

**AIBUMA Publishing**  
**African Journal of Business & Management (AJBUMA)**  
**<http://www.aibuma.org/journal/index.htm>**  
**Vol. 1 (2010), 12 pages**

## **THE EFFECTIVENESS OF PERFORMANCE APPRAISAL SYSTEMS IN PRIVATE UNIVERSITIES IN KENYA**

### **An Assessment of Kabarak University Performance Appraisal Systems**

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#### **Abstract**

*Performance appraisal system is important to any organizational work performance; it determines the organization's success or failure. The aim of this study was to evaluate the effectiveness of performance appraisal system at private universities in Kenya. The focus of the study was on the employees of Kabarak University. The study evaluated the purpose of performance appraisal in private universities and identifies relevant factors for achieving an effective performance appraisal. A cross-sectional survey was selected for this study because it was cheap to undertake compared to longitudinal survey and the results from the sample can be inferred to the larger population. The study population was all the employees of Kabarak University. The whole populations of staff were selected as respondents. A structured questionnaire was used to collect the data for analysis. The analysis of the collected data was done by help of SPSS and presented using of descriptive statistics, frequency tables, percentages and pie charts. The findings from the study have established that performance appraisal system is the only tangible metric way by which an organization can know the level of performance of its diverse employees. Although most employees are aware of the type of performance appraisal system used in the private universities, such systems are not based on any serious formal purpose for which they were designed. The effectiveness of performance appraisal systems in the private universities are only based on training to the employees involved in the rating/appraising process and are multi-rating systems. Conclusively, because the performance appraisal systems used in private universities are not effective and that they exist just as a matter of formalities, the private universities can not measure employees' performance hence making it difficult to achieve the intended Human Resource Management objectives.*

**Keywords:** *Effectiveness, Performance Appraisal Systems & Private Universities*

## 1. Introduction

### 1.1 General Background

Armstrong (2001) notes that issues of accuracy and fairness in performance appraisal is one of the key research interests in the field of human resource management. Performance appraisal may be used as a means of measuring performance. The purpose of measuring performance is not to indicate only where things are not going according to plan but also to identify why things are going well so that steps can be taken to build on success. The goal of performance appraisal is to assess and summarize past performance, and develop future work performance goals and expectations. It is a process of systematically evaluating performance and providing feedback on which performance adjustments can be made.

Cash (1993) indicates that from the employee's view point, the purpose of performance appraisal is in four – fold: Tell me what you want me to do, help me improve my performance, Reward me for doing well.

Performance appraisal therefore is an important human resources function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities of human resource. Performance appraisal should be a continuous function.

The supervisors should continuously determine how effectively their subordinates are performing different tasks. Employees should be appraised at least once a year, as this will contribute to increased employee efficiency, productivity and morale.

Private Universities in Kenya have administrative and professional faculty performance appraisal system designed to provide documented, constructive feedback regarding performance expectations, spur growth and development as well as provide a fair and equitable means to determine rewards for contributions to the university. The 'senior staff' and faculty staff are measured by their breadth of knowledge, understanding of roles and contributions to the university's strategic plan. The appraisal process therefore offers a valuable opportunity to focus on work activities and goals as well as identify and correct existing problems, and to encourage better future performance. Thus the performance of the whole organization is enhanced (Roger, 1995).

According to Davis (1995), Performance Management is a joint process that involves both the supervisor and the employee, who identify common goals, which correlate to the higher goals of the

institution. If employees are effectively appraised, then the organizations will experience increased productivity and improved quality of output. When people are treated with care, shown trust, listened to and encouraged to do better they reciprocate by being responsible and productive.

For effective development and utilization of the human talent, performance appraisal plays a key role since it enables an organization to identify objectively the employee's strengths and weaknesses. The organization will then be able to counsel the employees to improve the weak areas. This will help all the employees to contribute positively to the attainment of the institution /organizational objectives.

Performance appraisal in most Singapore's companies involved supervisors merely filling out confidential forms for the last two years. The National Production Board of Singapore started promoting open appraisal systems through a series of seminars. In spite of this, it appeared that several organizations continued to have a closed system of performance appraisal system. Ghorpade (1995), indicates that performance appraisals in Japan are so integrated into organizational life that it is difficult to isolate and talk about appraisal systems and mechanisms. The appraisal of individual performance is undeveloped in Japanese organizations and team work and organizational identity are promoted. Performance feedback is smooth and indirect. The Japanese make more great investment in people and in the skills necessary to be effective with others. It is also used for linking training, development, performance planning, and a tool to encourage employees.

