

**EMPLOYEES PERCEPTION ON PERFORMANCE APPRAISAL
PROCESS IN G4S KENYA LIMITED**

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DECLARATION

I hereby declare that this project is my original work and has never been presented to any other institution for the award of a degree. No part of this research should be reproduced without my consent or that of the university.

KIPLIMO FRANKLINE KORIR

D64/64878/2013

Sign..... Date.....

DECLARATION BY SUPERVISOR

This research project has been submitted for examination with my approval as the university supervisor

Sign Date.....

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DEDICATION

I dedicate this research project to all my classmates, friends and my supervisors Mr. George Omondi and Mrs. Florence Muindi who gave me a go ahead and direction with my research, to my dad Mathew Ruto and mum Jane Ruto, my brothers and sisters, Kiptoo Nick and Daisy Chepkorir for their moral and financial support which enabled me to pursue this course.

May God richly bless you.

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I would like to acknowledge the contribution of the following persons for without them, this research project would not have been a success.

Firstly, I am deeply grateful to the Almighty God who has given me the strength, confidence, hope and a good vision to see the possible where seemed to be impossible. I want to acknowledge the support of my supervisors his unconditional and timely assistance. Lastly, my friends, parents and other several classmates for their tireless efforts helping me out

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ABSTRACT

Performance appraisal is a key human resource management function which is viewed as a subset of performance management. It is significant for organizational growth and development and is instrumental for an organization to remain competitive. The objective of the study was to establish employees' perception on performance appraisal process in G4S Kenya Ltd. The population was 450 employees as per July 2013 payroll. Descriptive survey was used in the study. The study population focused on four departments Manned Security, Courier, Cash in Transit and Human Resource Department. A structured questionnaire was used to collect data. Data was analyzed using descriptive statistics. The study established that the respondents were aware of the performance appraisal process as it was clearly defined. Most of the respondents had a positive perception about performance appraisal process which included appraisers being fair, employees involved during target setting, offering a corrective action to improve on their performance. Majority of the respondents however, had a negative perception concerning feedback where most of the employees do not receive enough feedback to enable them know what their performance levels are and also do not receive training as remedial measure towards gapping their missed targets. The study concludes that though performance appraisal has generally been embraced in the organization, the way the exercise is managed is a problem and management should ensure that all the stages of appraisal should be taken into full consideration so that both the employees and the organization achieve the set targets. The study recommends that managers and supervisors ensure that employees receive proper feedback, provide training after feedback has been received to improve on the employees' knowledge and skills, supervisors should recognize that employees have different abilities and should consider during target setting. The main limitation of the study was that the findings were limited to the perception of the respondents and this makes it difficult to generalize the findings to the non respondents. The study recommends that studies be done on the factors affecting employee perception on the performance appraisal process in other organizations.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organization value the use of performance appraisal in both administrative decision s and in motivating employees. The reluctance to implement appraisal systems with lower level and base grade employees may be due to several factors, including among many employee and union resistance to compulsory systems of appraisal. In a climate with growing emphasis on participative management styles, self-regulated or voluntary systems of performance appraisal may become increasingly prevalent and important. Competition for scarce resources among organizations is becoming stiffer which means that organizations can grow to the extent that people who work in such organizations are supported to grow.

Banjoko (2007), asserts that there is probably no program in the arsenal of personnel management that is difficult to effectively implement and yet so fundamental to individual and organizational growth than performance appraisal. Effective results are crucial to survival since improved performance is a basic criterion for individual and organizational growth. Companies that seek to gain competitive advantage through employees must be able to manage the behavior and results of all employees especially increasingly complex environment and the rapid change of technology which have created some new challenge to many organizations. Management should be able to address the changes in developing the employee's competencies and skills in response to customers' needs and competition (Grubb, 2007).

Performance management has been of concern recently in managing and integrating reward performance, most organizations still use the performance appraisal as a tool to measure employees' performance. Organizations success or failure is highly determined by effective utilization of resources at its disposal, such as human, material, financial and information resources and among these four resources, human resource is the most important part and crucial of all resources for the survival of an organization or business firms. According to Ivancevich (2009), he stated that it is important to remember that people do the work and create ideas that show the organizational service. Therefore, it is agreed that resources remain unutilized unless the human element is involved.

Performance management is applied across the board to all employees at G4S Kenya. The human resource department provides procedures and forms to support performance management system as well as tools to ensure proper and successful implementation of the performance appraisal process. The department also ensures that the set standards are upheld and guidelines are adhered to. Performance appraisal is important for employees and the organization to review employees' progress to identify areas of improvement and decision making purposes and also it is imperative that G4S Kenya make their employees understand the entire process so as to make changes that will make the performance appraisal process more relevant.

1.1.1 Concept of Perception

Wendell (1998), states that perception is a process of consciousness of an object. It is one of the means of valid knowledge in the world and consists in an inseparable relation of the perceptive consciousness with its content. Employee perception is a factor that can make a huge difference in the quality of the workplace and influence the employees' stay in the organization. Negative perceptions of the company and the work environment can cause qualified employees to seek opportunities elsewhere. Parkinson (1990), states that positive employee perception of the organization portfolio is an important factor for the existence, growth and development of an organization. Therefore, whatever the employees perceive is generally what the employee believes and acts on.

Employee perceptions cannot be ignored, even when they are known to be incorrect, because they are factual to the employees that in turn act as a major factor to continued existence of the employee to the organization. The intervening role that individuals perceptions of engagement play in transmitting the perceptions of one's work context into performance behaviors that support the performance of the organization. The pattern of these relationships suggests support for an indirect relationship between climate perceptions and contextual performance, a positive and significant relationship between individual perceptions of engagement and both forms of contextual performance (Aquinas, 2006).

1.1.2 Performance Appraisal

Performance appraisal is the evaluation of an individual's work performance in order to arrive at objective personnel decisions (Robbins et al, 2000). It is also the process of obtaining,

analyzing and recording information about the relative worth of an employee (Dowling, Welch and Schuler, 2009). Performance appraisal is a planned interaction between employees and their supervisors during which the former examine the performance of the latter to identify strengths and weaknesses with the view to improving future performance. Performance appraisals are form of providing feedback, deciding promotions or termination, determining compensation, identifying development needs that can help with career planning. The appraiser and the appraisee can use to enhance performance of employee and the organization. The type of appraisal used must be in line and congruent with the requirements and structure of the organization in order to reap the benefits (Appelbaum et-al, 2011). The performance appraisal process in the organization is done as an exercise, which has no relationship or bearing with an individual's career development or other functions such as competency training, rewards and job transfer.

