organizations can enjoy has been illustrated by the researchers such as Malik, Zaheer, Khan and Ahmad (2010), Malik, Ahmad, Saif, and Safwan (2010), AL-Hussami (2008), Bhatti and Qureshi (2007). The researchers have examined the relationship of employee/job satisfaction with various variables and found that job satisfaction of an employee is related to many of the variables showing the advantages. In a study while examining a relationship of different variables the authors found that there is a negative relationship between employee job satisfaction and their turnover (Malik, Zaheer, Khan & Ahmad, 2010). It means that job satisfaction of employees can be used as a tool to stop the employees to leave the organization. So the more employees are satisfied from their jobs less will be the chances to leave the organization.

The researchers, while examining the relationship of organizational commitment, job satisfaction and productivity in a sample of 450 employees found that employee job satisfaction is a positive predictor of employee productivity (Malik, Ahmad, Saif, & Safwan, 2010). It means that the more employees will be satisfied from their work more they will be contributing towards achieving organizational goals in an effective and efficient manner.

AL-Hussami, (2008) tested relationship between job satisfaction and organizational commitment among nurses and found that both the variables were significantly related. Organizational commitment is the belongingness to the organization. It occurs when an

individual wants to work in an organization willingly. So employee job satisfaction helps the employees to work with the organization with full interest and love. Bhatt and Qurush (2007) found out that there is a positive relationship of job satisfaction with employee participation, employee commitment and employee productivity. This finding also adds to the advantages of the job satisfaction of employees by adding that at the same time it has a positive effect on three factors like productivity, commitment and participation in work activities.

Khan (2007) states that the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. For example, the present job performance of an employee is often the most significant consideration for determining whether or not to promote the person. Savery and Syme (1996) carried out a study of hospital pharmacists and examined a relationship of satisfaction with issues such as appropriate evaluation systems, rather than with pay or job security, correlated best with increased organizational commitment.

Reid and Levy (1997) recommend that subordinate appraisal of managers could also be undertaken to identify areas of skill and ability deficiency which could be utilized to further the development of these managers. The final product from such a system should be the development of an appropriately trained and skilled workforce. To summarize the satisfied employees are the assets of any organization. Job satisfaction helps the employees to remain in the organization, work hard with interest, to be affiliated with the organization and have maximum productivity (Karimi et al, 2011).

From the studies above, no specific study has shown the relationship between performance appraisal criteria and employee job satisfaction therefore this study seeks to establish the perceived influence of performance appraisal criteria on employee job satisfaction.

The study will therefore attempt to provide answers to the question, what is the perceived influence of performance appraisal criteria on employee job satisfaction in Kenya Airways?

1.3. Research Objective

To determine the perceived influence of performance appraisal criteria on employee job satisfaction at the Kenya Airways.

1.4 Hypothesis test

The following hypothesis was tested;

H₀ Performance appraisal criteria do not influence job satisfaction at the Kenya airways

H₁. Performance appraisal criteria influence job satisfaction at the Kenya airways

1.5 Value of the study

The findings of this study are important to several stakeholders. These include: The findings of this study will be of beneficial to future researchers and academicians. Through the findings of this research, future researchers and academicians will be able to find a source to refer to on matters concerning job appraisal in relation to job satisfaction.

Other commercial airlines and entities in general will also find the findings of this study useful as it will inform them of the role played by job satisfaction in subsequent performance of the firms in Kenya. Through the findings of this study, the management will be able to make decisions on the best way to incorporate performance appraisal on employees.

The findings of this study will also be important to policy makers of firms in Kenya. Through the findings of this study, the policy makers will learn on the necessary measures that need to be put in place to ensure maximum capitalization of staff performance appraisal and the strategic incorporation of the same.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the existing literature on the subject under researched. The matter contained in this chapter relates to past studies on performance appraisal and the relationship with employee job satisfaction. The theoretical foundation, the different performance appraisal methods and job satisfaction and the measures used on the same are also hereby discussed.

2.2 Theoretical Foundation

Performance appraisal is underpinned by a philosophy based on motivation theories. The three motivation theories which have contributed most to the philosophy of performance appraisal are those concerning goals, reinforcement and expectancy. Developed by Laham and Locke (1997), goal setting theory is confined on the basis of a fourteen year research programmed into goal setting as a motivational technique. They claimed that the level of production in the companies they studied was increased by an average of nineteen percent as a result of goal setting processes with the following characteristics: the goals should be specific, they should be challenging but reachable, should be fair and reasonable, individuals should participate fully in the goal setting, feedback ensures that people develop a sense of pride and satisfaction, and feedback will give commitment to even higher goals (London, 2003).

Moreover, reinforcement theory suggests that successes in achieving goals and rewards act as positive incentives and reinforce the successful behaviour, which is repeated the next time a similar need arises. Originally developed by Vroom (1964) the theory states

that for there to be a heightened motivation to perform, individuals have to: feel able to change their behaviour, feel confident that a change in their behaviour will produce a reward, and value the reward sufficiently to justify the change in behaviour (Daniels, 1978).

2.3 Performance Appraisal Methods

Performance appraisal methods can be broadly categorized into two: Past Oriented and Future Oriented Methods.

2.3.1 Past Oriented Methods

Past oriented methods comprise rating scales, checklists, forced choice method, forced distribution method, critical incident method, behaviorally anchored scales, field review method, field review method, performance tests and observations, annual confidential reports, essay method, cost accounting and comparative evaluation approaches.

Rating scale: this is the simplest and the most popular technique for appraising all employee performance. The typical rating scales system consists of several numerical scales, each representing job related performance criterion such as dependability initiative output, attendance attitude, co - operation and the like. Each scale ranges from excellent to a poor. The number of points scored may be linked to salary increases where by so many points equal to a rise of some %. Graphic rating scales are probably the most commonly used form during the formal performance appraisal (primarily for evaluative decisions), but they should lead to development decisions as well. An advantage of this method is that a large number of employees can be evaluated in a short time, and the rater does not need any training to use the scale. The disadvantages of this method are several.

The rater's biases are likely to influence evaluation, and the biases are particularly pronounced on subjective criteria such as cooperation, attitude and initiative, furthermore, numerical scoring gives an illusion of precision that is really unfounded. (Janosik, 2003).

Checklist: in this method, the rates do not evaluate employee performance, he supplies reports about it and the final rating is done by the personnel department. Performance reviews should be tailored to your type of business and the nature of the employee's job function. Advantages around this method are that Checklist reduces subjectively because recording is done by someone else act as the rater. Rater, at the end put weight ages and adds marks comparison is also possible. Major limitations are that normally confined to staff of personnel department. It is also deemed difficult for all jobs (Kessler, 2003).

Forced distribution method: This technique was contributed by Joseph Tiffin (1905-1989). The method operates under the assumption that an employee's performance can be plotted in a bell-shaped curve. Here 10% of the employees are given excellent grade, 20% are given good grade, 40% are given the average grade, next 20% are given the below average grade and last 10% are given unsatisfactory grade. Advantages of this method are that they force reluctant managers to make difficult decisions and identify the most and least talented members of the work group. They also create and sustain a high performance culture in which the workforce continuously improves. The disadvantages are that they increase unhealthy cut-throat competitiveness; they discourage collaboration and teamwork; they harm morale and that they are legally suspect giving rise to age discrimination cases (Pulakos, 2003).

Forced choice method: This method was contributed by J.P. Guilford (1897-1987). Here, an evaluator rates an employee on the basis of a group of statements. These statements are a combination of positive and negative statements and are arranged in blocks of two or more. The rater is required to identify the most or least descriptive statement pertaining to an employee. The advantage with this is that since appraiser does not know the “correct answer”, the bias is minimized. The limitation is that appraisers as well raters dislike this method; since they feel they are not taken into confidence by giving them the right answer (University of CA- Berkeley, 2004).

Critical incident methods: the approach focused on the certain critical behaviours of an employee that makes all the difference between effective and non - effective performance of a job. Such incidents are recorded by the superiors as and when they occur. Advantages include that the method: is based on direct observations. The greatest strength of this approach is that performance evaluations are based on actual performance that is observed firsthand by the employee’s manager; it is time-tested. In this approach, managers gather data over a full year, so it’s less likely to be influenced by a mad last-minute scurry for data or the undue impact that can be associated with an employee’s most recent behaviors and that it provides more face time. By definition, the critical incident approach encourages managers to spend time on the floors with their employees, which allows them to provide more coaching, guidance, and feedback, while also learning more about overall developments in the department (Whetzel & Oppler, 2003).