Conger (1998), carried out an exploratory study to review the purposes and practices of performance appraisal. The study indicated the trend in US, as giving high focus on documentation, development and linking performance appraisals with pay and promotion purpose. In Korea, performance appraisal is used for development and promotion purposes. In Canada it is used much less for compensation and pay. In Australia performance appraisal is used for development and promotion purposes. At University of Minnesota, performance appraisal policy statement indicates that, employees performance appraisal is done on an annual basis. This is in a form of a written evaluation prepared by the responsible administrator. The policy establishes general procedures for such

evaluations and delegates' oversight on specific formats and detailed procedures to the senior administrator of the campus. The criteria for such reviews will vary according to the nature of the unit in which it is located. <http://www/.umn.edu/ohr/policies/performance>,

Organizations do utilize performance appraisal systems that suit their organizational strategies; therefore appraisal systems vary from institution to institution.

Kabarak University was established in the year 2000 as a private university in Rift Valley with the following objectives: To provide a holistic education, with a Christian liberal arts foundation, that will enable the student to develop intellectually, spiritually, physically and socially; To become a Centre of Excellence for thought, discussion, research and teaching within the context of Christian truth and commitment, spiritual sensitivity, and submission of Christ's Lordship (1 Peter 3:15). To provide adequate facilities and infrastructure for a high quality education, such as library resources, laboratories, research facilities, classrooms, and buildings to support the various curricula and syllabi; To stimulate appreciation, understanding adoption and commitment to the Christian faith and to emphasize the centrality of the Christian ethic and its motive of service to god and Humanity; To demonstrate that work, both manual and mental, has dignity; To promote ideals of brotherhood, equality, and democracy, with particular emphasis on national patriotism; To maintain and encourage a way of life characterized by the fear of God, humility, honesty, pride in labour, quest for knowledge, high moral and academic standards, and concern for the welfare of others; To share knowledge, skills, and experiences with the rest of mankind in the pursuit of human advancement (Kabarak University staff hand book, 2000).

In order to attain the objectives prescribed above, Kabarak University must take up the challenge of appraising, utilizing and developing skills and abilities of its employees. Employees' performance appraisal will greatly contribute towards the attainment of university objectives. Thus the employees performance measurements will be inline with the universities objectives.

### 1.2 The "WHY" in Performance Appraisal

Meyer (1972) states that performance management is a joint process that involves both the supervisor and the employee, who identify common goals, which correlate to a higher goal of the institution. Levinson (1902) stresses the importance of the processes of

identification of the employee with manager. He also states several barriers which may come in the way of such legitimate process of identification as; lack of time; intolerance, of mistakes, complete rejection of dependency needs repression of rivalry, and unexamined relationship. Levinson also suggests that to help the development of the process of identification it is necessary for the manager to also examine his own process and needs of interacting with the subordinates.

Performance appraisal has become a key feature of an organization's drive towards competitive advantage through a continuous performance improvement and that it has resulted in the development of integrated performance management systems (PMS) based on a competency framework (Strebler, 1997).

Ouchi (1979) indicates that many companies in Kenya conduct performance appraisals, regardless of their levels of sophistication. But a number have not actualized the process.

They are still learning the ropes. Start by delinking the results of the appraisal from salary reviews. Put in place structures to manage the process. Get policies and procedure manuals and train the entire organization on target setting, monitoring and review.

The directorate of personnel Management, Kenya, (2002) states that conducting employee performance appraisal on regular basis will balance the employees work overload or under load, thus ensuring appropriate employee placement.

Mbiti, (1974) gave the human temperaments as the reasons why we need to appraise employees. He classifies employee into four major vegetations and rejecters. Mbiti describes vegetators as people who care for nothing except their pay at the end of the month. They have no initiative; they will take the slightest excuse to be off duty, because this gives them more pleasure than working. They require constant supervision without appraising them; they will try to hide amongst others while they do nothing. Design an acceptable, easy-to-use but reliable appraisal instrument. Insist on support and sponsorship by the highest office in the organization. One will most likely succeed where the process is tied to performance improvement and employees development. Appraisals should not be footnotes in corporate calendar. Companies that have moved to quarterly appraisals get more objective results. Managers may easily get away with subjectivity if discussions on performance are not based on recorded facts and figures. This needs to be discouraged. The training required must come as often as the appraisal. Where there is likelihood of

bias, encourage a third party to attend such performance discussions.”