Appraisers are not given adequate exposure or guidance on how to conduct an effective appraisal exercise and they are also not informed as how to relate performance appraisal with other functions of human resource. Performance appraisal remains as a normal process and the feedback is seldom used to improve the employees' performance where most employees perceive performance appraisal only as a routine yearly exercise to assess their performance against which they will be rewarded or penalized. Appraisals should not be a one-off event and they should be and is part of an ongoing cycle of performance management in order to change the perception of employees. Workers expect to be rewarded and recognized for their efforts (Tippins and Coverdale, 2009). Performance management systems are often used in the determination of such rewards. Performance management is a process, affects the livelihood of employees and it is important that a performance management system is perceived as being fair in design and implementation to enable acquiescence to the system.

1.1.3 Performance Appraisal Process

The performance appraisal process involves setting performance standards, communicating standards and expectations, measuring actual performance, comparing actual performance with the set standards, discussing results providing feedback and decision making on corrective actions (Dessler, 2008). The process of performance appraisal is setting up of the standards which will be used as the base to compare the actual performance of the employee. This step

requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degree of their contribution to the goals and objectives, easily understandable and in measurable terms. In cases where the performance of the employee cannot be measured, the standards should be described clearly. Rich (1996), introduced a skill based method that creates a work environment that allows employees to develop the skills they need to meet business goals. Once the standards are set, it is the responsibility of the management to communicate the standards to all employees in the organization. The employees' should be informed and the standards should be clearly explained to them and this will help employees to understand their roles and to know what exactly is required of them. The standards should also be communicated to the appraiser or the evaluator and if required the standards can also be modified at this stage according to the relevant feedback from the employees or appraise (Dessler, 2008).

Measuring the actual performance is the most difficult part of performance appraisal: that is the work done by the employees during the specified period under review. It is a continuous process which involves monitoring throughout the performance throughout the year. This stage requires the careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect outcome of the process and providing assistance rather than interfering with an employees work (Kennedy, 1999). Comparing the actual performance with the set standards, in this step, the actual performance is compared with desired or the standard performance. The comparison tells of the deviation in the performance of the employees from the standards set. The results can show the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance (Craig, Beatty, & Baird, 1986).

The result of the appraisal is then communicated and discussed with the employee on one-to-one basis. The focus of the discussions is the review results, the problem and possible solution that are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can affect an employees' future performance. The purpose of the meeting should be solve the problems faced and motivate the employee to perform better (Lawler, 1994: Vroom, 1964). The final step in the performance appraisal

process is taking decisions to improve the performance of the employees, take corrective action or take human resource decisions like rewards, promotions, demotions, transfer, and recognition or terminate. The decision to be taken should be weighed carefully so as to avoid any biasness, discrimination and unfair judgment.

1.1.4 G4S Kenya Limited

G4S Kenya limited is part of the global risk management and solutions multinational G4S plc. It was established in 1969 via acquisition. In that year G4S acquired K9 guarding company, night security organization, Thika and Mombasa based guarding employees Services Company to form Securicor Kenya limited the predecessor of G4S security services Kenya limited that later converted to G4S Kenya limited. Between 1969 and 1990 the company was engaged in manned security services backed by a small dog (canine) section and courier services using established bus companies. The company also established the first cash in transit service in 1973. At this time the company had a presence in the major urban centers of Nairobi, Mombasa, Kisumu and Thika. Between the years 1991 and 2000 the Company expanded its services exponentially with the acquisition of express security cash in transit business and established the first alarm response business.

The company also consolidated all its services under one management team. At this time the company accelerated expansion into other major towns in Kenya increasing its footprint to all provinces and districts. In 2010 the company changed its name to G4S Kenya limited following merger with Group 4 Security. Today G4S Kenya prides itself as the leading risk and security services provider in Kenya and the region. Its portfolio of services apart from guarding, cash in transit and courier services includes specialty services such as event management, asset tracking, and secure journey for corporate executives and other high net worth individuals, safety and security audit, fire detection and management solutions, ambulance response and secure data.

1.2 Research Problem

In today's competitive business world, it is understood that organizations can only compete with their rivals by innovating and organizations can be innovative by managing their human resources well. The human resources system can become more effective by having a valid and accurate appraisal system used for rating performance of the employees. The number of the

organizations using an effective performance appraisal system is limited (Dayan and Benedetto, 2007). In today's business world, it seems like a chore for organizations to allocate significant intangible resources for planning, developing and engaging in employee performance appraisals. Most organizations could not afford to give formal performance evaluations. This in turn necessitates that systems and processes in the organization be applied in the right way to produce the right things to produce the expected results. In most cases, organizations focus on output, general performance, efficiency, and organizational profit above all other objectives. It is also very uncommon for them not to link most of human resource functions with performance appraisal.

G4S Kenya has laid down policies and guidelines on performance management that are applied across the board to all employees. The human resource department provides procedures and forms to support performance management system as well as tools to ensure proper and successful implementation of the performance appraisal process. The department also ensures that the set standards are upheld and guidelines adhered to. The company lacks a process that determine the success rate of the performance appraisal process put in place in terms of getting feedback from the employees on how they perceive the process and whether it is mutually beneficial to both employees and the organization. Performance appraisal is important for employees and the organization to review employees' progress identify areas of improvement and decision making purposes, it is imperative that G4S Kenya also understand the employees' perception of the entire process so as to make changes that will make the performance appraisal process more relevant.

Recent studies done on performance appraisal include Richu (2007) who researched on a survey of teachers' perception of performance appraisal in public secondary schools in Nakuru District and established that the frequency of appraisal was very low and the working environment did not facilitate the practice and did not meet the needs of the teachers. The management was not well trained for the practice of performance appraisal and thus the practices did not support school development and did not contribute to improving the teachers. Awori (2007) worked on performance appraisal in state corporations in Kenya and the findings were that the state corporations were using performance appraisal to improve work performance with the use of management by objectives appraisal system as opposed to the

balanced scorecard, self review, peer review and upward appraisal and although the performance appraisal was objective, the appraisal instruments were not tailored for every job category, performance appraisal was not necessarily used for promotion and appraisers are trained to a little extent. Bretz, Mikovich and Read (1992) indicated that the most important performance appraisal issue faced by organization is the perceived fairness of the performance review and the performance appraisal system. Their findings suggested that most employees perceive their performance appraisal system as neither accurate nor fair. This study will seek to establish employees' perception of the performance appraisal process in G4S Kenya limited.

