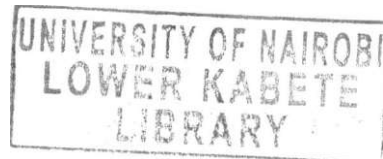


**PERCEPTIONS OF TOP MANAGEMENT ON PERFORMANCE  
APPRAISAL AT THE KENYA PORTS AUTHORITY**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS  
ADMINISTRATION (MBA), SCHOOL OF BUSINESS, UNIVERSITY OF  
NAIROBI**

**NOVEMBER, 2012**

## DECLARATION

### DECLARATION BY CANDIDATE

This research project is my own original work and has not been submitted for award of a degree in any other university.



**Samuel Mrashui**

**D61/71191/2008**

**X / H / 2 0 / Z**

**DATE**

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



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course work. Mr. Iraya, and Mr. Mwanyota who deserve special mention.

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## **DEDICATION**

I dedicate this project to my parents, Nancy Wawasi and my late father L. A. Mrashui for their love, understanding, guidance, and patience as they taught me that education is the key to love of wisdom.

## **ABSTRACT**

The performance appraisal system of any organization is a vital component of the health of the whole business cycle. The maritime industry and KPA in particular is not an exception to this view. This industry offers employment both directly and indirectly to the east and central Africa population. The increasing significance of performance appraisal processes and performance management systems is of fundamental importance to the performance of any organization. Thus what gets measured gets done. The overall objective of the study was to determine the perceptions of top management on performance appraisal at KPA. This study was guided by various theoretical reviews. This was a case study research. The study was conducted through a census of top management at the KPA.

The study used primary data which was collected using questionnaires and interview guide. Descriptive analysis was used to analyse quantitative data while content analysis was used to analyze the qualitative data. The study established that proper use of appraisal systems is of great value to the business organisation. The study also established that tangible targets and linkage of targets to direct reward motivates staff to perform tasks efficiently, KPA should adopt performance management systems. The study identified balanced score card as the most popular tool for appraisal process. The other recommendation by the interviewees are the combination of appraisal tools such as combining balanced scorecard and 360 degrees feed back, combining rating scale and balanced score card, combining balanced score card and performance prism.

## ACRONYMS AND ABBREVIATIONS

<b>KPA</b>	Kenya Ports Authority
<b>PA</b>	Performance Appraisal
<b>PM</b>	Performance Management
<b>SAP</b>	Systems Application Product
<b>HG</b>	Habour Generals
<b>HM</b>	Habour Managers
<b>HE</b>	Habour Executives
	I
<b>HR</b>	Human Resources
<b>PhD</b>	Doctor of Philosophy

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Figure 4.1 KPA high level organisation structure

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

Performance appraisal is a significant component of performance management. Performance management seeks to achieve better results by understanding and managing employee performance with an established framework of planned goals, standards and competencies (Armstrong, 2001). It includes planning, developing, monitoring, rating, and rewarding employee contributions to business organisation. It is based on the principle of management by contract rather than by command. It is a process designed to improve organizational, team and individual performance, that is, the actions that people take to achieve the day-to-day delivery of results and manage performance improvement in themselves and others, (Armstrong, 2001).

Performance appraisal is a critical management technique. A myriad of purposes from workforce decisions (promotion, demotion, retention, transfer, and pay) to employee development (feedback and training) are served by its use. Performance appraisal aids organisational functions as a means for validating selection and hiring procedures, promoting employee - supervisor understanding, and supporting an organizations culture (Daley, 1992).

A motivated person is ready to act. How he/she acts is influenced by his/her view of the situation (Kotler and Keller, 2009). Stephen and Timothy (2007) points out that perception is a process by which individuals organize and interpret their sensory

impression in order to give meaning to their environment. This implies that what an individual perceives can be different from the objective reality. It is possible for employees to have different views of the performance appraisal process. Also Jeff and Sandra (1992) argue that perception is a sensory experience in which an individual observes a behavior, event, process or condition, then forms interpretations of the other factor observed. This leads to attitude development and even the processed observation becomes a factor influencing behavior. This means perception on the same subject, object, idea, process, product and service will vary from one person to the other. Therefore it implies that the perceiver's interpretation becomes his reality.