Phil Long (1986) gave the following points as the reasons for performance review. Administrative uses: Performance appraisal system is the link between the rewards employees hope to receive and their productivity. The linkage can be thought of as follows. **Productivity** → **Performance**  
**Appraisal** → **Rewards**

The manager's role is to evaluate subordinate's performance which leads to managers making compensation recommendations for employees. Development uses: Performance appraisal can be a primary source of information and feedback for employees, which is key to their future development. When supervisors identify the weak areas and the training needs of the employee, they inform the employees what skills to develop and work out development plans. This reinforces individual behaviour.

The combination of administrative and development purposes of performance appraisal reflect in a specific way, human resources management's larger role of integrating the individual with the organization. It is therefore, necessary to have a formal appraisal programme with clearly stated objectives. Mzenge (1983) revealed that performance reports in Kenya play a relatively minor role in influencing decisions regarding the general management of the human resources. Mzenge, found appraising to be based on personality traits, while actual job performance and ability to achieve goals was given little emphasis. Thus it is important that performance appraisal roles be understood by the organizational managers.

Gary (1991) establishes that change in behaviour cannot be brought about in human beings through punishment or negative reinforcement, but only through positive reinforcement, influencing would involve providing encouragement and reinforcing success so that the person take more initiative and is able to experiment with new ideas. Change cannot take place without experiment and risk taking. These are encouraged through positive reinforcement.

MC Gregor (1957) indicates that managers experienced the appraisal of others as a hostile and aggressive act against employees which resulted in feelings of guilt of employees. He asserted that the tension between appraisal as a judgment process and a supportive development process has never been resolved and is likely to continue for some time to come. MC Gregor further says that making judgment about an employees' contribution, value, worth,

capability, and potential has to be considered as a vital dimension of a manager's relationship with employees, as it will influence the employees' performance or output. He said that the occasion may be formally separated from the ongoing relationships and appraisal activities and decisions should be interpreted by an employee as feedback. This will have a potentially strong impact on an employee's view of self-belief and self esteem.

Edwards Deming, a pioneer in TQM, identified performance appraisal as one of the seven deadly diseases of U.S. Management. While most managers still recognize the benefits of performance appraised, TQM challenges some long-standing assumptions about how it should be conducted. Most companies have modified their appraisal systems to better acknowledge quality of performance in addition to teamwork and process improvement.(Fowler,1990). Harper (1993) suggests dropping the word 'appraisal' because it puts employees on the defensive. He further recommended a shift towards future – orientated review and development which actively involve employees in continuously developing ways of improving performance in line with needs for attainment of organizational objectives.

The outcome could be a set of objectives to be achieved by individual employees such objectives may be concerned with immediate performance against current tasks and standards, but they might also be concerned with a variety of work and personal changes. He said that once employees are encouraged to pay attention to their progress at work then the organization must be able to respond to their medium – and long term career aspirations, and the manager's role will be resolve the inevitable tension that will result between individual goals and the Manager's interpretation of organization goals.

Clinton (1992) notes that formal performance appraisal programs sometimes yield disappointing results. The primary reasons includes, lack of top-management information and support, unclear performance standards, rater bias, too many forms to complete, and use of the programme for conflicting purposes.

If the support of top management is lacking, the appraisal program will not be successful. To underscore the importance of this responsibility, top management should announce that effectiveness in appraising subordinates is a standard by which the appraisers themselves will be evaluate. Also if the appraisal program is used for salary review and at the same time to motivate employees the administrative and development purpose will be in conflict. This

might have little influence on the employees' future job performance.

The content of performance evaluation influences employee performance and satisfaction specifically, performance and employees satisfaction are increased when the evaluation is based on behavioral, result oriented criteria when career issues are discussed and when the employee has the opportunity to participate in evaluation

## 2.0 Statement of the Problem

The success of every institution depends on the quality and commitment of its human resources. In order to ensure continued efficiency and effectiveness of members of staff each organization has to carry out employee performance appraisal from time to time so as to keep them in check and replace, motivate, retrain or take any other appropriate action.