Its drawbacks are that: it delays the giving of feedback. In order for feedback to be truly effective (whether the feedback is positive or negative), it should be linked as closely as possible to the behavior in question. With critical incidents, a greater emphasis may be

placed on gathering data and tallying it than actually using it to inform, educate, and motivate employees. As the distance between behavior and feedback increases, the value of feedback decreases; all satisfactory and unsatisfactory behaviors are not equal. Throughout the year, a person may display many excellent behaviors but only one unsatisfactory behavior. In that case, her pile of satisfactory behaviors would be much greater than her pile of unsatisfactory behaviors. But weighing the number of satisfactory behaviors against the number of unsatisfactory ones can lead to an erroneous conclusion if the one unsatisfactory behavior cost the company its best client, or its computer system, or its line of credit. In order to increase the accuracy and utility of the critical incident method, managers who use it should attach a numerical value to each positive and negative behavior. Finally, although managers should engage in managing by wandering around, the critical incident approach can cause managers to spend too much time on the floors. If the manager is constantly wandering around with his employees, the employees can start to feel as though the team is being micromanaged (Whetzel & Oppler, 2003).

Behaviourally Anchored Rating Scales (BARS): Behaviourally anchored scales, sometimes called behavioural expectation scales, are rating scales whose scale points are determined by statements of effective and ineffective behaviours. They are said to be behaviourally anchored in that the scales represent a range of descriptive statements of behaviour varying from the least to the most effective. BARS have the following features: Areas of performance to be evaluated are identified and defined by the people who will use the scales; the scales are anchored by descriptions of actual job behaviour that, supervisors agree, represent specific levels of performance. The result is a set of rating scales in which both dimensions and anchors are precisely defined; all dimensions

of performance to be evaluated are based on observable behaviours and relevant to the job being evaluated since BARS are tailor-made for the job and since the raters who will actually use the scales are actively involved in the development process, they are more likely to be committed to the final product (Pulakos, 2003). The main advantage of this is that helps overcome rating errors. The disadvantage is that the method suffers from distortions inherent in most rating techniques (Kessler, 2003).

Field Review Method: This is an appraisal done by someone outside employees' own department usually from corporate or HR department. The outsider reviews employee records and holds interviews with the ratee and his or her supervisor. The method is primarily used for making promotional decision at the managerial level. Field reviews are also useful when comparable information is needed from employees in different units or locations. The main advantage is that the method is useful for managerial level promotions, when comparable information is needed. Disadvantages include that the outsider is generally not familiar with employees work environment and that observation of actual behaviors is not possible (Kessler, 2003).

Performance Tests & Observations: This is based on the test of knowledge or skills. The tests may be written or an actual presentation of skills. Tests must be reliable and validated to be useful. With a limited number of jobs, employee assessment may be based upon a test of knowledge or skills. The test may be of the paper-and-pencil variety or an actual demonstration of skills. The test must be reliable and validated to be useful. Even then, performance tests are apt to measure potential more than actual performance. In order for the test to be job related, observations should be made under circumstances likely to be encountered. The advantage with this is that tests may be apt to measure

potential more than actual performance. The drawback is that tests may suffer if costs of test development or administration are high (Janosik, 2003).

Confidential Records: Mostly used by government departments, however its application in industry is not ruled out. Here the report is given in the form of Annual Confidentiality Report (ACR) and may record ratings with respect to following items; attendance, self expression, team work, leadership, initiative, technical ability, reasoning ability, originality and resourcefulness etc. The system is highly secretive and confidential. The advantage is that feedback to the assessee is given only in case of an adverse entry. The disadvantage is that it is highly subjective and ratings can be manipulated because the evaluations are linked to HR actions like promotions, among others (Pulakos, 2003).

Essay method: In the essay method, the rater must describe the employee within a number of broad categories, such as (i) the rater's overall impression of the employee's performance, (ii) the profitability of the employee, (iii) the jobs that the employee is now able or qualified to perform, (iv) the strengths and weakness of the employee, and (v) the training and the development assistance required by the employee. Although this method may be used independently, it is most frequently found in combination with others. It is extremely useful in filling information gaps about the employees that often occur in the better-structured checklist method. Advantage: It is extremely useful in filling information gaps about the employees that often occur in a better-structured checklist. Disadvantages: It is highly dependent upon the writing skills of rater and most of them are not good writers. They may get confused success depends on the memory power of raters (Whetzel & Oppler, 2003).

Cost Accounting method/ Human asset accounting method: This method evaluates from the monetary returns the employee yields to his her org. A relationship is established between the cost included in keeping the employee and the benefit the org derives from him or her. Performance of the employee is then evaluated based on the established relationship between the cost and the benefit. The current value of a firm's human organization can be appraised by developed procedures, by undertaking periodic measurements of "key casual" and "intervening enterprise" variables. They key causal variables include the structure of an organization's management policies, decisions, business leadership, strategies, skills and behaviour. The intervening variables reflect the internal state and health of an organization. They include loyalties, attitudes, motivations, and collective capacity for effective interaction, communication and decision-making. These two types of variable measurements must be made over several years to provide the needed data for the computation of the human asset accounting (University of CA-Berkeley, 2004).

Comparative Evaluation Method (Ranking & Paired Comparisons): These are collection of different methods that compare performance with that of other co-workers. The usual techniques used may be ranking methods and paired comparison method. Ranking Methods: Superior ranks his worker based on merit, from best to worst. However how best and why best are not elaborated in this method. It is easy to administer and explanation. Paired Comparison Methods: In this method each employee is rated with another employee in the form of pairs (Whetzel & Oppler, 2003).

2.3.2 Future Oriented Performance Appraisal Methods

Future oriented performance appraisal methods on the other hand comprise the Management By Objectives method, Psychological appraisals, assessment centers and the 360-Degree Feedback method.

Management By Objectives: The concept of ‘Management by Objectives’ (MBO) was first given by Peter Drucker in 1954. It can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed. The essence of MBO is participative goal setting, choosing course of actions and decision making. An important part of the MBO is the measurement and the comparison of the employee’s actual performance with the standards set the advantage is that it is more useful for managerial positions. Disadvantages include that the method is not applicable to all jobs and that allocation of merit pay may result in setting short-term goals rather than important and long-term goals (Pulakos, 2003).

Psychological Appraisals: These appraisals are more directed to assess employees’ potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance. The advantage is that this approach is slow and costly and may be useful for bright young members who may have

considerable potential. However, quality of these appraisals largely depends upon the skills of psychologists who perform the evaluation (Whetzel & Oppler, 2003).

Assessment Centers: An assessment centre typically involves the use of methods like social/informal events, tests and exercises, assignments being given to a group of employees to assess their competencies to take higher responsibilities in the future. Generally, employees are given an assignment similar to the job they would be expected to perform if promoted. The trained evaluators observe and evaluate employees as they perform the assigned jobs and are evaluated on job related characteristics. The major competencies that are judged in assessment centres are interpersonal skills, intellectual capability, planning and organizing capabilities, motivation and career orientation.

Advantages: well-conducted assessment center can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in assessment centers. The tests also make sure that the wrong people are not hired or promoted. Finally it clearly defines the criteria for selection and promotion.

Disadvantages: costs of employees traveling and lodging, psychologists, ratings strongly influenced by assessee's inter-personal skills. Solid performers may feel suffocated in simulated situations. Those who are not selected for this also may get affected (Kessler, 2003).

360-Degree Feedback: also known as 'multi-rater feedback', it the most comprehensive appraisal where the feedback about the employees' performance comes from all the sources that come in contact with the employee on his job. 360 degree respondents for an employee can be his/her peers, managers (i.e. superior), subordinates, team members,

customers, suppliers/ vendors - anyone who comes into contact with the employee and can provide valuable insights and information or feedback regarding the “on-the-job” performance of the employee. Advantages of this method are that: individuals get a broader perspective as to how they are perceived by others; the feedback provides a more rounded view of their performance; enhanced awareness and relevance of competencies; awareness for senior management too, as they will get to know their need for development and feedback is perceived more valid and objective as itâ€™s collected from varied sources. Disadvantages include that frank and honest opinion may not be received; stress might be put on individuals for giving feedback; lack of action following feedback; over reliance on technology and too much bureaucracy (Official Procedure might slow the process) (University of CA- Berkeley, 2004).

