DECLARATION

The research project is my original work and has not been submitted for the award of a degree at any other university.

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The Research Project has been submitted for the examination with my approval as the University Supervisor

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DEDICATION

I would like to dedicate this research project paper to my family, who stood by me and encouraged me in the love of knowledge and continuous learning. My Spouse Joy, Daughters Nayah and Nadia and son Kyle. I will always treasure your support and belief in my capabilities and that we were in it together.
ABSTRACT

The current Human Resource practices which includes performance management systems is riddled with inadequate or ill-conceived systems which not only add to employee problems but also end up affecting productivity and firm value. Employers are struggling identifying a suitable performance management system which will not only be a tick the box exercise but serve its actual purpose. The end result is an unmotivating must do performance management system and which is completely misaligned with business strategies and expectations. The research objective was to determine the effectiveness of competency based performance review systems at Mantrac Kenya Limited. This study adopted a descriptive research type of approach as it enables comparative analysis to be done. The researcher targeted all the ninety-five (95) employees of Mantrac Kenya Limited as a census survey. The researcher collected primary data which was used to make inferences about competency based performance review system at Mantrac Kenya. The quantitative data was analyzed with descriptive statistics such as mean scores and standard deviations. This was supported by findings presented in graphs, pie charts, bar graphs and tables for a quick glimpse. From the answers given by respondents, the process and understanding of the competencies is thorough and well communicated. The conclusions from the analyzed data was that the competency based performance review system was effective at Mantrac Kenya Limited. The findings also support the need ascertained in the recommendations for companies to seriously adopt the competency based performance management systems.
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LIST OF ABBREVIATIONS AND ACRONYMS

1. A-B-C - Antecedent-Behaviour-Consequence
2. CBHRM: Competency based human resource management
3. CBPR – Competency based performance Review
4. HR – Human Resource
5. OCBs - Organizational citizen behaviours
6. PIR – Performance Improvement Review
7. KBI – Key Behaviour Indicators
8. SPSS - Statistical Package for Social Scientist
9. KSA - Knowledge Skills and Abilities
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The business environment today has become very competitive and organizations have to strive to retain top talent through a plethora of tools and performance management systems. Performance management practices are crucial for achievement of managed performance (Kagaari, Munene and Mpeera, 2010). There is literature to confirm that organizations that utilize performance management programmes are high-performance organizations (Bowen and Lawler 1992). In the competitive business environment of today, organizations are inclined to pay attention to aspects of developing a high-performing, superior workforce. High-performing organizations require performance-management systems which are effective in order to promote and develop the necessary principles, values and competencies which make performance management a source of competitive advantage (Sahoo and Mishra, 2012). Brenna (2008) provides an evolutionary view of performance management to its transformation in the best companies as an integrated support mechanism driving strategy and organizational culture. When done well it can motivate staff and lead directly to improved organizational performance.

By looking at competency based performance management in light of allocation of rewards in exchange for specific behaviour, it can be a big motivator for one to attain and sustain those and subsequent behaviours. Organizational behaviour modification proponents explain the reinforcement theory by antecedent-behaviour-consequence (A-B-C) framework which applies to competencies to influence later behaviour by managing
the consequences. The reinforcement theory targets behaviour modification and is influenced by whether; administered rewards are highly desired and substantial, differentially distributed and administered intermittently so that higher levels of performance (Behaviour modification) lead to proportionately larger increases in reward. Expectancy theory explains an employee’s motivation in terms if anticipated rewards and decisions mostly based on economic realities. According to Vroom’s model, the psychological force of an employee to exert effort is a function of his or her future expectations and whether those specific outcomes have attractive outcomes. However, the expectation is that in putting effort it will lead to performance and that the executed performance in turn will yield rewards.

The motor construction retail industry in Kenya has grown significantly over the past decades more so after liberalization of the Kenyan economy in the 1990’s. Its impact is probably the major driver behind attainment of Vision 2030 pillar of infrastructure development which aims to strengthen the framework for infrastructure development and accelerate the speed of project completion, raise efficiency and quality of infrastructure projects and increase their timely implementation. In the development and maintenance of an integrated safe and efficient transport network, benchmarking with world infrastructure facilities and services makes the sector the forerunner of economic growth. Major players have emerged hitherto ending the monopolistic tendencies of the old players in the industry. Its performance is tied to the political happenings in the country as infrastructure development has been intricately used to sway votes. More recently, government-to-government tendering and awarding of contracts has tightened the
competition. Only the high-performance employers who have an added advantage will wither the storm of cut throat competition even among industry players trying to outdo each other for market share. Employee development and retention is key to sustainability of the customer base. Systems and processes must be driven towards achievement of strategic goals. There is only one way of ensuring sustainability through having strategies supported by core values. Measurement of the core values through competencies thus ensures businesses are able to retain core values that help achieve goals and vision of the organization.

1.1.1. Performance Management System

Performance management is a systematic process for developing team and individuals’ performance whilst aiming at organizational performance improvement. When organizations manage and understand performance within the agreed context of standards, competency necessities and planned goals, they get better results and which translates into effective performance (Armstrong 2012). Weiss and Hartle (1997) looked at performance management as way to managing employees in a form which increases productivity and chances of achieving success by delineating what is to be achieved and how it will be achieved.

Performance management chiefly concerns itself with aligning objectives of individual to the overall objectives aimed at by the organization and encourages individuals to uphold corporate core values as well as enabling expectations to be agreed and well-defined in relation to role accountabilities and responsibilities (expected to do), behaviours
It also aims at providing opportunities for individuals to develop their skills and competencies as well as identify their own goals (Richards 2002). Armstrong and Baron (1998) defined performance management as an integrated and strategic approach to increasing the effectiveness of originations by developing the capabilities of teams and individual contributors and by improving the performance of the people who work in them.

Bitici, Carrie and McDevitt (1997) define performance management as the process by which companies, in line with their functional and corporate strategies and objectives, manages its performance. The process has an objective of providing a pro-active closed loop system, where the corporate and functional strategies are deployed to all business activities, processes, personnel and tasks and from which the performance measurement system derives feedback which enables management make appropriate future decisions. The essence of performance management is the development of individuals with commitment and competence and working towards the achievement of shared meaningful objectives within an organization that encourages and supports their achievement (Locket, 1992).

1.1.2. Competency Based Performance Review (CBPR)

Dubois (1998) defined competencies as those characteristics - skills, knowledge, thought patterns, mindsets, and the like - that, when used either in various combination or singularly result in successful performance. In the 1970s, their use in the corporate environment was introduced and has grown rapidly ever since. The Harvard's
psychologist, David McClelland integrated the concept into human resource practice and literature whilst consulting for the United States Information Agency which was then trying to improve its selection procedures premising on his findings that job performance could not be predicted by traditional intelligence tests, as well as proxies such as scholastic grades (Dubois, 1993).