There has been little research in this field of performance appraisal. Most studies discuss performance appraisal that allows employees to develop their skills and to meet business goal. Morrisay (1972) suggests a few other techniques like a you – we technique, second – hand compliment, advice – request technique, one uses you to compliment and we to criticize (you are doing a great job, we have a problem). The second – hand complement is communicating to the subordinate a compliment received from a third party. ('Mr X says that you have done an excellent job for him'). An advice request is asking the employee for suggestions and advice. Summarizing at the end helps clarify the decisions taken, fix the responsibilities and integrate the whole discussion.

Richl (1996) introduced a skill-based method of performance management that creates a work environment that allows employees to develop the skills they need to meet business goals. The skills – based management measures skills and tracks and combine them into job descriptions, identifies employee specific skill gaps and then provides resources to upgrade abilities. Murray (1980), proposed using customer satisfaction measure as a basis of performance reviews and management rewards which results in more objective performance reviews, more effective employees, more satisfied customers and better business performance. The majority of empirical studies on performance appraisal (PA) systems focus on the search for the perfect form in which subjective traits are replaced by objective and job-relevant measurable behaviours.

Organizations using a performance appraisal system to evaluate their employees, struggle with issues of implementation, adoption and linkage with other human resource systems. To make a performance appraisal a viable management tool, from a broader perspective, organizations and researchers must invest time in training managers in performance appraisal skills, in developing systems evaluations which take into account reliability, validity and managerial goals and designing systems to meet specific organizational conditions and expectations. In addition research in these three areas will help to develop more acceptable and successful performance appraisal System Devries (1983).

There has been a proliferation of private universities in Kenya in the recent past and most Kenyans are finding them a cheaper alternative than sending their children abroad. Most of these institutions are relatively young. Besides there is a lot of competition amongst themselves as well as with well established National/Public Universities. To ensure they become more competitive these institutions need to retain high caliber staff both teaching and non-teaching staff through effective performance appraisals. Kabarak University has a comprehensive performance appraisal system which utilizes the ranking method. The assessor is furnished with a checklist of pre-scaled descriptions or behavior, which are then used to evaluate the employee. However, no empirical study has been conducted to determine the effectiveness of the Appraisal system at Kabarak University, though there is a general dissatisfaction by staff members with the manner in which they are evaluated or appraised. Hence, the study seeks to evaluate the effectiveness of the current performance appraisal system. This study was therefore set to determine and assess the effectiveness of performance appraisal system in this institution.

The study is important because for private universities to achieve its objectives, it must have effective performance appraisal system. Most organizations in Kenya have adopted performance contracts which the employees are expected to commit themselves. It is therefore very important for an organization to have an effective performance appraisal system. It has been noted that employees working in private Universities serve in the same capacities for a longer period even after a performance appraisal has been done. This leads to highly skilled employees leaving these organizations since the mode of acknowledging their good work and rewarding them accordingly is not considered. Effective performance appraisal system therefore helps to retain qualified and competent staff. The research was therefore to determine the effectiveness

and the purpose of performance appraisal systems in private Universities. Most managers do perceive a performance appraisal system as an annual routine exercise. This has made employees attach no value to the performance appraisal systems, thus take it as an organizational routine activity. The study aimed at benefiting private Universities in Kenya Kabarak being one of them. It will also provide a basis for further academic research on the topic.

The main objective of the study was to evaluate the effectiveness of performance appraisal systems in private universities in Kenya.

The specific objectives were:

- (i) To determine the main purpose of performance appraisal in private universities.
- (ii) To analyze the factors that contributes to effective performance appraisal.
- (iii) To assess the awareness of Performance appraisal by the employees of the University.

The research questions included:

- (i) What are the main purposes of performance appraisal?
- (ii) What are the factors that contribute to an effective performance appraisal system?
- (iii) What is the level of awareness of existence of performance appraisal in the University?

### 3.0 Research Strategy

A cross-sectional survey was selected for this study because it was cheap to undertake compared to longitudinal survey and the results from the sample can be inferred to the larger population. In addition, some extraneous factors could have manifested in the observed change other than the independent variable concerned.

The target population in the study was the employees of Kabarak University. Kabarak University is situated in the Rift Valley Province about 20 Kilometers from Nakuru Town. The University is one of the privately registered Universities in Kenya. The University employees various staff with different specialties and at different levels.

Employees at Kabarak University has employed 100 staff in total. Because this population was not very large, the researcher chose to study the entire population. Because the entire population was studied, this formed the sample for the study with need to use any sampling method.