Successful performance appraisal processes follow the following logistical flow, as Connellan (2004) puts it: Objectives definition of appraisal; Job expectations establishment; Design an appraisal program; Appraise the performance; Performance Interviews; Use data for appropriate purposes; Identify opportunities variables and use of social processes, physical processes, human and computer assistance. Kessler (2003) identifies four broad purposes of performance appraisal outcomes: Developmental Use, to address among others, individual needs, performance feedback, transfers and Placements as well as strengths and development needs; Administrative Decisions / Uses to address salaries, promotion, retention / termination, recognition, layoffs as well as poor performers’ identification. It is also used in organizational Maintenance, to address HR Planning, training needs, organizational Goal achievements, goal identification, HR Systems Evaluation as well as reinforcement of organizational needs.

Documentation is also one of the goals of performance appraisal, handy in validation research, for HR decision taking and legal requirements, (Ambrose, 1999).

2.4 Performance Appraisal Criteria

The four performance appraisal factors as criteria in appraising employee performance as discussed by Whetzel & Oppler (2003) include job quality, job quantity, employee job adaptability and job knowledge.

Job quality refers to the ability to set high standards for own personal performance; strive for quality work; put forth extra effort to ensure quality work (Connellan, 2004). It measures the ability to develop and implement new solutions, procedures and concepts; accuracy, thoroughness, and reliability; organization and completeness; attention to detail as well as the ability to deliver what is required when required (Kessler, 2003). Quantity of Work on the other hand refers to the volume of work produced by the employee, along with his or her speed, accuracy and consistency of output. It measures the ability to accomplish assigned work in an organized, timely manner; production of necessary results in spite of unforeseen changes as well as the ability to alert appropriate team member if deadlines need to be re-negotiated to accomplish work with higher priority (Pulakos, 2003).

Job knowledge measures one's mastery of the concepts needed to perform certain work. Job knowledge is a complex concept that includes elements of both ability (capacity to learn) and seniority (opportunity to learn). It is usually measured with a paper-and-pencil test. To develop a paper-and-pencil test to assess job knowledge, the content domain from which test questions will be constructed must be clearly identified (Connellan,

2004). For example, a job knowledge test used to select sales managers from among salespeople must identify the specific knowledge necessary for being a successful sales manager. Adaptability on the other hand measures efficiency with which employee works under stress and responds to change; receptiveness to change/new ideas; poise and/or courtesy in tough situations as well as ability to modify behavioural style and approach to goal (Janosik, 2003).

2.5 Job Satisfaction

Scholars have described job satisfaction in different but related ways. Weiss (2002) has argued that job satisfaction is an attitude but points out that researchers should clearly distinguish the objects of cognitive evaluation which are emotions, beliefs and behaviors. This definition suggests that we form attitudes towards our jobs by taking into account our feelings, our beliefs, and our behaviors. Job satisfaction describes how content an individual is with his or her job. The happier people are within their job, the more satisfied they are said to be. Job satisfaction is not the same as motivation or aptitude, although it is clearly linked. Spector (1997) defined job satisfaction as the extent people like or dislike their jobs. Hoppock (1935) indicates that job satisfaction is the mental, physical, environmental satisfaction of employees. Schermerhorn (1997) refers to job satisfaction as the degree to which employees feel positively or negatively about their jobs. Positive and negative feelings about one's job lead to job satisfaction and job dissatisfaction respectively.

Khainga (2006) indicates that job satisfaction has three dimensions. Firstly, it is an emotional response to a job situation. This can only be inferred. Secondly, job

satisfaction is determined by how well outcomes meet expectations. For instance, if the salary is commensurate to work done and is also equitable, the organizational members are likely to develop job satisfaction. Finally, job satisfaction should be viewed as representing a combination of related attitudes. Job satisfaction can take place through intrinsic motivation that is self-generated factors that influence people to behave in a certain way such as responsibility, freedom act, scope to use and develop skills and abilities among others. It could also be through extrinsic motivation i.e. what is done to or for people to motivate them including rewards such as increased pay, praise or promotion. The later have an immediate and powerful effect though not long lasting as the intrinsic motivators which have a deeper and longer term effect because they are inherent in individuals.

Anold and Feldman (1986) identified job satisfaction factors as pay, promotion, supervision, work group and working conditions. Work should be challenging with variety of tasks. Variety produces more job satisfaction. Too much control over work methods and work place by management may result to job dissatisfaction. Promotion to higher levels brings more satisfaction; there are more job challenges, more freedom, leadership and better pay. Supervision determines employees' participation in decision making. Employees who participate in decisions that affect their jobs display a much higher level of job satisfaction with their supervisors and overall work situation. Cooperative workmates act as social support systems. Working conditions determine physical comfort. Davis (1951) found job satisfaction can make employers achieve organizational goals, take more interest in work and feel honored to be part of their organization.

2.5.1. Factors influencing Job Satisfaction

Mullins (2002) outlined factors that cause job satisfaction as Individual Factors which include personality, education, intelligence and abilities, age, marital status and orientation to work. Secondly are Social Factors that include relationship with colleagues, group working, norms, opportunities for interaction and informal organization. Thirdly he identified the Cultural Factors including underlying attitudes, beliefs and values. Organizational Factors were outlined as fifth consisting of personnel policies and procedures, employee relations, nature of work, technology and work organization, supervision and styles of leadership, management systems and working conditions. Lastly he outlined the Environmental Factors including economic, social technical and governmental influence.

Several theories have tried to explain why people feel the way they do in regards to their jobs. To highlight some but just a few, Locke (1976) developed the Affect Theory which is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Further, the theory states that how much one values a given facet of work (e.g. the degree of autonomy in a position) moderates how satisfied or dissatisfied one becomes when expectations are or are not met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), compared to one who does not value that facet.

Jackson (1982) outlines the Dispositional Theory which is a very general theory that suggests that people have innate dispositions that cause them to have tendencies toward a certain level of satisfaction, regardless of one's job. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs. A significant model that narrowed the scope of the Dispositional Theory was the Core Self-evaluations Model proposed by Judge (2003). Judge argued that there are four Core Self-evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-esteem (the value one places on his or herself) and general self-efficacy (the belief in one's own competence) lead to higher work satisfaction. If one has an internal locus of control (believing one has control over her or his own life, as opposed to outside forces having control) leads to higher job satisfaction. Finally, lower levels of neuroticism lead to higher job satisfaction

Abwavo (2005) outlines that companies that satisfy employees desire for good managerial relations, respect, fair and adequate compensation, and opportunities for growth and development through training, in turn reaping the benefits. Employee satisfaction is an important issue for employers. High levels of absenteeism and turnover are quite costly in terms of training and recruiting. Khainga (2006) indicates that few organizations seem to have made this a priority maybe because they really do not see the significance. Satisfied employees tend to be more productive, creative and committed to their employers. Studies have shown a direct correlation between staff satisfaction and customer satisfaction Michael (Oct, 1999) Levels of job satisfaction tend to increase as one moves up the hierarchy in the organization. While one cannot assume that

professionals take responsibility for their performance and satisfaction, it is a generally acceptable fact that professionals have the ability to increase their skills and make that increase visible to their colleagues. They negotiate acceptable salary benefits. On the other hand unskilled labourers often feel powerless because they are not marketable. They frequently result to collective bargaining as a means of attaining acceptable terms and conditions of employment.

2.5.2. Measurement of Job Satisfaction

Dessler (1999) notes that job satisfaction reflects the attitudes about an employee's job in practice. Measuring job satisfaction usually means measuring specific aspects of the job; using instruments such as the popular job satisfaction survey, the job descriptive index which measures the following five aspects of job satisfaction: Pay – how much pay is received and is it perceived to be equitable? Job experience - are tasks interesting and are opportunities for learning acceptable? Promotional opportunities – are promotions and opportunities to advance available and fair? Supervisor – does the supervisor demonstrate interest in and concern about employees? Co-workers – Are workers friendly, competent and supportive?