### **1.1.1 Concept of Perception**

Perception is the process by which we attribute meaning to incoming stimuli received through our five senses. Our perception of an object or event is the result of the interaction of two types of factors: stimulus factors, which are characteristics of the physical object such as size, colour, weight, or shape and individual factors, which are characteristics of the individual. These factors include not only sensory processes but also past experiences with similar items and basic motivations and expectations (Kibera and Waruingi, 2009). Also Kotler and Keller (2009) define perception as the process by which we select, organize and interpret information inputs to create a meaningful picture of the world.

Perception is largely selective. From the large number of stimuli available in the work environment, there is an issue of choice. The stimuli we are more exposed to make more

impact than those we are not able to understand. According to Kibera and Waruingi (2009), perception is the limited physical capacity of our senses of vision, hearing, taste, touch and smell to pick all that is around us. Also one's interest plays a part - people learn to focus their attention on certain things and to avoid others. For stimulus to be effective to employees it must be understood and remembered. This will work to empower them and possibly increase productivity and vice versa, depending on whether the stimulus creates positive or negative effect. In addition (Ronald 2002) argues that perception is considered to be a cognitive process that helps individuals select, organize, store and interpret information into a meaningful and coherent picture of the world. This is because different employees interpret the stimuli in the work environment and the way the situation is viewed has a greater meaning for understanding behavior than does the situation.

### **1.1.2 Performance Appraisal Concept**

Performance appraisal is the evaluation of an employee's work performance over a given period of time. It is a formalised review of an employee performance on the job. This exercise is usually conducted on a regular basis - six months to one year. Performance appraisal is also used to evaluate staff on probation with a view to decide whether to confirm, extend the probationary period or terminate the employment (Nzuve, 1997).

The feedback from PA entails to identify employee training needs, document criteria used to allocate organizational rewards, form a basis for personnel decisions that is, (salary increases, promotions, disciplinary actions, and bonuses), provide the opportunity

for organizational diagnosis and development. Also it helps to facilitate communication between employee and employer, validate selection techniques and human resource policies to meet the equal employment opportunity requirements and to improve performance through counseling, coaching and development (Grote, 2002).

Performance evaluation system in any organisation should include an assessment of a candidates potential for promotion. Good leaders have strong interest in personal and professional development of their human resources (Reynolds, 1999). They encourage their employees to work beyond their limitations and give their best output. Employees must consciously study the co-workers and get a feel for where they are coming from. Are they shy and retiring or are they hasty and courageous? Each attitude will require a slightly different team management and supervisory style (Carter, 1988). Annual performance appraisals make it possible for management to monitor standards, agreeing on expectations and objectives, and delegating responsibilities and tasks. Staff performance appraisals also establish individual training needs and enable organizational training needs analysis and planning. Performance appraisals data feeds into organizational annual pay and grading reviews, and coincides with the business planning for the next financial period. Performance appraisals generally review each individual's performance against objectives and standards for the next financial period, agreed at the previous appraisal meeting (Intartaglio, 2000).

Performance Appraisal Outcomes are the results of the appraisal process. The following reflect outcomes of a valuable performance appraisal process that is employees learning

about themselves, employees' knowledge about how they are performing their duties, employees learning about what management values (Beer, 1981). The five outcomes of performance appraisal according to Dobbins et al., (1990) are use of evaluations as feedback to improve performance, reduced employee turnover, increase motivation, existence of feelings of equity among employees, linkage between performance and rewards. Nurse (2005) viewed provision of information for the development of managerial strategies for training and development as an outcome. Teratanavat et al., (2006) found outcomes like reduced employee stress, review of overall progress, linkage between current performance and employee's goals, and development of specific action plans for future.

When managing under-performers it should not be about applauding success and forgiving failure, but mistakes should be used as an opportunity for learning. This is possible if the mistake is truly forgiven because otherwise the lesson is heard as a reprimand and not as an offer of help (Handy 1989). As Armstrong and Murlis (1998) assert, performance appraisal too often degenerated into an untruthful annual ritual. Performance appraisal outcome has been perceived by many analysts such as Townley (1989), as solely a means of exercising managerial control.

The feedback of performance appraisal at the Kenya Ports Authority should be treated as the results of the set targets against the expected motivation. Training gap identified and matched with the appropriate training to improve performance. The employee is able to identify his strengths and use it to improve his performance. The employee who is



performing his current duties well and has aptitude for performing higher duties should be recommended for promotion.