A structured questionnaire was used to collect data from the respondents from each respondent. The questionnaire was developed to capture the information on the levels of respondents' know ledge

on the main purpose of performance appraisal in private university, the factors that contribute to an effective performance appraisal system and an assessment of the awareness of performance appraisal by the university. The questionnaire was pre-tested with 5 respondents' in Egerton University, Njoro to authentic reliability. The pre-testing site is 45 km away from the study area and was done to avoid any possible influence on trial respondents before the actual survey.

The analyzed data were presented using descriptive statistics, frequency tables, percentages and, pie charts. Descriptive statistics allow the generalization of the data to give an account of the structure or the characteristics of the population as represented by the sample.

Effective Performance appraisal system was tested to determine its effectiveness in achieving its purposes of providing linkages between employee performance and organizational goals and the factors that contribute to an effective performance appraisal system. The level of awareness of the performance appraisal system used was tested using chi-square.

### 4.0 Data Analysis, Findings and Discussions

The study presents the findings on the main purpose of performance appraisal, analysis of the factors contributing to an effective performance appraisal and an assessment of the awareness of performance appraisal.

#### 4.1 The Main Purpose of Performance Appraisal

According to the tool used in this study, the researcher identified the following as the main purpose of performance appraisal and their frequencies.

**Table 1: Purpose of performance appraisal**

Purpose	1	2	3	4	5	Total
Renewal of service contract	3.5	5.9	5.9	3	29.4	100
Promotion	7.1	0.1	2.4	5	47.1	100
Training needs	1.2	3.5	9.4	4	43.5	100
Counseling and redeployment	7.1	5.9	9	2	45.9	100
Transfers	64.7	9.4	15.3	5.9	4.7	100
New Assignment	5.9	7.1	50.6	31.8	4.7	100
Coaching	7.1	8.2	30.6	43.5	10.6	100

Rewards	16.5	5.9	3.5	31.8	42.4	100
Discipline	57.6	7.1	10.6	7.1	17.6	100
Formality	80	10.6	3.5	4.7	1.2	100
<b>Average %</b>	<b>25.07</b>	<b>6.37</b>	<b>14.47</b>	<b>28.72</b>	<b>24.71</b>	<b>100</b>

Source: Field data

The data was organized in terms of the list of the purpose of performance appraisal system and the respondents' views on individual purpose as presented in table 1 above.

The table was used to evaluate whether the employees understood the main purpose for performance appraisal. The response were scaled from 1 to 5, where 1 indicated totally not agree, 2 indicated may agree, 3 indicated partially agree, 4 indicated agree and 5 indicated totally agreed. All the percentages under each identified purpose added up to 100%.

**Table 2: Agreement level of the purpose of performance appraisal**

Purpose	Agreement level
Training needs	85.9
Renewal of service contract	84.7
Promotion	83.6
Rewards	74.2
Counseling and redeployment	74.1
Coaching	54.1
New Assignment	36.5
Discipline	24.7
Transfers	10.6
Formality	5.9
<b>Average</b>	<b>53.43</b>

Source: Field data

Table 2 above indicates how the respondents agreed with the purpose of the performance appraisal system. 85.9% agreed that the system is used in training needs assessment, 84.7% generally agreed that the system is used to evaluate the employees who may renew the service contract and 83.6% indicated that the system is useful in determining promotion criteria among the employees. These three were therefore recorded as the main purpose of performance appraisal system in Kabarak University. Although the employees identified the above major purpose of the performance appraisal system, it is important to note that on average, the respondents noted that the purpose of performance appraisal system is only 53.43% indicating that employees

have not been properly sensitized on these purpose of the system.

**Table 3: Test of the main purpose of performance appraisal system**

Purpose of PAS	Unstd. Coefficient		Std. Coefficient	T	Sig.
	B	Std. Error			
for renewal of service contracts	0.04	0.10	0.11	0.42	0.68
for promotion	-0.03	0.16	-0.11	-0.21	0.83
for identifying training needs for a member of staff	0.01	0.19	0.02	0.06	0.96
employees counseling and re-deployment	0.05	0.12	0.16	0.38	0.70
Transfers	0.05	0.12	0.16	0.39	0.70
New assignment	-0.16	0.13	-0.40	-1.31	0.20
Coaching	0.08	0.11	0.24	0.79	0.43
Rewards	-0.04	0.07	-0.17	-0.58	0.56
Discipline	0.04	0.06	0.18	0.66	0.51
for formality	0.28	0.07	0.66	4.17	0.00
improving performance planning	-0.03	0.16	-0.07	-0.20	0.84
Transparency	0.03	0.14	0.08	0.20	0.84
clarifying expectations	0.05	0.13	0.14	0.38	0.71
regular open communication	-0.03	0.15	-0.07	-0.18	0.86
identification of individuals roles	0.01	0.18	0.02	0.04	0.97

providing feedback	0.00	0.00	-0.02	-0.29	0.77
Utilizing results	0.03	0.19	-0.08	-0.15	0.88
Accountability	0.01	0.10	0.03	0.10	0.92