1.3 Research Objective

To establish employees' perception of the performance appraisal process in G4S Kenya limited.

1.4 Value of the Study

The study will help the management to make better decisions in regard to performance appraisal process and to design processes that will enhance performance. The research will also identify positive and negative effects of employees' perception of performance appraisal processes.

The findings will be useful to policy makers and practitioners in establishing how employee perception may affect successful implementation of the performance appraisal process.

The study may also add to the existing body of knowledge by stimulating new areas for further research through the findings and subsequent recommendation. The policy makers could use the results of the study to identify and bridge up gaps in the existing performance appraisal. This would help in improving the performance of employees and also motivate them. Additionally, the study also helps researchers in provision of information as secondary data for future use in the academic arena.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the theories underpinning the study, performance appraisal process, employee perception on the performance appraisal process.

2.2 Theoretical Foundation of the Study

The theories that is used in the study are the goal setting theory and McGregor's theory X and Y

2.2.1 Goal setting theory

The goal-setting theory of the work motivation states that objectives can have a high motivational effect concerning the performance results (Braunschweig, 2001). The objective theory is one of the best secured approaches of motivational psychology (Rosentiel, 2010). The starting point of this theory is that every human action is goal oriented. Thus goals are described as a certain knock-on effect that leads to the mobilization of effort, to focus on attention, and to an increase in endurance (Bungard, 2002). This has the results that those concerned strive to get rid of every obstruction with regard to the objective achievement. Thus creative and efficient business strategies emerge. Additionally, objectives make a sense of success possible. The experiences of achieving a goal strengthen self esteem and the knowledge of one's own competence. This experience has a central significance for future behavior.

2.2.2. McGregor's Theory X and Y

The theory of McGregor's (1960) theory X and Y which suggest that managers make either theory X or theory Y assumptions about the way others behave. This theory is a traditional view of motivation that holds that work is distasteful to employees who must be motivated by force, money or praise (Stoner and Freeman, 2001). Stoner and Freeman (2001), stressed that McGregor distinguished two alternatives basic assumptions about people and their approach to work. McGregor (1960), called these two assumption theory X and Y. The theory suggested that employees' evaluation is directly mediated by managers' attributes as to who is perceived to be in control of the employee's performance. Therefore, basing on the nature of the study the researcher focused on theory X. Theory X managers according McGregor (1960) are people who must be coerced into putting effort in their jobs. He further noted that, most people

dislike work and avoid it whenever possible and therefore, they need to be directed, controlled or even threatened with punishment in order to move them to work and achieve organizational goals. In regards to this study, this theory tried to establish performance appraisal practices at G4S. This theory is considered relevant in a way that it would encourage the employees to perform as expected by supervising and monitoring them through an effective appraisal practice.

2.3 Performance Appraisal

Cropanzano et al (2007), posit that performance appraisal is an important management tool to assess employees' efficiency in the workplace, and may be defined as a structured formal interaction between a subordinate and supervisor that usually takes the form of a periodic review which could be annual or semi-annual to evaluate work performance. performance appraisal is intended to engage, align and coalesce individual and group effort to continually improve overall organizational mission accomplishment (Shanock, 2006). It provides a basis for identifying and correcting disparities in performance. Systematically, performance appraisal reviews each employee's work performance with a view to discovering the strengths and weaknesses of individuals and to identify opportunities for future skills improvement and development. Performance appraisal is a systematic way of evaluating a workers performance and his potential for development. This continuing performance and periodic evaluation helps in retraining, promotional and retaining policies.

Performance appraisal could be formal or informal (Aycan, 2005). Formal appraisal is more orderly, systematic, planned and periodical, in which separate documents exist for the formal appraisal and this is usually recorded. Whereas informal appraisal entails subordinates performance assessment in the normal course of work and day- to- day relationship. Formal appraisal occurs when the contact between manger and employee is formalized, in which case a system is established to report supervisory impressions and observations of employee performance. This could be annually or semi annually informal appraisal is conducted whenever a superior and subordinates feel it is necessary. This evaluation is communicated through conversation on the job or by on- the- spot examination of a particular piece of work (Cropanzano et al, 2007).

Roch and Shanock (2006), posit that formal performance appraisal plans are designed to meet the following organizational and individual needs; promotions, demotions or termination. Appraisal let subordinates know where they stand and needed changes that are required in their behavior, attitudes, skills or job knowledge. A sound performance appraisal system can be useful in improving employees' job performance, encouraging employees to express their views or to seek clarification on job duties and serving as a key input for administering a formal organizational reward and punishment systems. Performance appraisal system to be effective, it must have the following characteristics: it must be free of bias, the evaluator or rater must be objective and the method of appraisal must be fair, consistent and equitable.

2.4 Performance Appraisal Process

The performance appraisal process involves establishing performance standards, communicating standards and expectations, measuring actual performance, comparing actual performance with standards, discussing results, providing feedback and decision making on corrective actions (Dessler, 2008). The process is systematic and interrelated and each stage is influenced by the preceding step.

2.4.1 Target Setting

The first step in the process of performance appraisal is setting up of the standards which will be used as the base to compare the actual performance of the employee. This step requires setting the criteria to judge the performance of the employees as successful or unsuccessful and the degree of their contribution to the goals and objectives, easily understandable and in measurable terms. In cases where the performance of the employee cannot be measured, the standards should be described clearly. Rich (1996), introduced a skill based method that creates a work environment that allows employees to develop the skills they need to meet business goals. People perform better when they are committed to achieving certain targets. Through an understanding of the effect of target setting on individual performance, organizations are able to use goal setting to benefit organizational performance.