Job satisfaction levels are determined by carrying out attitude surveys. Attitudes influence behaviors; a person's attitude has been found to influence his or her performance and behavior at work. Dessler (1999) defined an attitude as a predisposition to respond to objects, people or events in either a positive or negative way. According to Broom (1972), job satisfaction level may be measured through employees' feelings about pay, work itself, benefits, career, advancement, co-worker performance, supervisory consideration, supervisory promotion of teamwork and participation, supervisory

instructions/guidance, communication, human resource/personnel policies, concern for employees, productivity/efficiency, training and development, physical working conditions, strategy/mission, recognition, other job options and comparative information. Job satisfaction can be measured by looking at employee productivity levels, employee retention and costs related with turnover, rates of absenteeism, quality of work and output and commitment to the organization.

Quinn (1974) identified two types of job satisfaction measures; single-question versus multiple-item measures. Single –question measures typically ask a question such as, “On the whole would you say you are satisfied or dissatisfied with the work you do?” and its variant, “All in all, would you say you are satisfied or dissatisfied with your job?” Multiple – item measures on the other hand, ask respondents to rate various aspects of their job on a scale running from (say) levels of dissatisfaction to levels of satisfaction. Wether (1993) says that an effective department is one that meets both company objectives and employee needs. When employees’ needs are unmet, turnover, absenteeism and union activities are more likely. He recommends audit of employee satisfaction as a means of learning how well employee needs are met. In auditing employee satisfaction levels he says, an audit team gathers information about wages, benefits, career planning assistance and the feedback employees receive about performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter details how the proposed study was carried out. It covers research design, data collection and data analysis.

3.2 Research Design

This study took a descriptive survey design; it sought to achieve the objective of the study, which is to investigate the perceived influence of performance appraisal criteria on employee job satisfaction at Kenya airways. A descriptive survey has been chosen because it enables the researcher to have an in-depth understanding of the practice pattern in the appraisal practices at Kenya airways and job satisfaction therein. The design is thus the most appropriate where a detailed analysis of a single unit of study is desired as it provides focused and detailed insight to phenomenon that may otherwise be unclear.

The importance of a descriptive survey design is emphasized by Kothari (2003) who acknowledges that the design is appropriate because it gives a better understanding of the relationship between independent and dependent variables.

3.3 Target population and sampling technique

The study targeted the Kenya Airways employees. Due to resource constraint, both purposive and stratified random sampling techniques were employed. The firm's Human Resource Manager was sampled purposively due to his possession of the information of interest, regarding performance appraisal among employees therein. Other employees on the other hand were sampled by stratified random sampling technique, whereby the different departments made the strata, from which employees were sampled randomly.

3.4 Sample size

As of July 2013, the number of employees at Kenya Airways stands at 4, 000. Due to the relative large number of the target employees, the sample size will be determined by use of the Neuman (2000) formula. According to Neuman (2000), the size of a sample for a particular study will be calculated as follows:

$$n = \frac{Z^2 pq}{d^2}$$

Where n = the required sample size, when the target population is more than 10,000

Z = is standard normal deviate at the required confidence level (1.96) at 0.05

p = is the proportion of the target population estimated to have the characteristics being measured when one is not sure, so one takes middle ground (0.5)

$$q = 1-p$$

d is the level of statistical significance

$$\text{Therefore } n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2} = 384$$

This gives a sample size of 384 which can be adjusted when population is less than 10,000 using the following relationship (Neuman, 2000).

$$nf = \frac{n}{1 + n/N}$$

nf is the desired sample size when population is less than 10,000

n is the desired sample size when population is more than 10,000

$$nf = \frac{384}{1 + 384/206} = 134$$

A sample size of 134 employees was therefore targeted.

3.3 Data collection

The study made use of primary data. Data, both on appraisal practices and job satisfaction was obtained from selected employees of Kenya airways using both an interview guide and a structured questionnaire. Particularly the study targeted the Human Resources Manager at the organization, for response on performance appraisal criteria by use of an interview guide, whereas other employees randomly sampled from all the departments, were targeted for response on job satisfaction by use of a questionnaire.

3.4 Research instruments

The method of data collection to be adopted was both by personal interviews and by use of a questionnaire. The interview guide was used to collect data on performance appraisal criteria and for job satisfaction data; a structured questionnaire was used. This enabled oral administration of questions in a face to face encounter therefore allowing collection of in depth data.

3.5 Data Analysis

The data, which was qualitative in nature, was analysed descriptively, by adopting descriptive statistics method of analysis, comprising measures of central tendency, measure of variations and percentages. The data is presented by use of tables and figures.

According to Mugenda and Mugenda (2003) the main purpose of descriptive analysis is to study existing information in order to determine factors that explain a specific phenomenon. The relationship between appraisal criteria and job satisfaction will be measured using pearsons' correlation analysis, in order to determine the degree of the perceived influence of performance appraisal criteria on employee job satisfaction.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter covers data analysis and findings and a discussion on perceived influence performance appraisal criteria and job satisfaction at the Kenya Airways. The data was analyzed using both descriptive and inferential statistics. The research findings were presented in the form of tables, figures and percentages.

4.2 Descriptive Statistics

4.2.1 Response Rate

The study targeted all the 4, 000 Kenya Airways employees and separately, the human resource manager at the airline. Due to the relatively large number of the target employees, the researcher adopted the Neuman (2000) formula and sampled 134 individuals to be included in the study using stratified random sampling procedure. The human resource manager was sampled purposively. To this end, the study registered an 89.6% response rate, where only 120 individuals responded out of the 134 targeted sample. According to Mugenda and Mugenda (1999), a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent. The study registered an excellent response rate. This is reflected in the table below.

Table 4.1 Response Rate

Questionnaires	Frequency	Percent (%)
Returned	120	89.6
Unreturned	14	10.4
Distributed	134	100.0

4.2.2 Demographic Data

This section presents the respondents departments of work, age category, level of education and the length of service of employees, in years.

4.2.2.1 Respondents Departments

The researcher deemed it necessary to establish the respondents departments of work. This served to ascertain representativeness of the sample. Results are as shown in table 4.1 below.

Table 4.2 Respondents distribution across departments

Department	Frequency	Percentage (%)
Strategy and Business	12	10
Administration	13	10.8
Human Resource	23	19.2
Production	16	13.3
Marketing	29	24.2
Customer service	27	22.5
Total	120	100

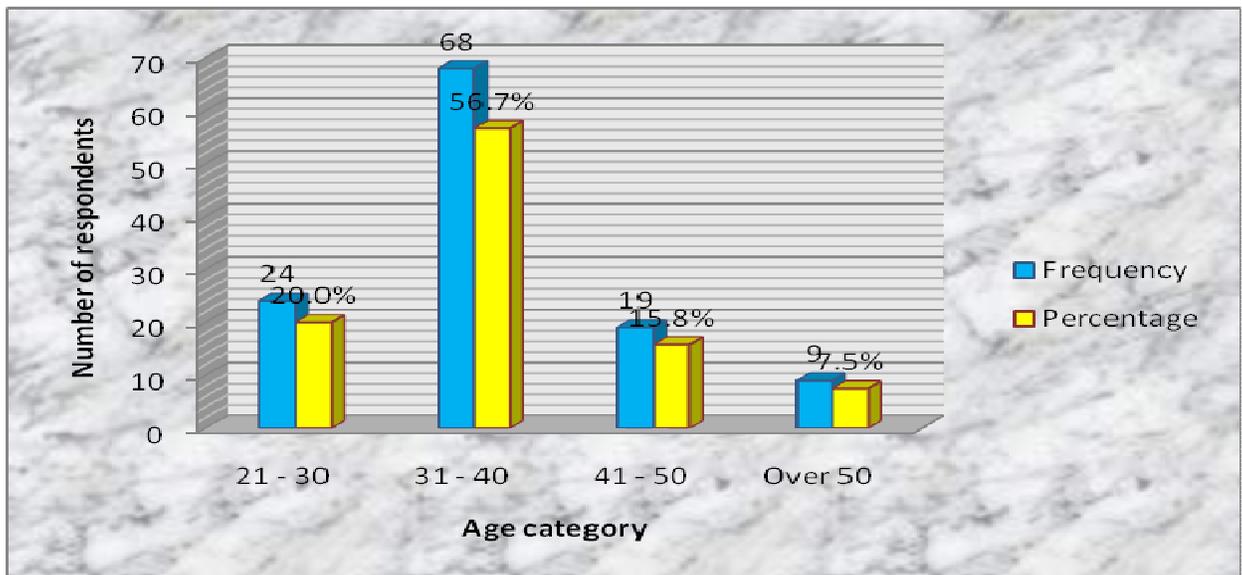
The marketing department recorded the highest number of respondents as represented by 24.2% of the respondents, closely followed by the customer service department represented by 22.5% of the respondents. Strategy and business as well as Administration

departments registered the least number of respondents with 10% and 10.8%, respectively.