Source: Field data

In order to test the main purpose of the PAS which is the first objective of the study, the researcher used a regression analysis model to test the dependency between whether the respondents were aware of an existence of PAS and their views on the purpose of the system as was designed in the tool for data collection. Awareness of the PAS system was the dependent variable whereas the purposes of the system were the independent variables. Table 3 above show the results of the regression model analyzed from the data. From the results in the table, it can be observed that the highest coefficient is 0.66 coinciding with formality as the leading purpose of PAS in Kabarak University. This result indicates that 66% of the respondents who are aware of the PAS systems see it to be just a formality without any important objectives. This finding indicates that the University administration should do a lot of training of the PAS among the employees so that employees can understand and appreciate the critical purpose of the system. Some of the key issues to be addressed include the following: That the renewal of employees' contract must be pegged to the out come of the PAS, that the promotion in the university must be based on merit and that the merit indicators must be obtained from the system.

The university must develop objective oriented training needs assessment to have a continuous training for better out and results based management. The PAS should be used as a source of such information that would selectively identify the unique training needs and match them with the specific employees to be training. Rewards are the human resource element that must be awarded to the employees to heighten their morale which is a function of the high expected output. In order to attain objective and transparent rewards, the PAS must be depended on to generate the required information and decisions. Organization today face a lot of discipline related challenges. Some of the discipline cases go unattended because the organizations do not have information about perpetrators of such offence. PAS therefore is very handy in identifying, executing and evaluating such disciplinary cases. As the business environment becomes complex and multi demanding,

organizations must have appropriate response mechanism to handle these scenarios. Some of the ways by which one can adopt is to evaluate and assign employees new assignments through effective counseling and coaching. These complex operations require effective decisions that can be obtained from an effective PAS.

As a conclusion to the objective that was analyzing the main purpose of PAS in Kabarak University, it is important to note that employees must be totally invoved in the development and the devolution of all the purpose of the system

#### 4.2 Factors Contributing To an Effective Performance Appraisal System

To address the second objective of the study which was to analyze the factors that contributes to effective performance appraisal., the researcher identified the following to be the main factors that contributes to an effective PAS in Kabarak University: Frequency of the appraisal, organizational objectives, training of the appraisers, accurate record keeping system, employees performance measurement, self appraisal approach, employees performance review, employees strengths and weakness, PAS as an employees motivator, PAS should be able to provide feedback to employees, PAS should be void of biasness and lastly the process/procedures for the systems should be ratable. These factors were explored through the frequency tables and regression models as the method of arriving at the conclusion of this objective. The research scaled up the factors using lickert scaling system from 1 to 5. According to the design of tool used in data collection, 1 represented Not Effective, 2 represented Least Effective, 3 represented Fairly Effective, 4 represented Effective and 5 represented very effective. (See table 6 below)

**Table 4: % frequencies of factors leading to effective PAS**

Factors for effective PAS	1	2	3	4	5
Frequency of use	3.5	8.2	11.8	71.8	4.7
organizational/employee objective	2.4	5.9	17.6	50.6	23.5
training of the appraisers	9.4	4.7	60.9	12.9	12.9
Accurate record keeping	3.5	3.5	7.1	32.9	52.9
Employees performance measurement	3.5	2.4	24.7	60.2	7.1
multi-rater system	4.7	5.9	23.9	50.6	15.3
Self appraisal	4.4	7.1	17.6	43.6	27.3

	7	1	.6	.5	.1
Employees performance review	4.7	1.2	.56	.28	9.4
employees strength and weakness	4.7	1.2	.56	.28	9.4
employee motivator	3.5	8.2	9.4	24.7	54.1
PAS provide feedback	7.1	4.7	48.2	23.5	16.5
Void of biasness	4.7	5.9	27.1	35.3	27.1
PAS provide process/procedure	1.2	8.2	68.2	17.6	27.1
<b>Average %</b>	<b>4.4</b>	<b>5.2</b>	<b>33.0</b>	<b>36.9</b>	<b>22.1</b>

Source: Field data

In order to determine the respondents' inclination level, the researcher further summarized the table 4 above by adding up both the effective and very effective frequencies to help understand the respondents' inclination towards the effectiveness of the system. See table 5 below.