### **1.1.3 Kenya Ports Authority**

Kenya Ports Authority (KPA) is a statutory body under the Ministry of Transport. It was established by an Act of Parliament 011 20<sup>th</sup> January 1978 with the mandate to maintain, operate, improve and regulate all scheduled seaports situated along Kenya's coastline (KPA, 2008).

The vision of the Kenya Ports Authority is world class seaports of choice and the mission is to facilitate and promote global maritime trade through the provision of competitive port services. The authority value statement entails customer focus, integrity, teamwork and social responsibility (KPA, 2010). The Kenya Ports Authority has seven management divisions and twenty eight departments as outlined in the KPA high level organizational structure. The seven divisions are Finance, Operations, Human Resources & Administration, Corporate Services, Infrastructure services, Engineering services & Legal Services. The 28 departments are, Human resources services, Medical services, Administration services, Employee relations, Bandari college, Financial accounting, Management accounting, Procurement, Corporate development, Corporate affairs, Information technology, Marketing, Conventional cargo, Marine operations, Inland container depots, Container operations, Civil engineering, Port electrical engineering, Project development and management, Container terminal engineering. Conventional

cargo engineering, Marine engineering. Ethics and integrity, Contracts and conveyancing, Litigation and disputes and Insurance and claims (Ndua, 2011).

According to KPA (2009), performance appraisal system has been developed to serve as a tool in directing, guiding, motivating and counseling employees of the Kenya Ports Authority. It is intended to provide a more systematic and objective method of evaluating performance and assessing the individual contribution of these employees to the attainment of the goals of the Kenya Ports Authority. These goals are, motivate and reward deserving personnel through periodic evaluation of their performance to achieve greater efficiency. To assess the KPA manpower skills and identify those who need to be further developed. Also to serve as guide for counseling employees to more effectively perform their duties and responsibilities. To provide an objective basis for promotions, transfer, confirmation to permanent status. To provide basis of recognitions, commendations and other appropriate personnel actions. Performance appraisal should provide mechanisms for effective communication between the superior and his subordinates with respect to job performance. Lastly it should provide information for the succeeding supervisor in cases of employee transfer from one organisational unit to another.

## **1.2 Research Problem**

Performance appraisal is the process of measuring output of employees when performing their daily duties. This is the tool that can be used to measure and evaluate performance and quantify results with a view to maintain and improve positive results

while correcting negative results. Also this is the process of adding value to organizations internal processes by comparing its results with that of the competitors. The commonly used tools for evaluating performance are rating scales, 360 degrees and the balanced score card.

Performance appraisal at the Kenya Ports Authority has been used to evaluate performance and quality of services offered since the inception of the organisation as a statutory body. This PA system has evolved over the years. At the beginning there was use of manual performance appraisal forms, then the use of electronic templates which were created from the existing manual forms and now the plans to adopt balanced score card approach. It is not clear whether the appraisal process meets the needs of the organization. The grading structure creates various cadres of staff at KPA these are, the top management HE2 to HE1, Senior Management HM1, Middle Management HM2 to HM3, Junior Management HM4, Union Supervisory staff HG3 to HG1 and the Operatives HG4. The managing director at the KPA is ungraded. The templates were created in line with the grading structure. The appraisal forms/templates are given this code SAR. Therefore SAR1 template/appraisal form is used to appraise HM4-HE1 (Managers). Then SAR2 template/appraisal form is used to appraise HG1-HG3 (Supervisors), and lastly SAR3 template/appraisal form is used to appraise HG4 - Operatives (KPA, 2009). However, little work has been conducted to explore the perception of top managers about performance appraisal at the KPA. This exploration will also target PA achievement of its purpose at the authority.

Several studies on performance appraisal systems have been conducted by researchers in different organizations in Kenya. Richu (2007) in her study of teachers' perception of performance appraisal practices in public secondary schools in Nakuru District Kenya concluded that performance appraisal practices were unsatisfactory and unprofessionally dispensed. She proposed further research in different districts to allow for wider generalizations on the practice and perceptions of performance appraisal in the country. She further proposed comparative studies on performance appraisal practices in private and public schools. Awori (2007) conducted a study on performance appraisal practices in state corporations in Kenya and concluded that performance appraisal is used for purposes for which it is intended. This study conformed to the accepted standards, though appraisees were not involved in the design of the appraisal instruments, senior management allocate funds for the training of appraisers and for conducting the performance appraisal exercise. She recommended further research on differences in performance appraisal practices in various sectors of the economy.