Competency based appraisals measures and assesses behaviours as well as performance targets and can make a significant contribution to people development and management as long as the process and the concept work together. The organization has to define a framework under which the categories of the competencies are defined. Such competencies include customer focus, emotional intelligence, innovation, leadership, strategic awareness and personal organizing and controlling defined under the framework of personal effectiveness, team effectiveness and result expectation (Chan, 2006). By introducing the competencies as a basis for performance appraisal requires matching in job descriptions and training of appraisers in the interview skills needed to elicit evidence that staff behaviours were consistent with the competencies of each role and their ultimate aim being support of the corporate culture and core values (Price 2007).

1.1.3. Mantrac Kenya Limited

Mantrac Kenya Limited rich history dates back to the beginning of the 20th Century. Up until end of the year 2002 it was registered as Gailey & Roberts Limited. The Company has undergone a history of metamorphosis since its inception at the beginning of 1904 when it was started by two gentlemen, Mr. Gailey and Mr. Roberts who merged to form
Gailey & Roberts Company. In 1937 The United Africa Company bought the company and was to stay that way under the auspices of Unilever Plc until 1997 when the Mansour Group bought all the six African dealerships and the Unatrac business in UK.

Mantrac - Unatrac Group comprises of Mantrac Nigeria, Sierra Leone, Ghana, Liberia, Kenya, Uganda, Tanzania, Egypt, Unatrac in UK, Unatrac International in Egypt, Iratrac in Iraq and Mantrac Vostok in Russia. The group is now one of the foremost Caterpillar dealerships in the world and the biggest CAT dealership in the Middle East and Africa region. Mantrac Kenya Ltd being one of the Mantrac group dealership is located in Nairobi Industrial area at Mansour Complex along Witu Road off Lusaka Road with contact offices in Kisumu (Obote Road) and Mombasa (Nyerere Avenue).

The company markets, sells and maintains complete range of Caterpillar equipment which includes wheeled and track type tractors used in the agricultural, mining, quarrying, forestry and construction sectors of the Kenyan economy; power generation and marine engines; complete range of industrial lift trucks and material handling equipment. Mantrac Kenya Ltd has also expanded its business dealership of non-CAT products which include Perkins Engines, SEM wheel loaders, Graders and Dozers and Allmand lighting towers.

1.2 Research Problem

Comprehensive performance-linked competency model focuses on competency identification, competency scoring, and aligning competencies with other strategic HR
functions in a systematic method which will ultimately assist the organization to compete successfully. The competency based performance management systems are applied to industry for more effective and efficient performance management measurement tool. It enables organizations to systematically manage their employee competences to ensure competitive advantage and high-performance level. Ashton (1996) in a study of how competencies boost performance found that organizations which directly link individual performance and compensation by successfully implementing competency-based human resource strategies, eventually achieve their business objectives. The competence models if introduced as a company-wide agreed vocabulary for performance measurement and with a complementary remuneration package being designed and implemented help change cultural mindsets by directing work behaviours to business results. There is also empirical data linking individual leaders’ competencies to business profitability and also that competencies are cross-culturally valid (Ryan, Spenser, and Bernhard, 2012).

Mantrac Kenya Limited introduced the competency based performance management system in the year 2012 in an attempt to realize the company’s core values of Integrity, Excellence, Teamwork and Commitment. Following a formal set of competencies is critical as it converts into an objective set of observations that are verifiable and specific instead of subjective judgment about a person’s performance and capabilities. The competencies were to support the foundation for an integrated set of human resources tools and processes used as the bases for recruitment, selection and hiring, performance management, training and development as well as succession planning. In addition, promotion management and career development/progression would then be easy to
A new competency-based PIR (Performance Improvement Review) form was developed to address both non-technical and technical competencies. The new forms with non-technical competencies only were launched in 2013 and were used for all PIRs of 2013 across the Group. The technical competencies were added to this form as of 2014 PIRs.

Sengupta, Venkatesh and Sinha (2013) in a study on developing competency model on the performance management system, concluded that measuring competency is now considered a competitive advantage strategic alliance tool. They advocated for identification and measuring of competencies, as well aligning them with other strategic HR functions namely effective hiring, rewards, learning and development, performance management, succession planning and career management. Hansson (2001) in a study of the linkages between firm value and competencies as well as the overall contribution of the measures employed in the competencies; found that the organization is able to make the most of the capabilities/competencies and a considerable improvement is made from these resources though it does not own these assets. Not only are these human resources metrics relevant tools related to firm value, but the perceptions are also accurate.

Rajendran and McKiernan (2005) in a study of competence based management and strategic alliances concluded that because of resource constraints, managers are forced to make conscious decisions to develop some competencies especially when new firms get established. The concept of core competence underlies competence-based management and competence-based competition. In order to coalesce all competencies that are
required for success, firms have to leverage their competencies by looking for strategic focus.

These and many studies have been general or have failed to give detailed insights on how competency based appraisal systems influence firm performance. Although these studies among others attained their objectives, they did not delve into intricate details of the causal relationship between competency based appraisals and performance improvement in Kenya. There is also scarcity of published work in the same research area, especially related to developing countries and specifically in Kenya. The current study intends to bridge this knowledge gap by attempting to answer the research question, how effective are competency based performance review system at Mantrac Kenya Limited?

1.3 Research Objective

To establish the effectiveness of competency based performance review system at Mantrac Kenya limited.

1.4 Value of the Study

The researchers, employers and academicians will benefit from the study as it will add on to the growing body of knowledge on the increasing use of competency-based appraisals generally and specifically to the motor industry. The research will also act as a source of reference for further studies to be done on human resource in most organizations in Kenya.
The study will also be useful to the relevant government authority which rely on it in development of policy framework for managing performance especially in this era of performance contracting. Universities and institutions of higher learning will also benefit by adopting these outcomes. Over the last decade, industry players, government, Federation of Kenya Employers and Unions have been at a crossroad on how to identify and measure productivity and embed it into the performance management system. It is hoped this research will be of use to all as a step to demonstrating that it works as skepticism is one of the biggest hindrance to implementation.

Employees and especially management level employees will also benefit much from this study due to the fact that, it will be a pointer to what they are doing right or wrong; or if it is a paper exercise. Industry players will also learn of the pitfalls to avoid when setting up a competency based appraisal system.
Chapter Two: Literature Review

2.1. Introduction

This chapter is a systematic analysis of studies from other scholars who have carried out their research in the same field of study and which aims to establish the relationship similar to the objectives of this study. The specific areas detailed include theoretical foundation of the study, review of the theories and summary of the literature review.

2.2. Theoretical Underpinning of the Study

The theories upon which the study is anchored are reinforcement theory and expectancy theory which have been explained below.

2.2.1. Expectancy Theory

The expectancy theory as propounded by Victor Vroom of Yale University (1964) argues that the psychological force used by an employee to engage effort is a direct function of the employees’ future expectations and the appeal of the specific imminent outcomes. It is also premised on two expectations that effort will result in good outcome and also ultimately the good performance will bring in rewards. Effort-Performance Expectancy (E \(\rightarrow\) P) means that in determining a course of action, an employee will contemplate if their effort will render into desired achievement. If there are substantial obstacles obstructing some reasonable level of acceptable performance, the employees’ performance motivation will be diminished. Performance-Outcome Expectancy (P \(\rightarrow\) O) is another consideration whether even with an acceptable performance, it leads to an acceptable outcome/reward. The more strongly a positive outcome is likely to occur (or
the avoidance of negative outcome), the more likely the employee levels of performance will be motivated to be high and which is related to achievement of the desired competency.