Locke and Latham (2002), have indicated three moderators that indicate target setting success: The importance of the expected outcomes of target attainment, and; self-efficacy – one's belief that they are able to achieve the targets, and; commitment to others – promises or engagements to others can strongly improve commitment. Gawley, B.D. (1998), stated that target setting within performance appraisal has been associated with greater appraisal satisfaction, higher job satisfaction and increased performance. Target setting effectiveness derives from its ability to focus on employee effort and attention on the critical tasks at hand enhancing employee persistence and reducing the likelihood of being distracted. Target setting is a powerful motivational technique because both intrinsic and extrinsic satisfaction flows from target achievement. Target setting focuses attention and effort in the future which can be changed versus the judgmental performance appraisal process's emphasis on past behavior which cannot be altered.

2.4.2 Communicating Standards

Once the standards are set, it is the responsibility of the management to communicate the standards to all employees in the organization. The employees' should be informed and the standards should be clearly explained to them. This will help employees to understand their roles and to know what exactly is required of them. The standards should also be communicated to the appraiser or the evaluator and if required the standards can also be modified at this stage according to the relevant feedback from the employees or appraise (Dessler, 2008). Performance expectations are the basis for appraising employee performance. Written performance standards let you compare the employee's performance with mutually understood expectations and minimize ambiguity in providing. Standards identify a baseline for measuring performance. From performance standards, supervisors can provide specific feedback describing the gap between expected and actual performance.

Observing an employee's performance, you usually make a judgment about whether that performance is acceptable. Standards identify a baseline for measuring performance where from performance standards, supervisors can provide specific feedback describing the gap between expected and actual performance. Clear and specific standards of performance are major elements of a valid and reliable performance appraisal system. The key is to develop standards that measure the essential job duties and responsibilities utilizing a balance of

process, outcome and individual and group based performance standards. Employee participation in developing the rating form and appraisal procedures is the logical extension of the development of performance standards. The rating form summarizes the formal operational definitions of what the organization considers worthy of formal appraisal (Robert, G.E. 1992)

2.4.3 Measuring Performance

Measuring the actual performance is the most difficult part of performance appraisal: that is the work done by the employees during the specified period under review. It is a continuous process which involves monitoring throughout the performance throughout the year. This stage requires the careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect outcome of the process and providing assistance rather than interfering with an employees work (Kennedy, 1999). Since one of the characteristics of a performance standard is that it can be measured, you should identify how and where evidence about the employee's performance will be gathered. Specifying the performance measurements when the responsibility is assigned will help the employee keep track of his progress, as well as helping you in the future performance discussions.

Lack of measurable and objective criteria is that the criteria used during performance appraisal are not measureable and they are more subjective. This situation may lead to different interpretations of several appraisal standards by different managers. Barutcugil (2002), defines this situation as a problem of appraisal standards. There are many effective ways to monitor and verify performance, the most common of which are: Direct observation, specific work results (tangible evidence that can be reviewed without the employee being present), reports and records, such as attendance, safety, inventory, financial records, commendations or constructive or critical comments received about the employee's work.

2.4.4 Comparing Performance

The actual performance is compared with desired or the standard performance. The comparison tells of the deviation in the performance of the employees from the standards set. The results can show the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance (Craig, Beatty, & Baird, 1986). Gap analysis identifies gaps between the optimized allocation and integration of the inputs (resources), and

the current allocation level. This reveals areas that can be improved. Gap analysis involves determining, documenting, and approving the difference between business requirements and current capabilities. Gap analysis naturally flows from benchmarking and other assessments. Once the general expectation of performance in the industry is understood, it is possible to compare that expectation with the company's current level of performance. This comparison becomes the gap analysis. Such analysis can be performed at the strategic or operational level of an organization. Organization needs to find out if the deviations are due to internal shortcomings or external changes beyond the control of the organization, (Craig, Beatty, & Baird, 1986).

2.4.5 Feedback

The result of the appraisal is then communicated and discussed with the employee on one-to-one basis. The focus of the discussions is to review results, the problem and possible solution that are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can affect an employees' future performance. The purpose of the meeting should be solve the problems faced and motivate the employee to perform better (Lawler, 1994: Vroom, 1964). Regular feedback should occur at least once each quarter and more frequently if an employee needs encouragement or motivation. The performance management process starts with employee planning and ends with an evaluation of employee progress. Klein and Snell (1994), argued that there is "no best way" to conduct an appraisal interview. It depends on the situation, the relationship of the parties involved and their individual make-up. Furthermore, Fletcher (2002) claimed that the notion that all appraisees are going to react the same way to appraisal is probably very unsafe, and Ilgen *et al.* (1979) suggested that individual differences probably play a substantial role in how people interpret appraisal feedback and how they respond to these interpretations.

Furthermore, to the extent that high levels of perceived regular feedback reflect that appraisers will have more and better information about individual appraises. However, De Cenzo (1996), stated that performance appraisal must be focused on improving the performances of employees especially by providing them feedbacks on their weak points. Managers and employees should meet to discuss planning and targets throughout the year. If possible, formally sitting down with your supervisor or manager on a quarterly basis is optimal. The

process, at its best, is a collaborative one which should add value for both the employee and the employer. Employees thrive on feedback because it ensures they are performing job duties and responsibilities according to the company's expectations and when feedback is not provided appraisal results do not reach the employees. In most of the managements, the persons who are authorized to make assessments do not deliver the appraisal results to the employees.

2.4.6 Corrective Action

The final step in the performance appraisal process is taking decisions to improve the performance of the employees, take corrective action or take human resource decisions like rewards, promotions, demotions, transfer, and recognition or terminate. The decision to be taken should be weighed carefully so as to avoid any biasness, discrimination and unfair judgment. Once a method of corrective action is determined, it needs to be implemented as soon as possible. Then an analysis of the effectiveness of the solution should be scheduled. This way if the corrective action doesn't create the expected results, further action can be taken before the organization falls even further behind in meeting its goals. The ideal is that all employees are productive, contributing members of the organization. However, when performance begins to deteriorate, or a serious, inappropriate incident occurs, it is imperative that the supervisor communicate his or her concerns with the employee (Armstrong & Murlis, 1998).

Buchner (2007), stated that the severity of the issue will determine the appropriate corrective action. Feedback needs to be immediate and ongoing. In order to be effective and correct employee behavior, corrective action must have certain fundamental characteristics; it must be progressive, consider past practice and equitable treatment; and meet the test of just cause. The principle of "progressive and constructive" action involves informing the employee of the problem and the need to correct it, and then using increasingly stronger disciplinary measures if the employee fails to correct the problem. The formal constructive discipline process may include a verbal reprimand, a written reprimand, suspension, and termination of employment. The degree of action taken must correlate to the seriousness of the offense and the employee's record. Corrective action should be taken at the minimum level necessary to bring about correction of the problem. If the problem is not corrected, more severe action will be taken, up to and including termination of employment.