Other studies conducted and based on perception of performance appraisal includes, Odhiambo (2003) who conducted a study on PA and covered the urban town of Nairobi. He specifically covered only six schools. The study was to find out if performance appraisal practice is consistent with the generally accepted systems and their implementation in public secondary schools. Mzenge (1983) studied performance appraisal processes at the Teachers Service Commission. Gichira (2001) studied the employee performance management practices in the private security industry. Ngolovo (2001) conducted a study on social and psychological effects of performance appraisals

in selected donor organisations in Kenya. In addition Obwete (2007) conducted a study on employee perception of performance appraisal at the University of Nairobi. He concluded that the purpose of performance appraisal process at the university is not clearly articulated by the management and as a result the system is ineffective and negatively perceived by the employees. The appraisal tool is easily understood but it is not tailored to specific job categories. None of these studies dealt with the perception of top management at the KPA.

And lastly, Shako (2011, P.49) in her study on evaluation of the effectiveness of performance appraisal on employees performance in Kenya Ports Authority concludes that "the appraisal system in KPA does not add any value to the employer and employees" In this study she recommends further research on the role of performance appraisal in assessing productivity of individuals and work units; the impact of appraisal on employees at workplace and the role of performance appraisals in enhancing organizational success. None of these studies addressed perceptions of top managers at KPA on the effectiveness of performance appraisal. This is the gap in knowledge that the proposed study is intended to fill. The research problem presented above is captured by the following question: What are the perceptions of top managers on Performance appraisal at the KPA?

### **1.3 Research Objective**

To find out the perceptions of top managers on performance appraisal at the Kenya Ports Authority

#### **1.4 Value of the study**

The research will contribute towards the creation of knowledge because of the unique challenges that may be associated with perceptions of top managers about performance appraisal achievement of purpose at the Kenya ports authority. This may stimulate the desire among other academicians to carry out more research in different aspects of the organization thereby developing suitable case studies that may be used to improve performance in the maritime industry. Academically, the findings of the study may be used as a reference for future research work by anyone who is interested in this area of study. Policy makers will find the research useful as the research findings may inform them of what factors to take into consideration when investing in future Performance appraisal initiatives in order to achieve better results.

The study will also add knowledge to practitioner's therefore building focused and skilled human resource professional membership. This will equip managers with requisite skills when faced with the challenges relating to value adding performance appraisal tools in their organizations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter will focus on the theory and literature related to the concept of perception, performance appraisal process and purpose of performance appraisal. It will also seek to link perceptions and performance appraisal processes.

#### **2.2 Concept of Perception**

Mullins (1996) defines perception as the mental function of giving meaning to stimuli. The process of perception explains the manner in which information from the environment is selected and organised to provide meaning for an individual. People see things in different ways (perspectives) bringing about different reactions to the same issue. The way the managers and workers perceives performance appraisal affects the importance that is attached to it.

According to Keeping and Levy (2000) employee reactions toward performance appraisal may be considered important for a number of reasons. First, reactions are of great interest to practitioners. Second, while reactions have been theoretically linked to determinants of performance appraisal success and acceptance they have been overlooked in the research. Landy et al., (1978) studied employee perceptions of the fairness and accuracy of a performance appraisal system. The researchers established that frequency of evaluation, identification of goals to eliminate weaknesses, and supervisory knowledge of a low rank employee level of performance and job duties were meaningfully related to perceptions

of fairness and accuracy of performance appraisal. Their results confirmed consistently held perceptions that performance appraisal should be done as frequently as possible. If the supervisor would work with the low rank employee to agree on responsibilities then he should devote sufficient time to observe and evaluate the employee's performance.

Gabris and Ihrke (2000) reported that leadership credibility of immediate supervisors is significantly associated with whether employees perceive performance appraisal systems as procedurally fair and instrumentally just and appropriate. Their study of county government professionals explored this issue as well as related issues of job burnout, job satisfaction, manager innovation and cooperation between organizational units. Mohrman and Lawler (1983) suggest that researchers should concentrate on how performance appraisal systems are perceived by organizational members to advance performance appraisal accuracy.