Valence is the measure of evaluating the outcomes the employee receives. It is a personal valuation which cannot be predicted by other people and also depends on how recently the employee has been rewarded. By questioning individual employees on their subjective probabilities or estimates that they belief the linkages of effort-performance expectancy and performance-outcome expectancy will follow each other, ranging from zero (no linkage/follow up) to 1.0; and multiplying by the valance, one can arrive at the summary index or motivational force thus \( (E \rightarrow P) \times (P \rightarrow O) \times \text{(Valence)} \). Employees will thus be analyzing the probability that improving on a competency brings out performance and which is rewarded by a certain outcome. The higher the motivational force, the more likely the employees will pay heed to the competence. Expectancy theory supports performance management processes like the competency based performance review which is designed to provide for intrinsic motivation. Individuals can control intrinsic motivation by using their past experiences as an indication of the extent to which advantageous and positive outcomes might follow a certain behaviour.

2.2.2. Reinforcement Theory

Reinforcement theory was advocated by Hull (1951) and postulates that success in achieving rewards and goals eventually act as positive inducements and will reinforce the fruitful behaviour such that when a similar situation arises in the future, the behaviour
will be repeated. Positive and constructive feedback will also reinforce behaviours/competencies the organization is seeking to improve. In the work setting, managers must device methods of reinforcing the behaviour after identifying and explaining to employees the desired behaviour. Reinforcement attempts to elicit a required behaviour by either introducing pleasing situations (positive reinforcement) or by eradicating an unpleasant feature at work (negative reinforcement). Reinforcement can only work if the reward has value to the employee and must be offered immediately following the pleasant behaviour. Reinforcement also acts as a feedback mechanism.

Whilst acting a certain behaviour to satisfy needs, people gain experience and start perceiving that certain actions are less successful whilst others help to achieve their goals. Some actions bring rewards while others result in punishment or fail altogether. Success in achieving rewards and goals acts as encouraging motivators and reinforce the successful behaviour/competence and which is repeated as the next obtainable need arises. Behaviour will be repeated the more powerful, observable and frequent the reinforcement is.

2.3. Effective Performance Management Systems

Organizations continue to encourage people to live the values of the organization by use of performance management. The values include concerns such as customer service, innovation, emotional intelligence, leadership, strategic awareness, personal development and job knowledge. Maturity in capacity and growth of employees towards exceeding expectations, give output and to achieve their best so as to benefit the organization and
themselves is a major objective of performance management system. It provides self-development and ensures that guidance and support is given to employees for development (Armstrong 2009).

By having performance and development agreements as the basis for assessment, whilst ensuring there is adequate and objective development and feedback throughout the performance management process, it ensures firm value for its performance management system. These agreements define expectations in the form of a role outline, which sets out role necessities in terms of the competencies and required key result areas for effective performance. The role profile offers the basis for methods of measuring performance, agreeing objectives and evaluating the level of competency reached. The performance agreement incorporates a personal development plan and any performance improvement plans that may be necessary. In addition to indicating what support they will receive from their manager; it describes what individuals are expected to do.

Boice and Kleiner (1997) in an article on designing effective performance appraisal systems conclude that effective performance appraisal systems help in creation of a committed and motivated workforce. They however require the support of top management for them to be effective and to show their commitment and to translate organizational objectives and goals into personalized employee definite objectives. There also is need for a clearly defined measurement system, accurate record keeping and a system of frequent evaluation of performance. By ensuring beforehand there is appropriate training for raters, employees and supervisors, effectiveness is achieved. The
end result of this direct linkage is creation of shared responsibility and teamwork when employees understand how their individual job performance contributes to the overall organization performance. Effective performance management systems provide this linkage of teamwork when objectives are shared and which reflect organizational goals and clarification and understanding of the roles and responsibilities of each member. In such a framework, there will be higher acceptability of the performance management and appraisal.

The study continues to deduce that organizations cannot afford unmotivated and uncommitted employees whilst operating in this time of continual change and global competition. Performance management systems which are effective are a major component of an organization which enables every employee to have desire to add to the success and feel that their effort has contributed to the success of the organization. Though the conceptual framework is not clearly spelt out in the study neither in the abstract nor the methodology, the study seems to rely on systems theory that all variables are dependent and withdrawal or failure of one of the components may lead to collapse of the system. The significance of the proposed relationship between the studied variables of organizational and employee objectives, frequency of appraisal, training, maintaining records, measurement system and pay for performance comes out in the conclusion which justifies the length of the study.

Kamuna (2007) whilst studying Deloitte & Touche (Kenya) to determine conditions required for an effective performance management system: had sought to know the
standards against which performances of employees are measured. The findings were that the standards measured in the performance management system included strategic congruence where individual and group goals are matched with organizational strategy and competencies since the performance management system is competency based. This points to the effectiveness of the performance management system by use of individual competencies as the standard. The effectiveness was also underpinned by the findings from the respondents that there was improvement in staff performance noticed in the past few years prior to the study and which were attributed to the performance management system applied in the organization. The study also concluded that the application of performance management system had improved individual effectiveness and the overall company performance. One drawback with the study was the sample size which was only 12 members of staff mostly from the HR department and heads of other departments therefore casting doubt as to the representativeness of the sample.

Toroitich (2012) in a study of factors influencing the effectiveness of performance appraisal system in National Bank of Kenya, head office Nairobi county, observed that involving employees in designing the appraisal tool and making appraisal process a daily undertaking was a heavy opinion by majority of stakeholders in trying to make the performance management system more effective. Its effectiveness is also felt when more trainings and external exposure was done to improve the whole experience as well as setting clear goals. The process also must have fairness and unbiased evaluation as well as clearly distinguishing and rewarding high performers and giving immediate feedback. All these ingredients made for an effective process which led to employees improving in
their weak areas and capitalizing on strong areas. The major conclusion of the study was that due a mix of these ingredients missing, the process was viewed as a compliance tool rather than a way of motivating staff to perform better. Managers also agreed that though policy existed as stipulated in the personnel policy manual, the performance evaluation was not effectively fulfilling its objectives because the objectives were vague and highly subjective.

Swaleh (2011) in a study of factors influencing the strength of the relationship between performance management and performance outcomes in an effective performance management system, found a strong association between performance outcomes and performance management and that performance management is a necessary tool in achieving performance outputs. It is important that for any performance management tool or process to be effective in achieving tangible performance outputs, the process through which it is executed and implemented is as important as the desired results themselves.