4.2.2.2 Distribution of Respondents by age category

It was necessary to determine the respondents' age categories in order to get a view of the age distribution at the organization. The findings of the study are as displayed in figure 4.1 below.

Figure 4.1 Distribution of the Respondents by age category

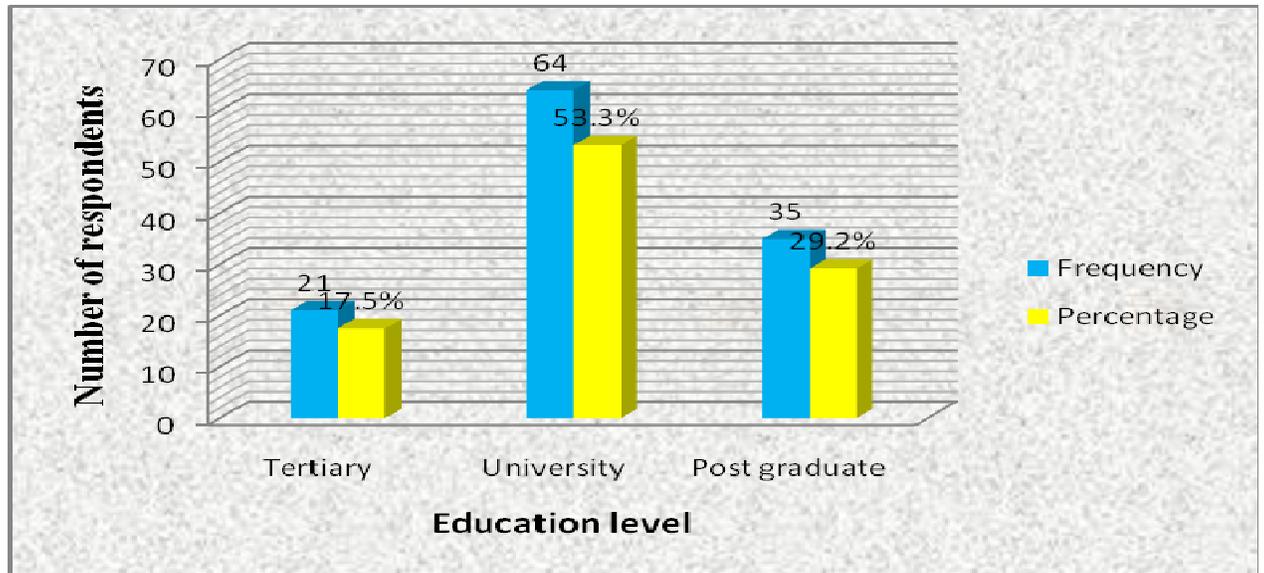


A balanced distribution of the respondents across the ages is observed in the figure 4.1 with a majority of the respondents falling within the 31-40 age categories, as represented by 56.7% of the respondents. The over 50 age category had the least number of respondents, as indicated by 7.5% of the respondents. The general age of employees at the Kenya airways can therefore be said to be youthful, going by the majority lying within the 21 to 40 years category.

4.2.2.3 Levels of education of Respondents

The study also sought to find out the respondents level of education. Findings of which are displayed in figure 4.2 below

Figure 4.2 Distribution of the Respondents by level of education

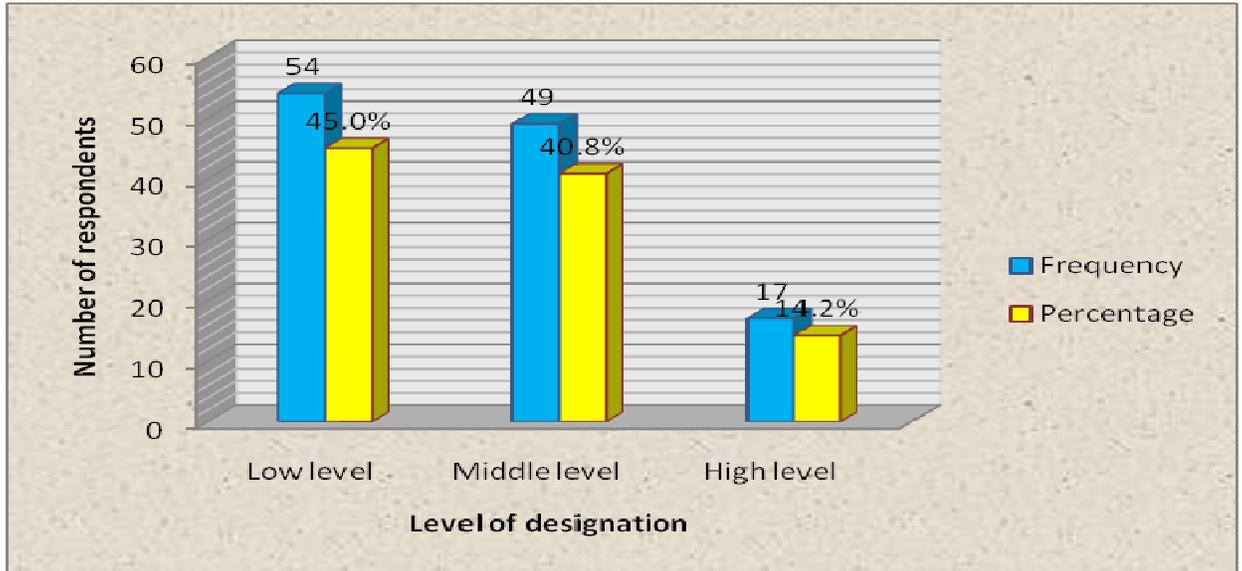


From the findings in the figure 4.3 a majority 53.3% of the respondents are undergraduate degree holders, closely followed by postgraduates at 29.2% representation, while 17.5% are tertiary institution graduates. Overall most of the respondents(53.3%) have university degree.

4.2.2.4 Designation of the Respondents

Designation of the respondents was structured into three: low level, middle level and high level. This served to ensure equitable representation of the respondents. Results presented in the figure 4.3 indicate that most respondents lie in the low level designations as shown by 45.0% of the respondents. This is followed by a distant middle level designation recorded by 40.8% of the respondents.

Figure 4.3 Classification of Respondents by levels of Designation

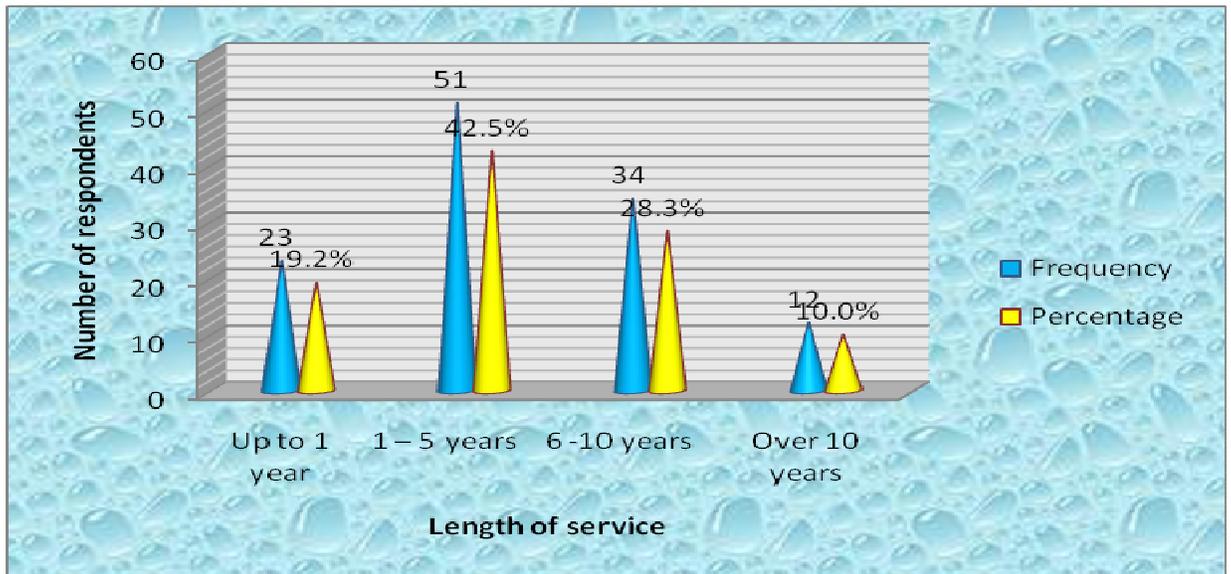


As shown in the figure 4.3 it can be concluded that a majority of the Kenya airways respondents (45%) are at low level designation. Middle and high level employees follow, respectively. This is typical in most organizations and of particular usefulness to the study, as performance appraisal methods and job satisfaction issues cut across the levels.