**Table 5: Frequencies of factors for effective PAS (%)**

Factors for effective PAS	Effective %
Accurate record keeping	85.8
employee motivator	78.8
Frequency of use	76.5
Organizational/employee objective	74.1
Self appraisal	70.6
Employees performance measurement	67.3
multi-rater system	65.9
Void of biasness	62.4
PAS provide process/procedure	44.7
PAS provide feedback	40
Employees performance review	37.6
employees strength and weakness	37.6
training of the appraisers	25.8
<b>Average</b>	<b>59.0</b>

Source: Field data

Table 5 above indicate that the respondents found accurate records keeping to be the most important factor for effective PAS (85.8%). Other favorable factors with an average of 70% included: Employees motivator, frequency of use, organization/employees objective and self appraisal, employees' performance measurement, multi-rate system. The factors that scored an average of 60% were void of biasness.

Other important finding indicates that the least factor was training of the appraiser (28.8%). Other factors which were law rated to average of 40% were employee strength and weakness, employees' performance review, feedback provision and process/procedure provision.

The findings indicate that employees seem not to understand the factors they under rated not to be effective. According to the performance appraisal principles, these least rated factors (employee strength and weakness, employees' performance review, feedback provision and process/procedure provision.) are equally very important in the evaluation of an effective PAS.

The researcher used a linear regression model to find out the relation between the employees awareness of performance appraisal in use and their preferred factors that contribute to an effect PAS. The employees awareness of the PAS used was selected to be the dependent variable whereas the factors contributing to an effective PAS were the independent variables as shown in table 6 below.

**Table 6: Test of factors contributing to effective PAS**

Factors contributing to effective PAS	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
Training of raters	0.28	0.06	0.80	4.45	0.00
multi-rater systems	0.27	0.08	0.72	3.36	0.00
employee motivator	0.15	0.08	0.48	1.98	0.05
provides feedback to employee	0.15	0.07	0.44	2.08	0.04
measurement system	0.13	0.09	0.29	1.54	0.13
process/procedures for system	0.09	0.08	0.17	1.08	0.28
employees performance review	0.04	0.07	0.09	0.58	0.56
Organizational objectives	0.02	0.07	0.05	0.25	0.80
no biasness	-0.14	0.09	-0.40	-1.59	0.12
self appraisals	-0.19	0.09	-0.56	-2.04	0.04

frequency of appraisal	- 0.2 4	0.07	- 0.5 6	- 3.3 2	0.00
accurate records of employees	- 0.3 3	0.07	- 0.9 2	- 4.7 7	0.00

Source: Field data

Standardized coefficient was used to judge the regression model output. The table indicates that the most important factor was training of raters which scored 80% and multi-rater system which scored 72% respectively. The least factors were void of biasness, self appraisals, frequency of appraisal and accurate records of employees which scored below 0%.

The most interesting finding from this study is that the respondents view varied significantly when they look at the factors in isolation with when they look at the factors in relation to their view of the PAS used in Kabarak University. First, accurate record keeping scored the highest percent when looked at in isolation (85.5%) whereas when it was analyzed by the regression of the factors and awareness of PAS used in Kabarak University, it scored the least (-0.92). On the other hand training of the appraisers was the least when it was observed in isolation (25.8%). Through the regression model, training of the appraisers scored the highest value (80%).

The research concludes this objective by indicating that training of the appraisers should be always considered to be the most important factors contributing to an effective PAS in private university environment.

**4.3 Level of Awareness of the Existing PAS**

To answer the third objective of this study, the researcher considered two important variables. First, whether the respondents are aware the PAS currently in use in Kabarak university and whether the system achieve its objectives. Frequency tables were used to gauge the respondents view and chi-square test was used to test the objective.

Table 7: Awareness of PAS currently used

Response	Frequency	Percent
Yes	72.0	84.7
No	13.0	15.3
Total	85.0	100.0

Source: Field data

Majority of the respondents 84.7% observed that they are aware of the PAS used in Kabarak University.