In a study of performance management systems strategy and employee commitment at Kenya commercial bank group, Thika branch, Kenya, Munyoki (2015) concluded that employees level of commitment was related to whether they were involved in setting of the goals, acknowledged that the set goals were achievable and they had accepted the goals set; a hallmark of an effective performance management system. The study also based on the expectancy theory, found that once efficient and proper working environment is established, clear reporting lines and transparent and minimal or no supervision to be accorded is necessary for the employee’s commitment and performance
to improve. The theoretical framework of the study is well captured as the interest is only on performance management and its influence on employee commitment by analyzing other four variables and their influence on employee commitment; specifically setting goals, monitoring and evaluation, feedback and reward. The study also used the whole population of the employees of the Kenya Commercial Bank in Thika branch and rode on findings from another study by Kithuku (2012) who had conducted a research at KCB Group on how job satisfaction is affected by performance appraisal.

2.4. Effective Competency Based Performance Review Systems

Performance should not be relegated to simply task accomplishment and goal achievement as some job results aren’t necessarily the preserve of what individual employees do and there could be other contributory factors outside of the person doing the job (Cardy and Dobbins 1994; Murphy and Cleveland 1995). Over-concentration and undue focus on outputs whilst ignoring important interpersonal and processual factors may misdirect employee’s effort as to what is required. One of the other drawbacks of over-focusing on outputs is that employees may use all means necessary to achieve results, sometimes to the detriment of others and the future of the organization. It is thus best to look at performance in light of the two: results/outputs and behaviours. Behaviour is one of the sources of output and output is one of the means by which the effectiveness of performance may be measured. Therefore, only goal-relevant behaviour counts as performance.
Van-Egten (1996) concluded that management styles, which include skills, individual motives and knowledge and experiences which hung on personal competencies, are important ingredients for the performance management system. Zairi (1994) expounds this train of thought by stating that the human element is the heart of the problem of performance measurement. Ashton (1997) whilst quoting the American Productivity and Quality Center’s International Benchmarking Clearinghouse points to the competency element in that the most critical make or break factors, are people issues and whose success which is achieved by constantly communicating and reinforcing how business strategy is achieved by individual effort. According to Simons (2000), performance management systems cannot be designed in absence of human behavior considerations. Holloway et al. (1995) concluded that by understanding and incorporating the human element in management control, there will be successful implementation of performance measurement tools and approaches.

Abraham, Karns, Shaw and Mena, (2001) in a study on managerial competencies and the managerial performance appraisal process, concluded that organizations are ready to identify a set of competencies desirable to their ideal manager but that the same organizations do not appear to place a corresponding importance to incorporating these competencies in the performance appraisal process; a key factor for any organization aspiring to be a high performance organization. Soderquist, Papalexandris, Ioannou and Prastacos, (2010) in a study of typologies and process supporting critical HRM transition, also confirmed from their research the benefits of integrating identified competencies with major HR functions and processes, using them to redraft job descriptions and
introducing them successfully into the selection, performance appraisal, training and
development of the organization. The study also concluded that arising from selecting,
rewarding and training based on the assessed competencies, the competencies were on
the path of becoming part of the organizational functions and culture.

However, organizations need to distinguish between extra-role behaviours or so called
prosocial organizational behaviour or organizational spontaneity all of which though
implicitly expected, are not prescribed and are much more heavily discretionary or
volitional than are formally prescribed behaviours. (Van Dyne, et al., 1995). Some
however should be expected. For example, ‘developing oneself’. London and Mone
(1999) put it that, ‘The rapid pace of change in job requirements due to organizational,
competitive, and technological development means that employees must constantly show
the capacity to engage in new learning as they cope with change’ (124-5). This need for
self-development thus translates into organizational capacity and hence employers try to
make sure it is a needed behaviour as the focus is on responsiveness to changing job
demands as it no longer measures assessing absolute performance.

Today there is a shift towards customer-orientated and quality service and thus for many
jobs, such behaviours are more overtly expected these days (Bowen and Waldman, 1999;
Waldman, 1994). The organizational citizen behaviours (OCBs) are new areas of focus
when making performance evaluations for sales employees nowadays (MacKenzie,
Podsakoff and Fetter, 1991, 1993) and that a salesperson’s overall performance
assessment was judged more by his/her citizenship behaviour – including
conscientiousness, civic virtues and altruistic acts, than their actual sales success. Motowidlo and Schmit (1999) conclude that if such behaviours are important for organizational performance then it is important that they are set out as explicit requirements.

Borman and Motowildlo (1993), advocated for contextual performance which includes organizational citizen behaviours which are not explicitly job-specific behaviours such as dedication, enthusiasm, cooperation and perseverance and is differentiated from task performance which looks at job-specific behaviours. Fletcher (2001), emphasized the notion that contextual performance looks at features that perpetuate behaviours which encourage a climate and effectiveness of the organization and which transcend task competence. Performance means both results and behaviours. Behaviours transform performance from abstraction to action and they emanate from the performer. Behaviours are also outcomes in their own right and not just the instruments for results, being the product of both physical and mental effort applied to tasks - and can be adjudicated apart from results. Taken in this context (outputs and behaviour measurements), this mixed model of performance management that covers achievements and competency levels as well as objective setting and review is now thought-provoking to many organizations (Armstrong and Baron, 2004).

Darby (1995) in a case study on competence-based management development: rhetoric and reality, identified that the assessment process related to the competence-based approach can be a learning process and enabling tool for the managers concerned and is
one of the benefits for employers. The study also reported it as an advantage in giving line managers a function which helped confirm their role in coaching, supervision and appraising. The study also quoted the employment secretary relating the improved retention of staff for the organization as an advantage of competence approaches. Gaining credit and recognition for prior learning and achievement which is facilitated by competence-based initiatives is one of the strengths of the competence approach.

Ashton (1996) in the findings on how competencies boost performance describes how the organization successfully implemented competency-based systems which directly linked individual performance and compensation to business objective, helped change cultural attitudes by pointing work behaviours to business results. The competency model was also used in an integral way spanning performance management, training and development and selection. At the beginning of each year, specific knowledge skills and abilities (KSAs) are agreed between function staff, supervisors and managers and all aligned to the seven organizational competencies of organizational influence, flexibility, commitment to organizational values, customer service orientation, achievement orientation, creative problem solving and initiative and proactivity. It helped tie them to the performance management process by its own definition of the competencies as effective predictors of job performance.

Waal (2010) in a research paper on performance-driven behavior as the key to improved organizational performance found that both the behavioral and instrumental dimensions of the performance management have identical influence on the performance of an
organization and indeed does result in higher competitive performance. The study was conducted over four years with 577 questionnaires (one questionnaire per organization) effectively studying a large population which is deemed representative enough. The results of the research confirmed that to achieve sustained better results, it is important to take into consideration the behavioral dimensions to create successful performance-driven organization.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This chapter discourses the research design, population of the study, data collection and data analysis used in this study.

3.2. Research Design

According to Gay (1981), descriptive research is a process of testing hypotheses or to attempt to provide an answer to questions concerning the status of the study by collecting data. Possible attitudes, behaviour, characteristics and values are attributes best suited to be studied by a descriptive research. The research design will be a descriptive survey research design. The descriptive survey collects data from a sample of individuals (or groups) at a particular point in time as a basis for deducing the physiognomies of the population from which the sample comes (Kish 1995).

