ABSTRACT
An Employees’ Performance Management System has become a business imperative in today’s competitive business arena, where organizations are constantly working to improve their performance and profitability. The purpose of this study was to investigate the challenges of implementing performance management systems at KenGen. The research design was a case study. Data was collected using an in-depth interview guide. The collected data was analyzed using content analysis method. The respondents were from top and middle level management staff namely managers and Chief Officers. The study findings reviewed that, there were various PMS implementation challenges in all components of PMS at KenGen. The main challenges included; lack of clear link between annual corporate planning cycle and performance planning cycle, setting of weak performance measures, complexity of the evaluation tool, under-utilization of performance monitoring tools like tracking sheets and performance boards, inadequate performance feedback mechanisms, difficulties in implementing PDP’s, lengthy approval for bonus payment, inactive participation of line managers, the existing culture which is not enabling, existing matrix structure which led to double reporting, lack of union involvement and long turnaround times in performance management activities. From the above findings, it can be concluded that implementation of PMS in KenGen faced varied challenges in all the five components. It was very difficult to manage the existing bi annual evaluation system as it made it difficult to achieve turnaround times in other performance activities in prevailing organizational culture and attitudes amongst staff. The researcher recommends that annual planning and budgets should be synchronized with performance management cycle. Corporate goals should be translated to individual goals when planning performance. Evaluation tool should be specific to certain categories of staff. Feedback and rewards should be timely while high performance and enabling culture should established to support the implementation of PMS. Future research could investigate the extent to which these findings can be generalized to other public sectors in central and county governments. A cross sectional study across a number of institutions within the sector can also be done to make comparative analysis.