2.5 Employees Perception and Performance Appraisal Process

Ki law (1988), argues that employees' perception is very important, but rarely considered. It is often seen that a performance appraisal is considered as just a formality and is very boring. This is because the results of performance appraisal are not often followed by any feedback. Perception depends on complex functions of the nervous system, but subjectively seems mostly effortless because this processing happens outside conscious awareness Goldstein (2009). Churchill et al. (1985), conducted a study on sales people's perception of performance appraisal criteria, he stated that the sales persons role is a three-step process. The first is how the sales person should behave based on the role of organizational policies, operating procedures, and training programs. The implication is that the sales person must follow the policies and procedures of the corporation and be able to apply the training received to perform the job. Secondly, the perceived role is based on how the sales person perceived the job expectations and demands communication through the manager or trainer. The sales person may suffer role ambiguity, role conflict, or role inaccuracy. Jaworski & Kohli, (1991), states that the perception of role ambiguity occurs when representatives feel that they have not been given necessary training to perform the job adequately. Role conflict takes places when a sales person believes that the role demands two or more members of the role set are incompatible.

Lastly, role inaccuracy arises when the sales persons perception of the customers, and the demands placed on the sales person by his or her family are (Churchill et al, 1985). According to the expectancy theory of motivation advance by Vroom (1964), effort is geared towards expected outcome. In an organization different people would normally expect different outcomes; some employees would expected salary increments while the owners would expect promotions etc and therefore its upon management to ensure how each and every employees expected need is met in order for everyone to motivated for the to maintain optimum performances from all employees. Performance appraisal can serve this purpose through communications between supervisors and subordinates. Although employees do identity with their organization, they are also concerned about themselves in return for doing a good job; they expect adequate pay, good working conditions, training and development, job security and certain amounts of appreciation, power and prestige, (Stoner, Freeman & Gilbert 2002). Employees' value growth and career opportunity in an organization, with such opportunities is increased and expensive turnover decreased.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the procedures and methods employed to carry out the study. It consists of research design, target population, sample design, data collection and data analysis.

3.2 Research Design

The study used descriptive survey. Descriptive studies require rigorous research learning and execution and often involve testing of hypothesis or answering research question. The design was best because it involved a number of units and investigations which was done across all the units at the same time.

3.3 Target Population

The research targeted employees of G4S Kenya Limited Headquarters. The total number of employees was 450 according to July payroll 2014. The employees are categorized into the following divisions; Manned Security, Courier, Cash in Transit and Human Resource Department.

3.4 Sample Design

The sample size compared 150 employees selected using purposive stratified sampling. The sample comprised of 30% from each strata of the target population namely: Manned Security 19 respondents, Courier 32 respondents, Cash in Transit 8 respondents and Human Resource Department 26 respondents.

3.5 Data Collection

The study used primary data which was collected using structured questionnaires. The questionnaire was divided into two sections where each section addressed specific issue. Section A dealt with demographic data and section B dealt with employee perception of performance appraisal process. The questionnaires was administered through the “drop and pick later” method.

3.6 Data Analysis

Data collected was cross checked for completeness and consistency before being classified into purposeful categories. The data collected was analyzed through descriptive statistics which included mean, standard deviation and percentages.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis, findings and discussions. The findings are presented in percentages.

4.2 Response Rate

A total of 150 questionnaires which were distributed and 85 were returned giving 57% response rate. The response is adequate as posted by Mugenda (2009), that response rate of 50% and above is adequate to separate reliable conclusion in social science studies.

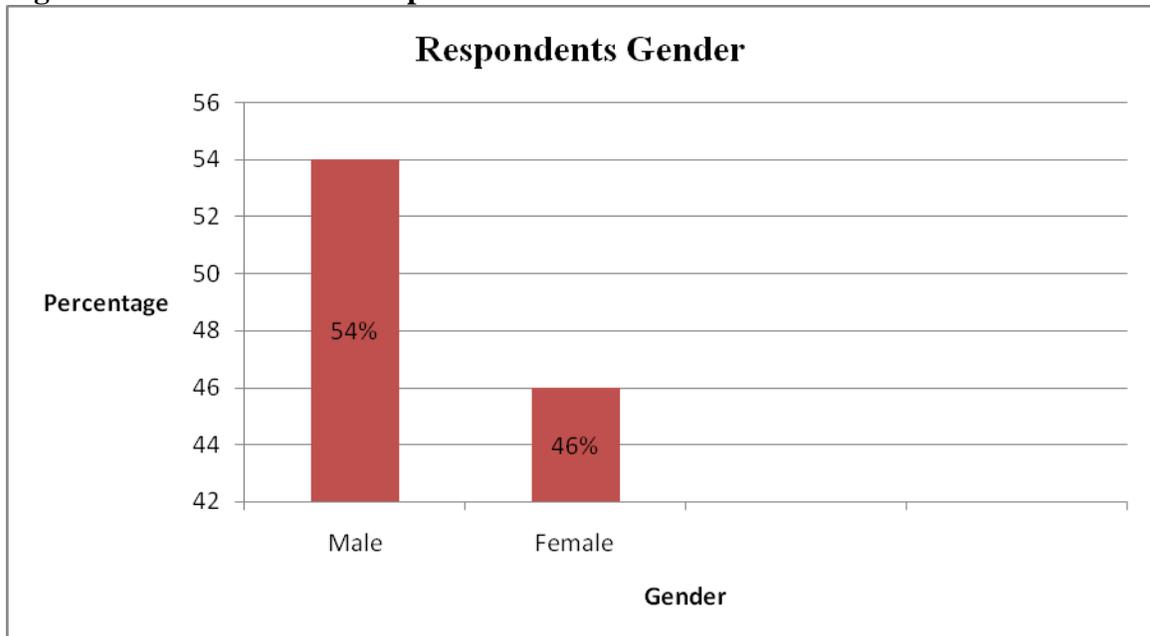
4.3 Demographic Characteristics of the Respondents

The demographic characteristics included gender, age bracket, level of education, marital status, and length of service with the company.