### **2.3 Performance Appraisal Concept**

Armstrong (2006, P.500) defines "Performance appraisal as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting". Performance appraisal is a process by which a senior / (high ranking) employee evaluates and judges the work performance of a junior (lower rank) employee. Performance appraisal systems include the processes and procedures involved in implementing, managing, and communicating the events involved in performance appraisal. In many cases it is a formal process and is a part of the human resource management policy. Skarlicki and Folger (1997) suggest that the appraisal process can become a source of



extreme dissatisfaction when employees believe the system is biased, political, or irrelevant. Coens and Jenkins (2000) suggest that performance appraisal is a mandated process in which, for a specified period of time, all or a group of an employee's work behaviours or traits are individually rated, judged, or described by a rater and the results are kept by the organization.

Kobia and Mohammed (2006) describe Performance appraisal as a process of evaluating organization, group or individual performance against predetermined targets. They argue that one of the objectives of introducing performance contracts in Kenya was to institutionalize a performance oriented culture in the public service through introduction of an objective performance appraisal system. However, Mzenge (1983) revealed that performance reports in Kenya play a relatively minor role in influencing decisions regarding the general management of the human resources. He found appraising to be based on personality traits, while actual job performance and ability to achieve goals was given little emphasis. Thus it is imperative that performance appraisal roles be understood by the organizational managers. However Phil Long (1986) gave the following point as the reason for performance review, performance appraisal system is the link between the rewards employees hope to receive and their productivity.

Clinton (1992) also 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. Murphy and Cleveland (1995) referred to

employee reaction to appraisals as one class of neglected criteria that might be considered in evaluating performance appraisal systems. Also Bernardin and Beatty (1984) suggested that employee reactions to performance appraisal systems are usually better indicators of the overall viability of a system than the more narrow psychometric indices such as leniency, halo and discriminability.

Martin and Bartol (1998) discussed the need to monitor a performance appraisal system to keep it responsive to the needs of the organization. The major actions required to maintain a performance appraisal system include three major categories: controlling the system; monitoring the system; and furnishing feedback to those who use the system. Control of the system includes the more technical aspects of the system such as rating techniques, rating periods, rater training, and development of performance standards. Monitoring the system can include a review of the quality of performance standards; evaluation of the actual conduct of the appraisal process and interview; and, analysis of the intended, perceived and actual use of the system. Other factors in monitoring the system include review of the actual quality of ratings to check for rater biases, inconsistencies, rating inflation and investigation for any adverse impact as a result of the system. The third primary area to monitor is that of the amount and quality of feedback generated as part of the performance appraisal process. In addition Mohrman et al., (1989) points out that the four activities in the performance appraisal cycle in organizations are, defining what performance is or should be. Secondly, measuring and evaluating performance of employees within the organisation. Thirdly, giving

performance information to employees and lastly, providing information to other organizational systems that use it.

While theoretical research on performance appraisal continues to evolve, practical literature has focused primarily on improving the performance appraisal process. This will make the review interview more positive, improve the contribution of the employee to the process, emphasise goal-setting and apply procedural improvements (Karol, 1996). According to Nzube (1997) the objectives of employee performance appraisal are to identify good performers so that they can be rewarded whenever possible, identify employees who have potential for growth and future development. Performance appraisal can be used to identify poor performers so that they can be trained, retrained, advised, transferred or if necessary dismissed. Also it assists in future recruitment, selection and placement exercise and developing employment selection standards. Lastly it helps both management and employees to know what is expected of each other while eliminating misunderstandings that may exist in the mind of the employee. Also it provides management with data which they may use to determine future job assignments and compensation.

#### **2.4 Purpose of Performance Appraisal**

The purpose of performance appraisal is to meet the strategic and critical objectives of the organisation. Management of an organisation must communicate the importance of performance appraisal to all employees in order to have the team embrace the system. Decisions made as a result of performance appraisal result affect employees in a very

personal way. The tools used for performance appraisal should provide data which the organisation and appraisers need to serve the different purposes (Grote 2002). In addition Torrington et al., (2008) contends that some organisations have communicated to employees the message that attendance levels are a measure of their performance so they are included in annual assessments. Also Snell et al., (2010) argues that in reality performance appraisals are one of the most versatile tools accessible to managers. They can serve numerous purposes that benefit both the organization and the employee whose performance is being appraised.

Grote (2002) point out that performance appraisal serves the following purposes, firstly it provides feedback to employees about their performance, determines who gets promoted and facilitates layoff or downsizing decisions. Secondly it encourages performance improvement, motivates superior performance setting and measurement goals, counseling poor performers and determining compensation changes. Thirdly it encourages coaching and mentoring, supporting manpower planning or succession planning, determining individual training and development needs. Lastly PA is used in, determining organisational training and development needs, approving that good hiring decision are being made, providing legal defensibility for personnel decisions and improving overall organisational performance.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter will bring to the fore the research design that was used in the study, the population, the method used to collect data and how the data collected was analyzed.