3.3. Population of the Study

A population is a representation of all individuals, elements, or units that meet the selection criteria for a group to be studied, and from which for a detailed examination, a representative sample is selected (Cavana, 2001). The study population were all the employees of Mantrac Kenya Limited who are 95 in total in three branches, Nairobi, Mombasa and Kisumu. It was deemed necessary to study the whole population in order to provide a reliable and accurate description of the behaviour, attitudes and characteristics of the population sample. A census survey was done.
3.4. Data Collection

Primary data was collected using a questionnaire administered to all 95 employees of Mantrac Kenya Limited. The questionnaire had closed-ended items for completeness, comprehensibility, consistency and reliability. The questionnaire has three sections where section A covered the demographical data, section B assessed the respondent’s opinions on the common competencies of customer focus, emotional intelligence, innovation, leadership, strategic awareness and personal organizing and controlling. Section C got views on the competency based performance review process. The management through the Managing Director were approached to grant permission for the researcher to engage the respondents to assuage and get buy in. the questionnaire was pretested with 5% of the respondent to seek for comments and suggestions and understanding of instructions and if there is clarity and relevance of questions.

3.5. Data Analysis

After data collection, it was edited and coded for completeness and accuracy. The researcher then used Statistical Package for Social Scientist (SPSS) to further analyze and generate statistical data for interpretation. The closed-ended questionnaire generated responses which were analysed quantitatively using descriptive statistics and then presented in frequency tables. The purpose of descriptive statistics is to provide opinion of respondents regarding a phenomenon under study, Burns and Groove (2007). The study thus used descriptive statistics such as frequencies, percentages, means, medians and standard deviations. Data is presented in the form of tables.
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

This chapter is a presentation of data analysis and interpretation of results. It involves: analysis of socio-demographic data, analysis of the specific competencies and the analysis of competency based performance review (CBPR) dimensions. The data analysis is anchored on the research objective which seeks to establish the effectiveness of competency based performance review system at Mantrac Kenya limited.

4.2. Response Rate

A total of ninety-five (95) questionnaires were issued out and out which ninety-one (91) were answered and returned representing a response rate of 95.79%.

4.3. Socio-Demographic Data

This section presents analysis of gender/ sex of respondent, their age brackets, their working experience and their working functions or departments.

4.3.1. Gender/Sex

The table below shows the frequency distribution of gender among the 91 respondents working at Mantrac Kenya who participated in this survey.
The results in table 4.1 show that 75.8% of the respondents are male while 24.2% are females. The results indicate that the greater proportion of persons working at Mantrac Kenya is of male gender. This mirrors the management data on population of all employees working at Mantrac Kenya limited.

### 4.3.2. Age Bracket

The table below shows the frequency distribution of the age of the 91 respondents working at Mantrac Kenya who participated in this survey.

#### Table 4.2: Age bracket analysis

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>25-35</td>
<td>51</td>
<td>56.0</td>
<td>56.0</td>
</tr>
<tr>
<td></td>
<td>36-45</td>
<td>35</td>
<td>38.5</td>
<td>94.5</td>
</tr>
<tr>
<td></td>
<td>46+</td>
<td>5</td>
<td>5.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data
Per table 4.2, 56.0% of the respondents are aged between 25 and 35 years, 38.5% are aged between 36 and 45 years while 5.5% are age more than 45 years. Therefore, these results indicate that most of the people working at Mantrac Kenya are relatively young and energetic since 94.5% of the persons are aged between 25 and 45 years.

4.3.3. Length of Service

The table below shows the distribution of the work experience of the 91 respondents working at Mantrac Kenya who participated in this survey.

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>39</td>
<td>42.9</td>
<td>42.9</td>
</tr>
<tr>
<td>5-10</td>
<td>33</td>
<td>36.3</td>
<td>36.3</td>
</tr>
<tr>
<td>11-15</td>
<td>11</td>
<td>12.1</td>
<td>12.1</td>
</tr>
<tr>
<td>16-20</td>
<td>4</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>21+</td>
<td>4</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Total</td>
<td>91</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Primary data

The results in table 4.3 show that 42.9% have worked in Mantrac Kenya for 0-4 years, 36.3% have worked for 5-10 years, 12.1% have worked for 11-15 years, 4.4% have worked for 16-20 years and 4.4% have worked for more than 20 years. These results indicate that most of the people working at Mantrac have a work experience of less than 10 years.
4.3.4. Work Functions Performed

The table below shows the distribution of working functions performed by various people working at Mantrac Kenya.

<table>
<thead>
<tr>
<th>Table 4.4: Analysis by department/function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Valid Support</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Management</td>
</tr>
<tr>
<td>Product support</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Primary data

Results in table 4.4 show that 20.9% are support staff, 26.4% are working with the mainstream sales departments, 5.5% are in management team and 47.3% are in product support departments. These results indicate that most of the people at Mantrac Kenya are working in product support departments which comprises service and parts sales/product support sales department.

4.4. Performance Management System

This section presents the analysis of competencies assessed in the performance management system. It involves analysis that will lead us to answering the research question involving use of competency based performance management systems in Mantrac Kenya. The competencies analyzed are: customer focus, emotional intelligence, innovation, leadership, strategic awareness and planning, organization and controlling.
4.4.1. Customer Focus

The table below shows the merged results on various aspects of customer focus as a core competency in performance management system.

<table>
<thead>
<tr>
<th>Competency factor</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction is everyone’s business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>D</td>
<td>N</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>0%</td>
<td>1.1%</td>
<td>5.5%</td>
</tr>
<tr>
<td>My role should be evaluated on this competence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>2.2%</td>
<td>0%</td>
<td>14.3%</td>
</tr>
<tr>
<td>The assessed competencies and objectives for individuals’ damage customer-focused teamwork</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>23</td>
<td>30</td>
</tr>
<tr>
<td>20.9%</td>
<td>25.3%</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

Source: Primary data

According to table 4.5, results show that majority (85.7%) of the people working in Mantrac Kenya strongly agree that Customer satisfaction is everyone’s business in the company. On whether the role of customer focus should be evaluated, 46.2% and 37.4% agreed and strongly agreed respectively that they should be evaluated on their competence in customer focus. On the contrary, on whether assessment of competencies and the possible associated clash with objectives for individuals’ would damage customer-focused teamwork, 20.9% strongly disagreed, 25.3% disagreed and 33.0% were neither in agreement or disagreement. Similarly, results on whether a team based competence should only apply when there is team based remuneration, 25.3% strongly disagreed, 31.9% disagreed and 14.3% were of neither agree nor disagree positions.
4.4.2. Emotional Intelligence

The table below shows the merged results on various aspects of emotional intelligence as a competency in the performance management system.