4.2.2.5 Length of Service

With some level of working experience necessary in establishing the study objectives, the study found it necessary to establish the length of service of the respondents, in years. As captured in figure 4.4 below, majority, 42.5% of the respondents have served in the organizations for between 1 and 5 years. This is followed by the 6-10 years category, as indicated by 28.3% of the respondents. The more than 10 and up to 1 year categories had each 10.0% and 19.2% of employees respectively.

Figure 4.4: Comparison of the Respondents by Length of Service



Respondents were asked to indicate how long they have worked at the Kenya Airways. Results in the figure 4.4 show that a significant number have also served for over 6 years reflecting the employee retention ability of the organization over the past ten years. With a considerable number having served for at least 5 years, showing a considerable work experience, the data collected can be deemed reliable. Results on performance appraisal methods and job satisfaction will thus be reflective of the employees' perspectives as accrued over years of experience.

4.3 Performance appraisal method at the Kenya airways

The researcher held an interview with the organization's human resource manager in which a set of open ended questions regarding performance appraisal method practised at the Kenya airways were asked. The open ended interview structure was deemed appropriate by the researcher in order to provide room for probing and revelation of more information which may not have been included in the interview guide. A series of themes

can be established from the questions asked and the responses given. Findings are structured into the following themes.

- i. Performance appraisal method practised by the organization
- ii. Frequency and timing of appraisal
- iii. Objectives of appraisal
- iv. Relationship between performance appraisal criteria and job satisfaction

4.3.1 Performance appraisal method practiced at the Kenya airways

The researcher sought to determine the performance appraisal method practised at the Kenya airways. To this end, a list of performance appraisal methods categorised into future oriented and past oriented as acquired from the literature were posited by the researcher from which the respondent was required to explain the method adopted and normally used by the organization. This would serve to analyze the method in relation to the appraisal criteria and how it relates to job satisfaction in order to achieve the study objective. It was established from the response that the Kenya airways employees the graphic rating scale method of performance appraisal to assess their employees' job performance. The appraisal is done by the immediate supervisor. This as he explained entails creating a complete picture of the employee as well as the organizational performance, guiding the airline in determining the critical success factors and performance indicators. He also added that the method was highly efficient as it had the ability to be used to all employees within a convenient short time.

4.3.2 Frequency and timing of appraisal

The researcher also sought to find out the frequency at which the organization conducted the appraisal method as well as when the organization deemed it necessary to carry out the appraisal. This would serve to enable the researcher get an insight into the possible intensity and influence of the appraisal method on the employees' job satisfaction. The researcher thus asked on the number of times in a year an appraisal was conducted at the organization. It was established from the response that the graphic rating scale is used in the organization on quarterly basis. It therefore depicted that the employers ought to keep track of the execution of activities by the staff within their control and monitor the consequences arising from these actions as well as performance on regular basis. This minimizes chances of failure as any pitfall is noted before it affects the effectiveness of the graphic rating scale.

4.3.3 Objectives of appraisal

4.3.3.1 Link between performance appraisal and setting of goals

The study sought to establish the rationale behind the adoption of performance appraisal at the organization. To this end, a set of probing questions were posed by the researcher in relation to the objectives of the appraisal method. The respondent was asked whether in his opinion the appraisal method helped the employees set and achieve meaningful goals. He explained that the graphic rating scale is a tool of performance appraisal used by the organization owing to the ease of adaptability, ease of use, low cost, evaluation ability of any type of job; and that a large number of employees covered in a short time. He added that other than appraising performance, the method was further used to align the airline's business activities to the vision and strategy of the organization, improve

internal and external communication and that it monitored organization performance against strategic goals. This points out the rationale behind performing performance appraisal among employees at the Kenya airways justifying the process.

4.3.3.2 Link between performance appraisal and employee performance

The respondent was asked to explain whether in his experience as the human resource manager, employee performance improved after a process of performance appraisal. Affirming to the question, the respondent explained that appraisal provided an opportunity for a strategic review and analysis of the employees' capabilities and performance by focusing all the employees on the few key things needed to create breakthrough performance and integrating as well as directing the performance and efforts from the lowest levels in the organization to achieve excellent overall performance. This he added helped keep the employees' performance in check as it served to remind them of the organization's performance goals and what was expected of them in individual capacities but working as a team to achieve the common organization's goal. This, points to the assumption that performance appraisal has a positive influence on employees' performance level, probably due to the aspect of the employees gauging their performance and setting individual performance targets.

4.3.3.3 Partiality of top management

The researcher further sought to determine the transparency with which appraisals were conducted in the organization. This is expected to be reflected in employees' job satisfaction across the three levels of designation in the organization. The respondents reiterated that all appraisals were conducted fairly across the levels of designation, from the top through the middle to the low level employees. He added that this was a standard

procedure applying to all employees at all levels and that this would not provide any opportunity for impartiality in performance appraisal. This, points to the assumption that the Kenya airways management is committed to fairness and impartiality, treating employees across the levels with equal importance.

4.3.3.4 Link between Performance appraisal and change in employees' behavior

The researcher sought to determine whether appraisals helped change the employees' behavior in the organization. The respondent was keen to note that naturally some employees were opposed to the practice and on the other hand some embraced the process and exhibited positivity towards the practice and improvement in behavior. He added that appraisals imparted in all the employees regardless of level of designation, a sense of accountability and performance oriented mind sets with the organizational performance goals in mind. Overall, he concluded appraisals had a positive influence on most employees' behavior. This depicts the level of acceptance of the graphic rating scale method of performance appraisal among the Kenya airways employees. The negativity and resistance the respondent cited among some employees could explain the numerous go-slows among the employees as witnessed at the organization.

4.3.3.5 Uses to which performance appraisal results are put

Finally the researcher sought to establish uses to which the organization's appraisal results were put. It was established from the response that the appraisal outcomes were put to a variety of uses, including promotion and confirmation considerations, where employees with high performance scores were considered for possible promotion in an effort to encourage performance orientation and reward the employees; evaluation of Human Resource Programs, where performance of employees subscribing to certain

human resource programs would be bench marked against those not subscribing and decisions made on various programs adoption depending on the employees' scores; motivation, training and development as a way of capacity building and encouraging hard work and delivery are also made based on the appraisal results. This shows the level of significance the Kenya airways attaches to performance appraisal going by the various uses cited by the researcher.

4.3.4 Relationship between performance appraisal criteria and job satisfaction

To achieve the study objective, the researcher sought the respondent's comment on the relationship between performance appraisal and job satisfaction. To this end the respondent was asked to explain whether in his experience as the human resource manager, the organization's performance appraisal criteria had any influence on the job satisfaction among employees therein. In his response, the respondent conceded that this would depend on individual employees, but upon probing, the respondent asserted that in his assessment, most employees felt more satisfied with their jobs after a performance appraisal exercise. Asked why this was the case, the respondent was quick to explain that most employees found it satisfying to realize how they perform and to learn that it is there individual performance contributions that ultimately determined the organization performance. This finding points to the assumption that performance appraisal has a positive influence on job satisfaction.