#### **3.2 Research Design**

The research was undertaken using a case study approach. The design was appropriate because the research focus was on a single organisation. The study involved both quantitative and qualitative analysis. KPA as social unit was carefully and completely observed as regards perceptions of its top management in depth rather than breadth. It was an empirical inquiry that investigated performance appraisal within its real life context. The use of both qualitative and quantitative methods was advantageous. This is because uncertainties raised in the quantitative data were clarified by the qualitative data.

#### **3.2 Population**

The population for this study was KPA top management (KPA, 2008). KPA (2012) has 35 managers. This information is summarised in table 4.14 and table 4.15 attached as Appendix IV. The study was done by means of census of the top managers. The KPA organizational structure also has divisions and departments attached as Appendix V.

### **3.3 Data Collection**

Data was collected using Semi-structured questionnaires and interview guide. The introduction letter, questionnaire and interview guide are attached as Appendix I, II & III. The questionnaire was divided into sections Section A and B. Section A collected bio data of the respondents while Section B collected data on top managers perceptions of performance appraisal. Further data was collected through interviews. The researcher collected data on a pilot basis with a small representative sample that enabled him to test the reliability of the measurements this enabled him perfect the questionnaire and interview guide concepts and wording.

### **3.4 Data Analysis**

Both quantitative and qualitative data was collected. Data was analysed by means of descriptive statistics and presented in tables and figures.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents the analysis of data collected through the semi-structured questionnaires and the interview guide. The data was collected and summarized in the form of tables where frequencies and percentages were run using the SPSS computer program and the qualitative data analysed using content analysis. The research was done through census of 35 respondents, the researcher achieved 100% response rate. This chapter deals with the following contents, demographic details, general perception of performance appraisal, perception of KPA performance appraisal goals and lastly content analysis of the interviews conducted.

#### **4.2 Demographic Data**

Demographics in this study comprise gender, divisions of respondents, age bracket, length of service at the Kenya ports authority, highest level of educational qualification and cadre.

##### **4.2.1 Respondents Gender**

The maritime industry is male dominated as reflected on Table 4.11 with male top management employees at 82.9% and female top management employees at 17.1% this is due to the type of services offered by the Kenya Ports Authority which favour men.

**Table 4,1 Distribution of Respondents by Gender**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Female	6	17.1	17.1
Male	29	82.9	100.0
Total	35	100.0	

#### **4.2.2 Respondents Divisions**

The respondents were from the seven divisions and the special managing director's division. From Table 4.12, divisional response was as follows: legal services (14.3%), Operational services (14.3%), Engineering services (11.4%), Corporate services (14.3%), Infrastructure services (11.4%), Human resource and administration services (17.1%), Finance services (11.4%) and lastly Managing director's office (5.7%). These statistics are presented in table 4.2.



**Table 4.2 Distribution of Respondents by Division**

<b>Division</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Legal Services	5	14.3	14.3
Operations	5	14.3	28.6
Engineering Services	4	11.4	40.0
Corporate Services	5	14.3	54.3
Infrastructure Services	4	11.4	65.7
Human Resource and Administration	6	17.1	82.9
Finance	4	11.4	94.3
Managing Directors Office	2	5.7	100.0
Total	35	100.0	

#### **4.2.3 Respondents Age bracket**

The study sought to establish the age bracket of each of the respondents. From Table 4.13, it was established that 11.4% of the respondents were between 31-40 years of age and 88.6% of the respondents were above 41 years. This indicates that the population under consideration was mature and had experience of the actual job performance in the maritime industry and thus can be expected to give a reliable response about performance appraisal process at the Kenya Ports Authority.

**Table 4.3 Respondents Age Bracket**

<b>Age Bracket</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
31 - 40 years	4	11.4	11.4
Above 41 years	31	88.6	100.0
Total	35	100.0	

**4.2.4 Respondents' Length of service**

The length of service of the respondents in terms of years worked was also important to the study. This was meant to ensure that the study involved respondents with enough experience who could give relevant information based on the experience they have about performance appraisal. The findings as displayed in Table 4.4. They show that 85.7% of the respondents had worked for more than 6 years by the time of the study and only 14.3% of the respondents have worked for less than five years. This is an indication that they had acquired enormous experience and could therefore be trusted as an authoritative source of information. This shows that the top management employee turnover is low.