4.3.1 Gender of the Respondents

Majority of the respondents 54% are male and 46% are female employees this shows that the firm relies much on male employees. The firm should therefore increase the number of female employees to balance both genders.

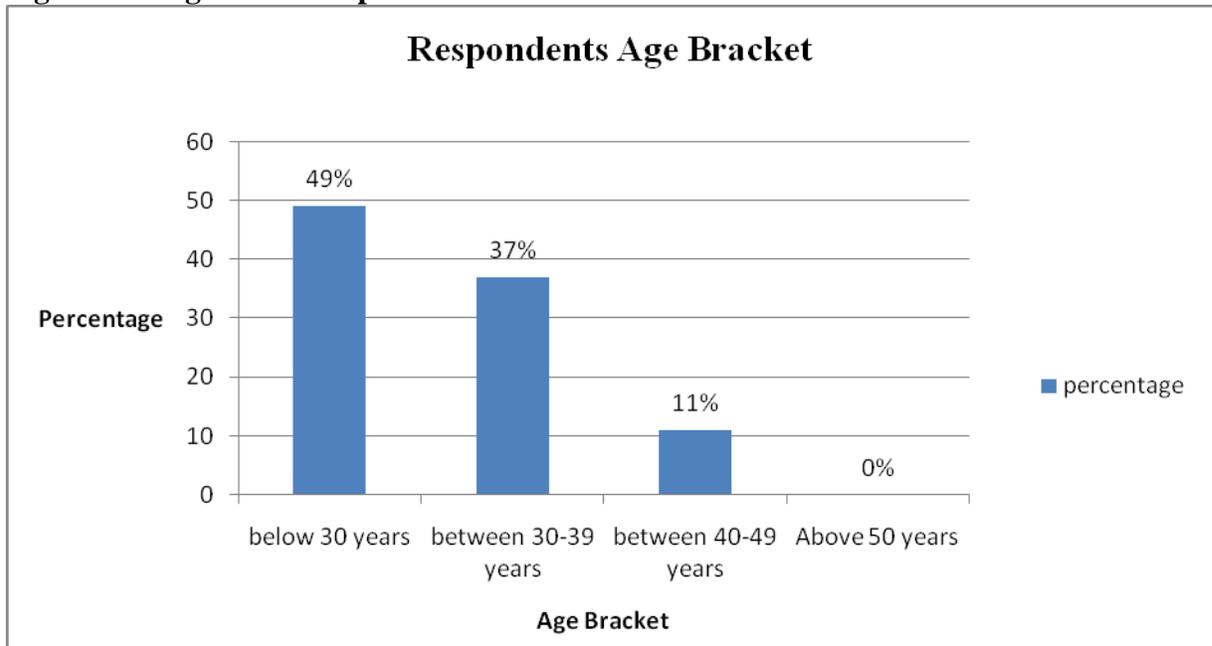
Figure 4.1: Gender of the Respondents



4.3.2 Age of the Respondents

Most respondents were below 30 years with a 49%, respondents between 30-39 years, 37%, respondents between 40-49 years, 14% and there were no respondents within the age group of above 50 years. The results shows that most of the employees were below 30 years which is an advantage to them by gaining knowledge and sharing ideas from the more experienced employees.

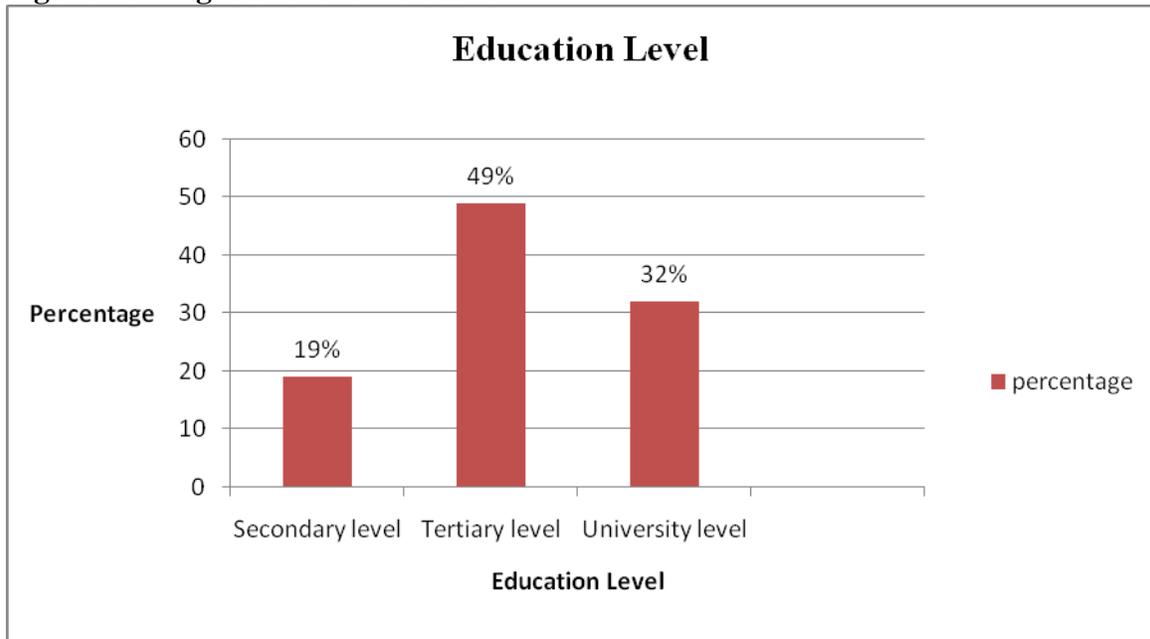
Figure 4.2: Age of the Respondents



4.3.3 Highest Educational level of the Respondents

Most of the respondents working in G4S Kenya Ltd 49% of the respondents have the highest education level at tertiary education, 32% of the respondents had attained university education and 19% of the respondents had attained secondary education. This implies that G4S Kenya Ltd employs individuals with varying educational qualifications.