4.4 Job satisfaction survey

Respondents were requested to complete the Job Satisfaction Survey developed by use of the Job Descriptive Index (JDI). The construct validity of the JDI was supported by acceptable estimates of internal consistency, test-retest reliability and results that

demonstrated convergent and discriminate validity (Kinicki, McKee-Ryan, Schriesheim & Carson, 2002) thereby confirming the validity of the JDI. In the JDI, questions were categorized into five: current pay, job experience, promotional opportunities, supervisors and co-workers. The score of ‘Y’ has been taken to present affirmative to the questions asked (equivalent to mean score of 40.1 to 50.0 on the continuous Likert scale; $40.1 \leq Y < 50.0$). The score of ‘?’ has been taken to represent undecided (equivalent to a mean score of 31.0 to 40.0 on the continuous Likert scale: $31.0 \leq X < 40.0$). The score of ‘N’, has been taken to represent a negative (equivalent to a mean score of 0 to 30.0 and on a continuous Likert scale; $0 \leq N < 30.0$). A standard deviation of >10.0 implies a significant difference on the impact of the variable among respondents.

4.4.1 Means and Standard Deviations for the dimensions of job satisfaction

Respondents were required to indicate their responses to questions on the different dimensions of job satisfaction. They comprise current pay, job experience, promotional opportunities, supervisors and co-workers as to whether they agreed, they did not agree or they were undecided. The responses are represented in table 4.3 below.

Table 4.3: Means and Standard Deviations for the dimensions of job satisfaction

Variable	Mean	Std Dev	Min	Max	N
Current pay subscale	18.38	13.19	2	65	119
Job experience subscale	42.22	11.34	7	59	120
Promotional opportunities subscale	16.19	13.97	1	59	120
Supervisors subscale	34.56	12.08	4	61	117
Co-workers subscale	44.11	12.76	4	60	119
Overall job satisfaction	112.01	31.43	58	309	120

The results represented in the table indicate that the arithmetic means for job experience, supervisors and co-workers subscales are 42.22, 34.56 and 44.11, respectively. With the approximate mean of 40 in the JDI constituting an average level of satisfaction on these subscales, it appears that the employees at the Kenya airways are relatively satisfied with their job experience, as well as with their co-workers, but are less satisfied with the supervision they receive.

Promotional opportunities and current pay subscales generated the lowest means of 16.19 and 18.38, respectively. An approximate mean score of 20 was used to determine average levels of satisfaction on these subscales. From the means, it appears that the Kenya airways employees are less satisfied with their current pay and much less, the promotional opportunities in the organization. From the foregoing, it can be concluded that employees at the Kenya airways are most satisfied with their co-workers, closely followed by their overall job experience, then their supervisors. They are however, less satisfied with their current pay and much less, their opportunities for promotion.

4.4.2 Correlation analysis for the relationship between appraisal criteria and job satisfaction

In this section, the study measured the degree of association between the aspects of performance appraisal criteria used in the performance appraisal method with a bearing on job satisfaction. In this regard, the motivation goals of appraisal methods were used, in which case respondents were required to affirm, disagree or indicate undecided to questions posed by the researcher in respect to the influence the various performance appraisal criteria used at the Kenya airways.

Table 4.4 Results of Pearson Correlation analysis for the relationship between appraisal criteria and job satisfaction

Variables		Job satisfaction
Output quality	Correlation	0.3714
	p- Value	(0.0011*)
Output quantity	Correlation	0.3443
	p- Value	(0.019*)
Job knowledge	Correlation	0.2851
	p- Value	(0.032*)
Job adaptability	Correlation	0.2750
	p- Value	(0.157)

***Correlation is significant at the 0.05 level (2-tailed).**

Table 4.4 above presents the Pearson correlations for the relationships between the various performance appraisal criteria variables and job satisfaction. From the findings, a positive correlation is seen between the each aspect albeit weak. The strongest correlation was obtained between output quality and satisfaction ($r = 0.3714$), and the weaker relationship found between job adaptability and satisfaction ($r = 0.2750$). Whereas statistical significance was established at 0.05 level of confidence on output quality, output quantity and job knowledge, job adaptability was not found to statistically significantly affect respondents' job satisfaction. The variable also accounts for relatively little of the variation in total job satisfaction. In respect to coefficient of determination, it can be concluded that satisfaction with output quality explains approximately 17.33% ($r^2 = 0.1733$) of the variation in job satisfaction, satisfaction with Output quantity for 16.23% ($r^2 = 0.1623$) of the variation in job satisfaction; satisfaction with Job knowledge accounts for 11.12% ($r^2 = 0.1112$) while that of Job adaptability

explains 6.71% ($r^2 = 0.671$) of variation in job satisfaction. It can therefore be said that higher correlations with respect to any one of these dimensions is likely to translate into higher levels of job satisfaction.

Further the study carried correlation analysis of the hypothesis testing between the perceived influence of performance appraisal methods and employee job satisfaction at the Kenya airways. The study findings are as shown in table 4.5 below.

Table 4.5 Results of correlation analysis for the relationship between composite scores of performance appraisal criteria and job satisfaction

	Job satisfaction
Performance appraisal Pearson Correlation	0.731
Sig. (2-tailed)	0.019
N	120

A Pearson coefficient of 0.731 and p-value of 0.019 shows a strong, significant, positive relationship between the performance appraisal criteria and job satisfaction. Therefore basing on these findings the study rejects the null hypothesis that appraisal criteria does not influence job satisfaction at the Kenya airways and accepts the alternative hypothesis that the performance appraisal criteria influences job satisfaction at the Kenya airways. This is contrary to London (2003) and Jamanlal (2005) whose studies on, the effect of Performance Evaluation on Employee's Job Satisfaction in Pakistan International Airlines Corporation and Productivity Implications of Employee Performance Appraisal System respectively found no relationship between the performance appraisal criteria and employee job satisfaction. The findings agree with Bhatti and Qureshi (2007) who found a positive relationship between job satisfaction and performance appraisal.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter summarizes the study and makes conclusion based on the results. The implications from the findings and areas for further research are also presented. The section presents the findings from the study in comparison to what other scholars have said as noted under literature review.

5.2 Summary of Findings

The study provided two types of data analysis; namely descriptive analysis and inferential analysis. The descriptive analysis helps the study to describe the relevant aspects of the phenomena under consideration and provide detailed information about each variable, performance appraisal criteria and job satisfaction. On performance appraisal criteria the researcher conducted an interview with the Kenya airways human resource manager, from which it was established that the organization employs the graphic rating scale performance appraisal method, performed on quarterly bases. It was further established that the organization utilizes the appraisal outcomes to map its strategic objectives into performance metrics in four perspectives: financial, internal processes, customers, and learning and growth.

The responded added that other than appraising performance, the method was further used to align the airline's business activities to the vision and strategy of the organization, improve internal and external communication and that it monitored organization performance against strategic goals. Form the respondent's own assessment and

experienced, it was also established that the appraisal criteria had a positive influence on the employees' performance and behaviour and that the process is partial. On job satisfaction, the respondent indicated the according to him, appraisal led to high levels of job satisfaction among most employees.

Descriptive statistics were also performed on the various dimensions of job satisfaction, from which arithmetic means were produced, the co-workers and supervisors subscales recording the highest and lowest respectively. With the approximate mean obtained in the JDI constituting an average level of satisfaction on these subscales, it appears that the employees at the Kenya airways are relatively satisfied with their job experience, as well as with their co-workers, but are less satisfied with the supervision they receive.

For the inferential analysis, Pearson correlation analyses were performed to establish the relationships between both the dimensions of job satisfaction and job satisfaction itself and the various motivational attributes of performance appraisal and job satisfaction. On the relationship between the dimensions of job satisfaction and job satisfaction itself, among the statistically significant relationships at 0.05 confidence interval levels, the strongest correlations were obtained between satisfaction and pay, while the weaker relationships found between job satisfaction and job experience as well as promotional opportunities. On the other hand, the subscales for the relationships between job satisfaction supervision and co-workers subscales did not reach statistical significance at either the 0.01 or 0.05 levels of significance. The variables also account for relatively little of the variation in total job satisfaction in respect to coefficient of determination.