Table 4.6: Frequency distribution of emotional intelligence

<table>
<thead>
<tr>
<th>Competency factor</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>This is a team based competence and it should only apply when there is team based remuneration</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>25.3%</td>
<td>31.9%</td>
</tr>
<tr>
<td>I am aware this Emotional Intelligence competence is influencing my performance evaluations</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>3.3%</td>
<td>6.6%</td>
</tr>
<tr>
<td>This competence is good for team work</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1.1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Primary data

On whether the employees were aware that emotional intelligence competence influences their performance evaluations, 57.1% agreed and 14.3% strongly agreed that they were aware that emotional intelligence competence influences their performance evaluations. Lastly, on whether the competence is good for team work, 42.9% agreed and 52.7% strongly agreed.
4.4.3. Innovation

The table below shows the merged results on the two aspects of innovation as a competency in the performance management system.

<table>
<thead>
<tr>
<th>Factor investigated</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal innovation does increase productivity</td>
<td>6 3 3 22 57 91</td>
<td>6.6% 3.3% 3.3% 24.2% 62.6% 100%</td>
</tr>
<tr>
<td>My role does not require to innovate</td>
<td>65 20 5 1 0 91</td>
<td>71.4% 22% 5.5% 1.1% 0% 100%</td>
</tr>
</tbody>
</table>

Source: Primary data

The results in table 4.7 indicate that, 24.2% and 62.6% respectively agree and strongly agree that personal innovation does increase productivity at Mantrac Kenya. On divergent views, 71.4% and 22% respectively strongly disagree and disagree that their roles do not require innovation while working at Mantrac Kenya.
4.4.4. Leadership

The merged results below show the responses on leadership as a competency in performance management system.

<table>
<thead>
<tr>
<th>Factor investigated</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>This competence is important to evaluate</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Leadership is a management function and should not be evaluated on all employees</td>
<td>53</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>58.2%</td>
<td>27.5%</td>
</tr>
<tr>
<td>The assessment of the leadership competence reinforces managers’ ability to engage in coaching and open, direct regular dialogue with people</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>1.1%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Source: Primary data

According to table 4.8, results show that, 45.1% agree and 47.3% strongly agree that leadership competence is important to evaluate. On leadership being a preserve of management function, 58.2% strongly disagreed and 27.5% disagreed that leadership as management function should not be evaluated on all employees. Lastly, on whether assessment of the leadership competence reinforces managers’ ability to engage in coaching and open, direct regular dialogue with people, 48.4% agreed and 36.3% strongly agreed.
4.4.5. Strategic Awareness

The results below show the three aspects of strategic awareness as a competency in the performance management system.

<table>
<thead>
<tr>
<th>Factor investigated</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Awareness of the company mission, vision and main direction is key for success and</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>should be evaluated</strong></td>
<td>SD  D  N  A  SA</td>
<td>91</td>
</tr>
<tr>
<td>1  1  1  42  46</td>
<td>1.1%  1.1%  1.1%  46.2%  50.5%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>This should only be evaluated on senior management staff</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49  30  8  1  3</td>
<td>53.8%  33.0%  8.8%  1.1%  3.3%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>The company has a 5-year strategic plan and evaluating the competence on annual</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>basis does not reflect my ability to change strategy.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27  35  18  7  4</td>
<td>29.7%  38.5%  19.8%  7.7%  4.4%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Primary data

The results in table 4.9 show that 46.2% and 50.5% agreed and strongly agreed respectively that awareness of the company mission, vision and main direction is key for success and should be evaluated. On whether the strategic competency should be evaluated on senior management only, 53.8% strongly disagreed and 33.0% disagreed. Finally, 29.7% strongly disagreed and 38.5% disagreed that since the company, has a 5-year strategic plan, it does not add value to evaluate individuals on strategic awareness and acumen.
4.4.6. Planning, Organization and Controlling

The table below shows the results on planning, organization and controlling as competencies in the performance management system.

<table>
<thead>
<tr>
<th>Factor investigated</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can only plan as far as allocated resources allow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>10</td>
<td>11.0%</td>
</tr>
<tr>
<td>D</td>
<td>26</td>
<td>28.6%</td>
</tr>
<tr>
<td>N</td>
<td>20</td>
<td>22.0%</td>
</tr>
<tr>
<td>A</td>
<td>27</td>
<td>29.7%</td>
</tr>
<tr>
<td>SA</td>
<td>8</td>
<td>8.8%</td>
</tr>
<tr>
<td>91</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Rating the performance of an individual on this competency is unsound because performance differences can largely be due to system variations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD</td>
<td>16</td>
<td>17.6%</td>
</tr>
<tr>
<td>D</td>
<td>32</td>
<td>35.2%</td>
</tr>
<tr>
<td>N</td>
<td>28</td>
<td>30.8%</td>
</tr>
<tr>
<td>A</td>
<td>10</td>
<td>11.0%</td>
</tr>
<tr>
<td>SA</td>
<td>5</td>
<td>5.5%</td>
</tr>
<tr>
<td>91</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary data

According to results in table 4.10, the opinions on planning, organizing and controlling were found to be non-skewed. For instance, 28.6% disagreed while 29.7% agreed that planning only occurs as far as resources allocated. Similarly, 11.0% strongly disagreed while 8.8% strongly agreed on the same competency. On the other hand, 17.6% strongly disagreed and 35.2% disagreed while 11.0% agreed and 5.5% strongly agreed that rating the performance of an individual on this competency is unsound because performance differences can largely be due to system variations.
4.5. Competency Based Performance Review (CBPR)

The table below summarizes the observations about the competency based performance review process.

Table 4.11: Frequency distribution of CBPR

<table>
<thead>
<tr>
<th>Competence</th>
<th>Frequency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
<td>D</td>
</tr>
<tr>
<td>All the competencies are representative and important for evaluating my performance</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>1.1%</td>
<td>1.1%</td>
</tr>
<tr>
<td>I am in agreement with the Key Behaviour Indicators (KBIs) of all the assessed competencies</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>3.3%</td>
<td>6.6%</td>
</tr>
<tr>
<td>The complexity and difficulties involved in one person summing up the competency of another can make the process problematic.</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>7.7%</td>
<td>12.1%</td>
</tr>
<tr>
<td>The CBPR can become a process through which employees seriously look into improving their competencies and observing company core values.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>I often find myself deciding what to put in the box and then making up a few words of narrative in the other section to justify it.</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>6.6%</td>
<td>28.6%</td>
</tr>
<tr>
<td>I belief the CBPR system has improved the performance management system.</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>2.2%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Source: Primary data
Results in table 4.11 show that 57.1% and 28.6% of the people working at Mantrac Kenya respectively agree and strongly agree that all the competencies are representative and important for evaluating their performance. Similarly, on agreement with the Key Behaviour Indicators (KBIs) of all the assessed competencies, 49.5% and 18.7% of respondents respectively agreed and strongly agreed that all KBIs associated with each competency are representative and well descriptive of the competency.

On whether the complexity and difficulties involved in one person summing up the competency of another can make the process problematic, 37.4% agreed with it while 36.3% were non-committal. On the other hand, 45.1% and 38.5% of respondents agreed and strongly agreed respectively that the CBPR can become a process through which employees seriously consider improving their competencies and observing company core values.