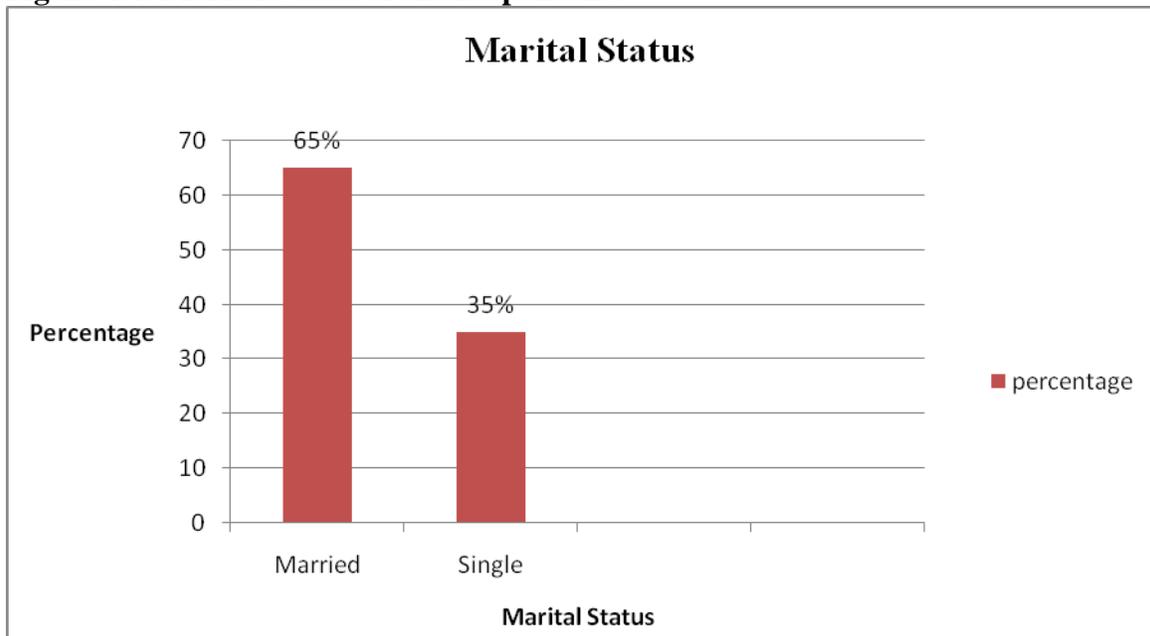
Figure 4.3: Highest level of Education



4.3.4 Marital Status of the Respondents

Most of the respondents were married with a 65% and 35% of the respondents were single.

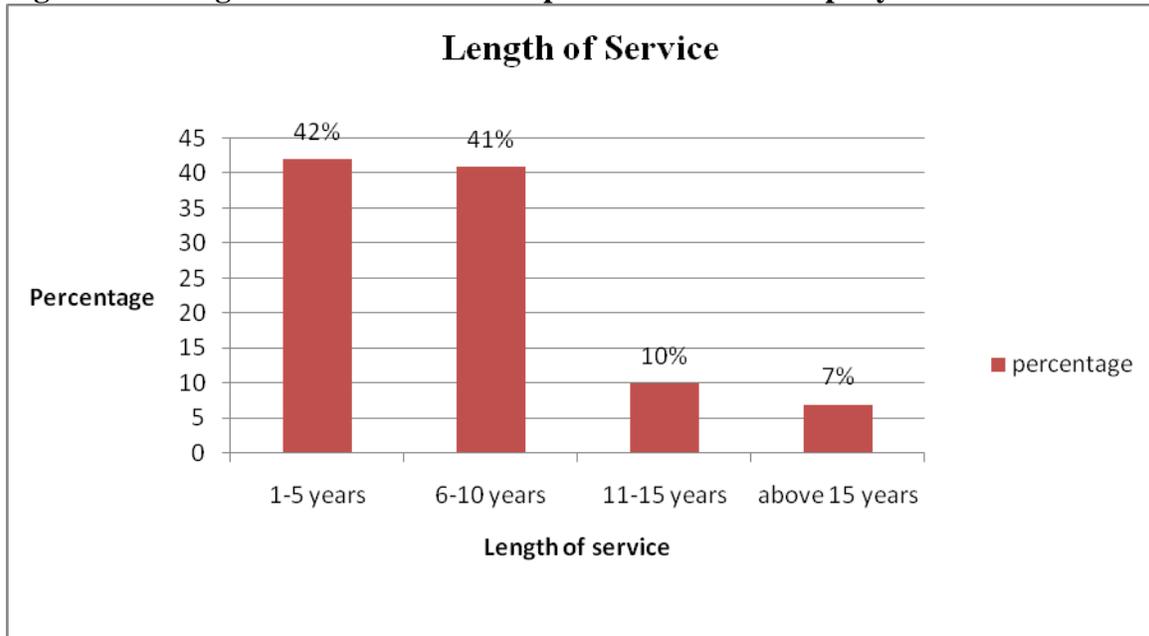
Figure 4.4: Marital Status of the Respondents



4.3.5 Length of Service of the Respondents in the Company

42% of the respondents have worked between 1-5 years, 41% have worked between 6-10 years, 10% of the respondents have worked between 11-15 years and 7% have worked for over 15 years.

Figure 4.5: Length of Service of the Respondents in the Company



4.4 Performance Appraisal Process

4.4.1 Target Setting

Majority of the respondents had a positive perception with a mean of 3.518 and a least number of respondents had a mean of 2.42 which implied a negative perception about target setting. The results implied that perhaps the targets are discussed between the appraiser and the appraisee. Locke and Latham (2002), found a linear relationship between target difficulty, level of performance, and effort involved where this relationship will stay positive, as long as the person is committed to the target, has the requisite ability to attain it, and doesn't have conflicting targets and vice versa. Bungard (2002), states that positive perception about work comes from the experience of achieving a goal which strengthens one's self esteem and has a central significance for future behavior.

4.4.2 Measuring Performance

Most of the respondents had a mean of 3.729 which showed a positive perception and those respondents with a negative perception had a mean of 2.164 about measuring performance process. This meant that when performance is measured and attributed to reward, the staff take it positively. According to Kennedy (1999), he states that measuring performance requires a careful selection of the appropriate techniques of measurement, taking care that personal bias does not affect outcome of the process and providing assistance rather than interfering with an employees work. This implies that the results obtained support the idea that the stage is a continuous process which involves monitoring performance throughout the year.