On the relationship between the various motivational aspects of performance appraisal and job satisfaction, the strongest correlation was obtained between output quality and satisfaction and the weaker relationship found between job adaptability and satisfaction. Whereas statistical significance was established at 0.05 level of confidence on output quality, output quantity and job knowledge, job adaptability was not found to statistically significantly affect respondents' job satisfaction. The variable also accounts for relatively little of the variation in total job satisfaction. In respect to coefficient of determination, it can be concluded that satisfaction with output quality explains approximately 17.33% ($r^2 = 0.1733$) of the variation in job satisfaction, satisfaction with Output quantity for 16.23% ($r^2 = 0.1623$) of the variation in job satisfaction; satisfaction with Job knowledge accounts for 11.12% ($r^2 = 0.1112$) while that of Job adaptability explains 6.71% ($r^2 = 0.0671$) of variation in job satisfaction.

A hypothesis test was also performed in which case based on a Pearson coefficient of 0.731 and p-value of 0.019, a strong, significant, positive relationship was obtained between the performance appraisal criteria and job satisfaction. Therefore basing on these findings the study rejects the null hypothesis that appraisal criteria does not influence job satisfaction at the Kenya airways and accepts the alternative hypothesis that the performance appraisal criteria influences job satisfaction at the Kenya airways.

5.3 Conclusion

The study has investigated the perceived influence of performance appraisal criteria on employee job satisfaction in Kenya airways. Data has been analyzed by applying both descriptive and inferential statistics. It was found that overall; the dimensions of job satisfaction have a positive influence on job satisfaction, albeit weak. Of statistical significance among the dimensions are current pay, job experience and promotional opportunities. It also found that overall; the various relative motivational aspects of performance appraisal have a positive influence on job satisfaction, but also weak. Of statistical significance in the relation are: output quality, output quantity and job knowledge. Hypothesis test however indicates a strong positive relationship between performance appraisal and job satisfaction. It can therefore be concluded that performance appraisal criteria has a positive influence on employee job satisfaction at the Kenya airways.

5.4 Recommendations

Based on the study findings, it is recommended that employees should be involved in the whole process of performance appraisal. Training should also be organized for staff so that they learn more about the concept and fully buy in for the organization to achieve the full benefits of performance appraisal. Effective and open communication with employees on the performance appraisal criteria and use of the graphic rating scale as a performance appraisal method should be incorporated. Communicating with the employees in the right way will help them understand appraisal and how they can use it to improve their performance and more so boost their job satisfaction.

5.5 Limitations of the study

The study reviews the perceived influence of performance appraisal criteria on employee job satisfaction at the Kenya Airways. The findings of this study will therefore be confined to the sampled institution and will not be overly generalized to all Judiciary libraries in the country. The generalization can only be done in-line with the specific conditions underlying the institution. Inaccessibility of vital information is a challenge. This is because respondents feel insecure of providing sensitive information about the institution.

5.6 Suggestion for further studies

This study identified and focused on the perceived influence of the performance appraisal criteria on particularly the graphic rating scale method on employee job satisfaction in Kenya airways. It is therefore recommended that similar study be replicated in other institutions who have implemented this method of performance appraisal and the results be compared so as to establish whether there is consistency on perceived influence of performance appraisal criteria on employee job satisfaction. Other methods of performance appraisal and criteria can as well be studied in relation to job satisfaction in various institutions practicing the methods in order to get insights on different performance appraisal criteria and how they influence job satisfaction among employees therein.

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APPENDICES

APPENDIX I: COVER LETTER

**JENIPHER AGUTU,
University of Nairobi,
P.O BOX, 30197
Nairobi.
September, 2013**

Dear Sir/Madam,

RE: DATA COLLECTION

I am a postgraduate student at University of Nairobi undertaking a Master of Business Administration degree Program majoring in Human Resource Management. One of my academic outputs before graduating is a project and for this I have chosen the research topic “**perceived influence of performance appraisal criteria on employee job satisfaction: A Case Study Kenya airways**”.

You have been selected to form part of the study. This is to kindly request you to assist me collect the data by responding to the interview guide and the questionnaire. The information you provide will be used strictly for academic purposes and will be treated with utmost confidence.

A copy of the final report will be available to you upon request. Your assistance will be highly appreciated.

Yours sincerely,

JENIPHER AGUTU

APPENDIX II: STRUCTURED INTERVIEW GUIDE

Section A: Demographic information

1. Department of the interviewee.....
2. Designation.....
- 3 .How long have you been a manager in this department?.....
4. What previous positions have you held with the company?.....

Section B: Performance appraisal

1. How would you define performance appraisal?
2. Which of the following performance appraisal practices are mostly employed in your organization?

Past oriented practices

- Rating scales Checklists Forced choice method
Behaviorally Anchored Scales (BARS) Comparative evaluation
Any other.....

Future oriented practices

- Management By Objectives Psychological appraisals
Assessment centers 360-Degree Feedback method

3. How many times a year does your organization appraise your employees' performance?
4. When does the organization particularly find it appropriate to appraise your employees' performance?
5. Who does the performance appraisal?
6. Do you think performance appraisal helps people set and achieve meaningful goals?
Please explain
7. Do you think that performance of employees improve after process of performance appraisal?

Please explain

8. In your opinion is the top level management partial in Performance Appraisal?

9. Do you think performance appraisal helps to change behaviour of employees?

Please explain

10. To what uses are the performance appraisal results put?

11. In your experience, would you say the various performance appraisal Criteria have any influence on employees' job satisfaction? Please explain.

APPENDIX III: JOB SATISFACTION QUESTIONNAIRE

Section A: Demographic information

1. Department

Strategy and Business [] Administration [] Human Resource []

Production [] Marketing [] Customer service assurance []

Other (specify).....

2. Designation.....

3. How long have you worked at the Kenya airways?

Up to 1 year [] 6-10 years []

1-5 years [] More than 15 years []

Section B: Job satisfaction

Listed below are a series of statements that represents feelings that you may have about your level of job satisfaction. There are no right or wrong answers. Your responses will be treated as strictly confidential. How well do the words below describe your level of satisfaction?

Key

- Y for YES if it describes your work
- N for NO if it does not describe your work
- ? if you cannot decide

The following section relates to your current pay. Please circle the most appropriate response next to each word.

CURRENT PAY

Income adequate for normal expenses	Y	?	N
Satisfactory profit sharing	Y	?	N
Income provides luxuries	Y	?	N
Highly paid	Y	?	N
Makes it possible for me to save	Y	?	N
Deserving	Y	?	N
Frequent raises	Y	?	N

The following section relates to your job experience. Please circle the most appropriate response next to each word.

JOB EXPERIENCE

Fascinating	Y	?	N
Routine	Y	?	N
Satisfying	Y	?	N
Good	Y	?	N
Creative	Y	?	N
Respected	Y	?	N
Useful	Y	?	N
Healthful	Y	?	N
Challenging	Y	?	N
Gives a sense of accomplishment	Y	?	N

The following section relates to promotion opportunities. Please circle the most appropriate response next to each word.

PROMOTIONAL OPPORTUNITIES

Good opportunities for advancement	Y	?	N
Promotion on ability	Y	?	N
Good chance for promotion	Y	?	N
Regular promotions	Y	?	N
Fair promotion policy	Y	?	N
My company has a well laid down promotion policy	Y	?	N
Endless opportunities	Y	?	N

The following section relates to your supervisors. Please circle the most appropriate response next to each word.

SUPERVISORS

Asks my advice	Y	?	N
polite	Y	?	N
Praises good work	Y	?	N
Influential	Y	?	N
Tactful	Y	?	N
Intelligent	Y	?	N
Around when needed	Y	?	N

The following section relates to your co-workers. Please circle the most appropriate response next to each word.

CO-WORKERS

Stimulating	Y	?	N
Ambitious	Y	?	N
Responsible	Y	?	N
Intelligent	Y	?	N
Active	Y	?	N
pleasant	Y	?	N
Loyal	Y	?	N

Section C: Performance appraisal Criteria on job satisfaction

This section contains statements pertaining to the motivational aspect of the appraisal methods employed in your organization in order to encourage positive performance. Indicate by ticking against statements that best describe your perspective.

Output quality reward system influences my level of job satisfaction	Y	?	N
Output quantity reward system influences my level of job satisfaction	Y	?	N
Job knowledge reward system influences my level of job satisfaction	Y	?	N
Job adaptability reward system influences my level of job satisfaction	Y	?	N

THANK YOU