On whether one finds themselves deciding what to put in the box and then making up a few words of narrative in the other section to justify it, majority (40.7%) of the employees were non-committal. Finally, on whether one believed that CBPR system had improved the performance management system, 49.5% and 19.8% respectively agreed and strongly agreed that CBPR system had improved the performance management system.
Table 4.12: Descriptive Analysis of the Competency Based Performance Review Process

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>All the competencies are representative and important for evaluating my performance</td>
<td>91</td>
<td>1</td>
<td>5</td>
<td>4.11</td>
<td>.737</td>
</tr>
<tr>
<td>I am in agreement with the Key Behaviour Indicators (KBIs) of all the assessed competencies</td>
<td>91</td>
<td>1</td>
<td>5</td>
<td>3.74</td>
<td>.953</td>
</tr>
<tr>
<td>The complexity and difficulties involved in one person summing up the competency of another can make the process problematic.</td>
<td>91</td>
<td>1</td>
<td>5</td>
<td>3.23</td>
<td>1.012</td>
</tr>
<tr>
<td>The CBPR can become a process through which employees seriously look into improving their competencies and observing company core values.</td>
<td>91</td>
<td>3</td>
<td>5</td>
<td>4.22</td>
<td>.712</td>
</tr>
<tr>
<td>I often find myself deciding what to put in the box and then making up a few words of narrative in the other section to justify it.</td>
<td>91</td>
<td>1</td>
<td>5</td>
<td>2.84</td>
<td>.898</td>
</tr>
<tr>
<td>I believe the CBPR system has improved the performance management system.</td>
<td>91</td>
<td>1</td>
<td>5</td>
<td>3.82</td>
<td>.851</td>
</tr>
</tbody>
</table>

Valid N (list wise) 91

Source: Primary data

These results generally show that majority of employees at Mantrac Kenya agree that all the competencies are representative and important for evaluating their performance as
portrayed in the table 4.12 (mean = 4.11 on a scale of 5). Similarly, on table 4.12 above, with a mean value of 3.74 on a scale of 5 signifying agreement with the Key Behaviour Indicators (KBIs) of all the assessed competencies are representative and well descriptive of the competency.

A mean value of 2.84 on a scale of 5 on whether one finds themselves deciding what to put in the box and then making up a few words of narrative in the other section to justify it, indicating non-commitment on the part of the respondents. On the question of whether the CBPR had become a process through which employees seriously consider improving their competencies and observing company core values, the respondents gave a resounding affirmative answer. (mean = 4.22 on a scale of 5) indicating the seriousness with which employees look at competencies and the linkage they have with business core values. Similarly, majority of the respondents agreed that they belief the CBPR system has improved the performance management system.

4.6. Discussion of Findings

The objectives of the study were to determine the effectiveness of the competency based performance review process at Mantrac Kenya Limited. The study confirmed the company uses the competency based appraisal system and the responses from the respondents indicate familiarity with the system. The study found that the company employees found the method suitable because it addressed all the competencies and their associated key behaviour indicators, it addressed all the parameters/competencies required and was objective and gave a clear idea of what the employer expected.
The study also found a strong agreement in the belief of the system and general acceptance that the competency based performance review system had improved the appraisal process at Mantrac Kenya Limited. The findings supported by the respondent’s answers links the competencies to the company core values which it aims to live to support the mission and vision of the company. Majority of the respondents agreed that by having the competencies evaluated, the employees focus on achieving and maintaining the core values.

The study also found that management and employees generally gravitate towards team working even though team work as a competency is not evaluated. The set-up of the competency based review system ensures that all assessed competencies pull employees to work together as a team. There was general understanding that team based cooperation and engagement is necessary for each individual to achieve their goals, surpass their targets, improve on their performance and become motivated and committed to their job. From the study, it supports the theoretical foundation of top management support for it to be an effective performance system and to show the employees’ commitment and translate organizational objectives and goals into personalized employee definite objectives. There also is a clearly defined measurement system, accurate record keeping and a system of frequent evaluation of performance which links performance and compensation to business objective and helps change cultural attitudes by pointing work behaviours to business results.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter is a summary of main findings as well as offering a conclusion from the research. The chapter also gives recommendations and suggestions for further studies.

5.2. Summary of Findings

On the analysis of competencies and specifically customer focus, the consensus was that it was everyone’s business to take care of customer issues. Majority of the employees also reported being comfortable with customer focus being an assessed competency as well as an aggregated majority agreeing that customer focus is a team based competency but disagreeing that it should only be assessed in cases where team based remuneration applies. That even in individual effort based remuneration strategies, the competency should apply as well. Many respondents agreed and with some strongly agreeing that emotional intelligence which is one of the measured competency is well communicated and they are aware it influences their performance rating. A staggering number agreed and strongly agreed that the emotional intelligence competency is good and it fosters team working.

The research also sought to establish if the innovation competency does increase productivity and if at a personal level, the employees feel their role needs to keep on innovating with majority of the respondents who either agreed or strongly agreed. There was also a strong disagreement with the assertion that their role does not need to innovate; indicating a strong belief that innovation is a major driver of progress and their
acceptance it should form part of their assessment. Leadership was also strongly viewed as a competency which should be evaluated, is not strictly a preserve of management and that everyone ought to be evaluated on leadership and that by regularly assessing the competency, it leads to management staff developing a culture of coaching and open, direct regular dialogue with people.

On the strategic awareness, which the research was trying to establish its relationship within the performance management circles, a majority of respondents collectively agreed and strongly agreed that it is necessary to be conversant with the mission and vision of the business and how it feeds into productivity. A similarly high number of respondents disagreed and strongly disagreed that this competency should not be assessed on management but everyone. This correlates to similar results for the leadership competency. This would be a positive pointer to strongly communicated values, mission and vision as well as the strategic direction of Mantrac Kenya limited. On planning organizing and controlling, there was non-skewness of the response between agreeing and disagreeing and some showing neutrality on whether it is within their control to influence the outcome of the competency.

5.3. Conclusion

The research main aim was to try and establish the effectiveness of competency based performance review and Mantrac Kenya Limited. The findings from the respondents is that a majority belief the competency based performance review system is an effective performance management system at the respondents’ company – Mantrac Kenya
Limited. Majority of the respondents acquiesced to being aware of the competencies, their associated key behaviour indicators and were aware that these competencies were being evaluated and affect their performance review scores. With a big number collectively either agreeing or strongly agreeing that the competency based system has improved the performance management systems at Mantrac Kenya Limited, one can conclude that indeed, the competency based performance review is effective at Mantrac Kenya Limited.

5.4. Recommendations

In the employee management cycle from recruitment to exit, many employers tend to relax once the employee is on board whilst the actual employee management issues start during that phase. Most of the employee problems once they settle in have to do with how the performance management and which is a year-round process is managed. By its definition, performance management establishes shared understanding about what is to be achieved, and is an approach to managing and developing people in a way that increases the probability that it will be achieved in the short and longer term. By looking long term, employers should thus aim at having performance management systems which will eventually have tremendous impact on value for money, company values and organizational culture.