4.4.3 Comparing Performance

Majority of the respondents had a mean of 3.386 which implied a positive perception on how well the actual and desired performance was compared to depict a given deviation; respondents with a mean of 2.471 had a negative perception. This implied that comparing performance adds value when there is continued improvement and therefore the staff is aware that there shall be a reward for it. Craig, Beatty & Baird (1986), says that the comparison tells of the deviation in the performance of the employees from the standards set where results can show the actual performance being less than the desired performance depicting a negative deviation in the organizational performance and vice versa.

4.4.4 Performance Feedback

Most of the respondents had a negative perception depicted by a mean of 2.412 about the feedback exercise and those with a mean of 1.113 had a positive perception. The results therefore meant that the organization needs to work on the feedback program and involve the staff when undertaking this program for it to have a positive impact. Employees with a negative perception may have their morale weakened and this could negatively affect their performance. Lawler (1994) and Vroom (1964), states that feedback should be given with a positive attitude as this can affect an employees' future performance and the purpose of the meeting should be to solve problems faced during their daily routine and motivate the employee to perform better.

4.4.5 Corrective Action

Majority of the respondents depicted by a mean of 3.624 had a positive perception and respondents with a mean of 2.314 had a negative perception. This implied that corrective action is undertaken in a manner that the staff appreciate and perceive it positively Armstrong (2006), stated that corrective actions are introduced to improve performance of employees and once a method of corrective action is determined it needs to be implemented and analysis of the effectiveness of the solution scheduled. The results show that the company has appropriate actions to which performance of employees can be improved upon.

Table 4.1: Employees Perception of Performance Appraisal Process

	N=85	Mean	Standard Deviation (SD)
Target Setting	85	3.518	1.263
Measuring Performance	85	3.729	1.414
Comparing Performance	85	3.386	1.196
Performance Feedback	85	2.412	0.919
Corrective Action	85	3.624	1.309

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings of the study, conclusions, recommendations and suggestions for further research.

5.2 Summary

The study established that the respondents were aware of the performance appraisal process as it was clearly defined. Most of the respondents with a mean of 3.334 had a positive perception about performance appraisal process which included appraisers being fair and employees adequately involved in the target setting and taking corrective action to improve on their performance. Majority of the respondents with a mean of 2.412, however, had a negative perception concerning feedback specifically that employees do not receive adequate feedback on performance and effective training is not used as a remedial measure.

5.3 Conclusion

Performance appraisal plays a critical role that enables organizations to determine the employees' performance levels and where they can help them to perform better. Firms must therefore invest in performance appraisal to build on better relationships between supervisors and employees. The study concludes that though performance appraisal has generally been embraced in the organization, target setting has been handled well, that is why they had a positive perception. Measuring performance has also been handled well that is why majority of the respondents had a positive perception from the findings. It is concluded that organization has worked on comparing performance that is why majority of the respondents had a positive perception. The company has not worked well on the performance feedback that is why majority of the respondents had a negative perception. Majority of the respondents had appositve perception of the corrective action undertaken in the organization. The organization has perfected on this aspect of performance measurement.

5.4 Recommendations

The study recommends that managers and supervisors ensure that employees receive proper feedback concerning their performance on a continuous basis. The study also recommends that training should be offered after feedback has been received to improve on the employees' knowledge and skills and give them a chance to recognize their strengths and weaknesses and get to know what approaches to take when they miss the targets. The study recommends that supervisors recognize that employees' have different abilities and during targets set are realistic and achievable.

5.5 Limitations of the Study

The study findings are limited to the perception of the respondents and this makes it difficult to generalize the findings to the non respondents and to other firms.

5.6 Recommendations for Further Research

Further studies should be conducted on factors affecting performance appraisal process in G4S Kenya Ltd and similar studies should be conducted in other organizations.

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APPENDIX I: QUESTIONNAIRE

Kindly answer the questions by ticking the appropriate spaces. Please note that all information will be treated as confidential.

SECTION A: DEMOGRAPHIC DATA

1. What is your gender? Male [] Female []

2. Indicate your age brackets

(i) Below 30yrs []

(ii) Between 30 – 39 yrs []

(iii) Between 40 – 49 yrs []

(iv) Above 50 yrs []

3. What is your Marital Status? Married [] Single []

4. What is your highest education level?

(i) Secondary school education []

(ii) Tertiary institute education []

(iii) University education []

(iv) Others indicate.....

5. Length of service

(i) 1- 5 yrs []

(ii) 6-10 yrs []

(iii) 11-15 yrs []

(iv) Above 15 yrs []

SECTION B: PERFORMANCE APPRAISAL PROCESS

Scale 1=Strongly Agree, 2=Agree, 3=Neither Agree nor Disagree, 4=Disagree, 5=Strongly Disagree, how would you rate the following?

	1	2	3	4	5
All the employees are involved in setting targets/targets in order to increase motivation					
Target setting at G4S is unambiguous i.e. it has a clear goal with employees being able to achieve and improve easily					
Targets are achievable					
Target setting at G4S is based on employees' abilities					
Feedback on performance is given to employees so that they understand that a particular goal is still important					
Employees receive feedback frequently enough to assess progress made towards goal attainment					
Employees are trained after receiving feedback on their performance					
Supervisors provide facts and examples to further clarify the severity or pattern of performance concerns of a given employee					
Supervisors provide an action plan for improvement which includes SMART (specific, measurable, objective, accurate, relevant and time bound) targets					
The performance improvement plan suggests a plan to ensure is SMART (specific, measurable, objective, accurate, relevant and time bound in nature), which should be attained within a set timeframe usually 60-90 days					

Supervisors lay out areas for improvement and plan of action after receiving an employee's input and feedback					
Both parties (employee & supervisor) establish regular follow-up meetings to discuss and seek guidance or clarification on performance expectations which is enhanced through provision of necessary tools and training					
Performance appraisal is done by the right people					
The appraisal measuring process is fair					
Measuring performance is accurately done					
Progress is made towards improving desired targets					
Managers introduce appropriate activities to promote achieving the desired targets					
The rating scale of measuring the desired and actual performance is fair					

THANK YOU FOR YOUR RESPONSE.

APPENDIX II: LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MSc HUMAN RESOURCE PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 26/09/2014.

TO WHOM IT MAY CONCERN

The bearer of this letter KIPLIMO KIPKETICH FRANKLINE KORIR
Registration No. D64/64878/2013

is a bona fide continuing student in the Master of Science in Human Resource degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a human resource related problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
MSc HR ADMINISTRATOR
SCHOOL OF BUSINESS