**Table 8: Indication whether the system achieve its objective**

Response	Frequency	Percent
Yes	11.0	12.9
No	74.0	87.1
Total	85.0	100.0

Source: Field data

Table 8 above indicates that although the majority of the respondents were aware of the PAS used, the majority of them were not aware of the objective of the system.

*The level of awareness of existence of performance appraisal in the University*

The probability of the cases in the frequency table above is given by

$$E1=E2 = 0.5S$$

The sample size was 85

$$\text{The Expected frequency } E = 0.5 \times 85 = 42.5$$

**Table 9: Awareness of appraisal system currently in use**

Response	Frequency	Percent
Yes	72.0	84.7
No	13.0	15.3
Total	85.0	100.0

Source: Field data

The observed frequencies O are shown in table 9 above

**Table 10: Chi-square test of the level of awareness**

Response	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
Yes	42.5	29.5	870.25	20.47647
No	42.5	-29.5	870.25	20.47647
Total	85.0	0.0	1740.5	41.0

Source: Field data

The calculated chi-square is 41.0 whereas the critical chi at 1 degree of freedom is 3.84. Since the calculated chi is much higher than the critical chi-square, the researcher therefore concludes that the respondents are aware of the existence of performance appraisal system in use in the university.

**5.0 Summary, Conclusions and Recommendations**

**5.1 Summary of the Key Findings**

It is the obligation of the Top Management in any organization to design a participatory Performance Appraisal System that would handle all the appraisal activities in the Human Resources Department in the

organization. The need for appropriate appraisal system can not be over emphasized in a complex organization like a university because modern management is today run on a result-based management approach. The main objective of this study was to evaluate the effectiveness of performance appraisal system in private universities in Kenya.

The study came up with a number of important findings that should be taken up by the private university in the design or overhaul of their performance appraisal systems. First, the research established that the employees were aware of the performance appraisal system used at Kabarak University found it to be just for formality. The system does not address the important purpose upon which it was designed.

Secondly, the study also established that the two major factors that contribute to an effective performance appraisal system in private universities: Firstly, the provision of training to the employees involved in the appraising, secondly, an effective performance appraisal system should multi-rating, that is, there should be input from all the supervisors on the employees performance.

Thirdly, most employees were aware of the performance the performance appraisal system which is currently used to appraise them.

## 5.2 Conclusions

Performance appraisal system is the only tangible metric way by which an organization can know the level of performance of its diverse employees. Although most employees are aware of the type of performance appraisal system used in the private universities, such systems are not based on any serious formal purpose for which they were designed. The effectiveness of performance appraisal systems in the private universities are only based on training to the employees involved in the rating/appraising process and are multi-rating systems. Conclusively, because the performance appraisal systems used in private universities are not effective and that they exist just as a matter of formalities, the private universities can not measure employees' performance hence making it difficult to achieve the intended Human Resource Management objectives.

## 4.3 Recommendations for Improvement

From the findings and conclusion of this study, the following recommendations are very crucial for developing effective performance appraisal systems in private universities in Kenya. The performance appraisal systems should be based on the following important purpose: They should be the tool used to

evaluate employees' performance and a decision support system used for renewing the employees' contract. This will ensure that the right employees are retained for the right jobs. The system should be able to guide the universities in identifying employees training needs, their execution and evaluation on whether they achieve their intended objectives. The systems should be used to evaluate the employees which are ready for promotion and other motivational rewards. The system should also be used to evaluate the employees who should be coached and prepare them for deployment, transfers or new assignments.

During the design of performance appraisal system in private universities, the management should consider all factors of an effective system so as to achieve the goals upon which they designed. The major factors should include among others: Frequency of the appraisal, organizational objectives, training of the appraisers, accurate record keeping system, employees performance measurement, self appraisal approach, employees performance review, employees strengths and weakness, the system as an employees motivator, the system should be able to provide feedback to employees, the system should be void of biasness and the process and procedures for the systems should be ratable.

## 4.3 Suggestion for Further Research

The following related areas can be researched on to add up to the knowledge of what this study has achieved. First, there is a need to carry out a comparative evaluation of the effectiveness of performance appraisal system in both public and private universities in Kenya. Secondly, a research should be done evaluate the impact computerizing performance appraisal system both in public and private universities. This will help human resource managers understand the role of modern technology in designing performance appraisal system. Lastly, a study should be done to establish integration of performance appraisal system with other sub-systems financial management systems in the organization. Such a study will help organizations learn and understand the integration of all the systems meant to run their activities.

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