From the research and in view of the detailed conclusions above, some recommendations that should be taken into account whilst designing an effective competency based performance management system include the need for ensuring the competencies to be
used are linked to the direct translation of corporate goals into individual, team, department and divisional goals. The competencies should also be agreed by consensus and cooperation rather than control or coercion with the employees and feed into the corporate culture and core values. The double loop system must circulate from agreement on the competencies, support systems to ensure the competencies are well articulated with meaningful key behaviour indicators and continued process of evaluation and feedback.

There is also need to ensure there is clear linkage of understanding of the competencies, the structures of the company have to be put in place to ensure achievement of the competencies and system vagaries are taken care of to eliminate disillusionment with how work processes and resources are shared and allocated in support of achievement of the competencies.

5.5. Limitations of the Study

The study done, like all studies was prone to vagaries of descriptive research namely its vulnerability to error and subjectivity especially when a questionnaire method is used with prescriptive and predetermined question.

The study also encountered some limitations as some of the target respondents are less than one year old and hence have not had the experience of doing the competency based performance review and therefore were sadly not able to answer the questions objectively and hence did not participate in the survey. The timing was also critical as the survey was
done during the period the business was preparing for business review sessions which take a lot of employee time in preparing historical and future business projections. The respondents thus were a bit tied up with work processes and the researcher had to follow them up to complete the questionnaires sometimes even after work hours and weekends.

5.6. Suggestions for Further Research

Whilst this study clearly provided insight into how effective competency based performance review are, there is need to explore further areas of research associated with the system such as would the use of competencies be used to determine the reward system in an organization? This would help gain more insights into the association between competencies and firm performance and associated compensation schemes. Indeed, productivity talks have centered around rewarding employees based on such competencies and their feed into productivity.

Secondly, this study has underscored the importance of using competencies in the performance management systems of organizations, therefore, it would need further exploring on whether there are benefits associated with using a competency based system for recruitment and selection.
REFERENCES


Mantrac Kenya Website: [http://www.mantrackenya.com/](http://www.mantrackenya.com/)


APPENDIX I: QUESTIONNAIRE

As a valued participant and employee of Mantrac Kenya Limited, we invite you to participate in a research paper by the undersigned. This questionnaire is designed to gather information on Competence Based Performance Review (CBPR) implemented by the territory and group at large since 2013. The information you give will be treated with extreme confidentiality and will be exclusively used for academic purposes intended in this research and not for any work processes or employee evaluation.

The questionnaire should take you 10 to 15 minutes to complete. We request you to take your time to answer the questions carefully. Please tick ☑ where appropriate next to the response you deem necessary.

SECTION A: DEMOGRAPHICS OF THE RESPONDENT

1. Indicate your gender  a) Male ☐  b) Female ☐

2. Indicate Length of service with Mantrac Kenya Limited
   a. Below 5 years ☐
   b. Over 5 – 10 years ☐
   c. Over 11 – 15 years ☐
   d. Over 16 – 20 years ☐
   e. Over 21 years ☐

3. Indicate your age bracket
   a. 24 and under ☐
   b. 25 – 35 years ☐
   c. 36 – 45 years ☐
   d. Over 45 years ☐

4. Please indicate your role function without specific job title
   a. Support (Dir/Finance/HR/HS/IT/Marketing/ Logistics & Parts Admin) ☐
   b. Sales ☐
   c. Management ☐
   d. Product Support (Includes service and product support sales) ☐
## SECTION B: COMPETENCY BASED PERFORMANCE REVIEW SYSTEM

For the next sessions and on a scale of (1) to (5) where 1 represents strongly disagree while 5 represents strongly agree, please tick to indicate to what extent you agree or disagree with each of the statements.

**Strongly Disagree (SD) (1); Disagree (D)(2); Neutral (N)(3); Agree (A)(4); Strongly Agree (SA) (5)**

<table>
<thead>
<tr>
<th>Item</th>
<th><strong>Customer Focus</strong></th>
<th>(SD) (1)</th>
<th>(D) (2)</th>
<th>(N) (3)</th>
<th>(A) (4)</th>
<th>(SA) (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Customer satisfaction is everyone’s business</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>2.</td>
<td>My role should be evaluated on this competence</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>3.</td>
<td>The assessed competencies and objectives for individuals’ damage customer-focused teamwork</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
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</table>

<table>
<thead>
<tr>
<th><strong>Emotional intelligence</strong></th>
<th>(SD) (1)</th>
<th>(D) (2)</th>
<th>(N) (3)</th>
<th>(A) (4)</th>
<th>(SA) (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.</td>
<td>This is a team based competence and it should only apply when there is team based remuneration</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td>5.</td>
<td>I am aware this Emotional Intelligence competence is influencing my performance evaluations</td>
<td>[ ]</td>
<td>[ ]</td>
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<td>[ ]</td>
</tr>
<tr>
<td>6.</td>
<td>This competence is good for teamwork</td>
<td>[ ]</td>
<td>[ ]</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Innovation</strong></th>
<th>(SD) (1)</th>
<th>(D) (2)</th>
<th>(N) (3)</th>
<th>(A) (4)</th>
<th>(SA) (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>Personal innovation does increase productivity</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
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</tr>
<tr>
<td>8.</td>
<td>My role does not require to innovate</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
<tr>
<td><strong>Leadership</strong></td>
<td>(SD)</td>
<td>(D)</td>
<td>(N)</td>
<td>(A)</td>
<td>(SA)</td>
</tr>
<tr>
<td>----------------</td>
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<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>------</td>
</tr>
<tr>
<td>9. This competence is important to evaluate</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>10. Leadership is a management function and should not be evaluated on all employees</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>11. The assessment of the leadership competence reinforces managers’ ability to engage in coaching and open, direct regular dialogue with people</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Strategic Awareness</strong></th>
<th>(SD)</th>
<th>(D)</th>
<th>(N)</th>
<th>(A)</th>
<th>(SA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Awareness of the company mission, vision and main direction is key for success and should be evaluated</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>13. This should only be evaluated on senior management staff</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>14. The company has a 5-year strategic plan and evaluating the competence on annual basis does not reflect my ability to change strategy.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Planning, Organizing &amp; Controlling</strong></th>
<th>(SD)</th>
<th>(D)</th>
<th>(N)</th>
<th>(A)</th>
<th>(SA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15. I can only plan as far as allocated resources allow</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>16. Rating the performance of an individual on this competency is unsound because performance differences can largely be due to system variations</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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</tbody>
</table>
### SECTION C: COMPETENCY BASED PERFORMANCE REVIEW PROCESS

<table>
<thead>
<tr>
<th>Item</th>
<th>(SD) (1)</th>
<th>(D) (2)</th>
<th>(N) (3)</th>
<th>(A) (4)</th>
<th>(SA) (5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>17.  All the competencies are representative and important for evaluating my performance</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>18.  I am in agreement with the Key Behaviour Indicators (KBIs) of all the assessed competencies</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>19.  The complexity and difficulties involved in one person summing up the competency of another can make the process problematic.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>20.  The CBPR can become a process through which employees seriously look into improving their competencies and observing company core values.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>21.  I often find myself deciding what to put in the box and then making up a few words of narrative in the other section to justify it.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>22.  I believe the CBPR system has improved the performance management system.</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>