**Table 4.4: Distribution of Respondents by Years of Work Experience in KPA**

<b>Work Experience</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Below 5 years	5	14.3	14.3
6-10 years	5	14.3	28.6
11-15 years	6	17.1	45.7
above 16 years	19	54.3	100.0
Total	35	100.0	

#### 4.15 Respondents Highest Level of Education

The study sought to find out the highest level of education attained by the respondents. As shown in Table 4.5, it was found that 100% of the respondents had a minimum of Bachelor's Degree while 77.1% of the same population had Masters Degree. This reveals that the population under consideration was well informed, skilled and knowledgeable to give the relevant and informed data about performance appraisal at the Authority.

**Table 4.5 Distribution of the Respondents Highest Level of education**

<b>Level of Education</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Bachelor's Degree	8	22.9	22.9
Masters Degree	27	77.1	100.0
Total	35	100.0	

#### 4.2.6 Respondents cadre

The top management at the authority is represented by the HE1 and HE2 cadre of employees. As shown in Table 4.6, 80% of the respondents are in the category of heads of department while 20% is composed of heads of divisions.

**Table 4.6 Respondents cadre in the organization**

<b>Cadre</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Top Manager HE 1</b>	<b>7</b>	<b>20.0</b>	<b>20.0</b>
<b>Top Manager HE2</b>	<b>28</b>	<b>80.0</b>	<b>100.0</b>
<b>Total</b>	<b>35</b>	<b>100.0</b>	

### **4.3 Respondents perceptions of performance appraisal goals**

The respondents perception of performance appraisal goal was important since it enabled the researcher to understand how the respondents view the outcome. The respondents were given statements which they rated appropriately. As indicated in Table 4.7, 31.4% of the respondents disagreed strongly and 22.9% disagreed with the statement that performance appraisal is used for renewal of service contract while in total those who agreed with the statement are 22.8% while 22.9% were undecided. This implies that performance appraisal process is not perceived by respondents as a tool for renewing service contract of employees. Secondly, 31.4% of the respondents were undecided on the extent to which performance appraisal is used for promotion while 25.7% strongly disagreed, 22.9% disagreed, 14.3% agreed and 5.7% agreed strongly with the statement. **31.4%** of the respondents were undecided on whether performance appraisal is used for training needs analysis. On whether performance appraisal is used for counselling and redeployment, 28.6 % of the respondents were undecided, 20.0% strongly disagreed, 22.9% disagreed, 25.7% agreed and lastly 2.9% strongly agreed. About the statement on whether performance appraisal is used for determining transfers, 37.1% of the respondents disagreed, 20.0% strongly disagreed, 5.7% agreed 8.6% strongly agreed and

lastly 28.6% were undecided. This implies that majority of the respondents disagreed with the statement.

Another questions asked, whether performance appraisal is used for allocating new assignments. 34.3% of the respondents disagreed with the statement, 17.1% strongly disagreed, 22.9% were undecided, 20% agreed and 5.7% strongly agreed with the statement. The next question was whether performance appraisal is used for coaching and mentoring. 25.7% of the respondents, who were the majority were undecided and formed the majority. 20% of the respondents strongly disagreed, 22.9% disagreed, 20% agreed and 11.4 % strongly agreed. This means that there is a larger element of indecision regarding the matter. On whether performance appraisal is used for Rewards and recognition 25.7% of the respondents strongly disagreed and 25.7% were undecided, on the statement while 14.3% disagreed, 20% agreed and 14.3% strongly agree with the statement. This is an interesting outcome since reward and recognition is a motivating factor. We can conclude it has not been used as a motivating tool. This creates a situation where the top management seems not to have control of rewards and recognition. This implies with a little sensitisation programme the undecided respondents could make firm decisions about the statement. 31.4% Disagreed with the statement whether performance appraisal is used for discipline purposes while other respondents responded as follows, 25.7% strongly disagreed, 25.7% undecided, 8.6% agreed and 8.6% strongly agreed with the statement. 31.4% strongly disagreed with the statement whether performance appraisal is Just a formality while the other respondents reacted as follows 8.6% disagreed, 8.6% undecided, 22.9% agreed and 28.6% strongly agreed. This statement

helped to determine whether performance appraisal was valuable tool and the answer was positive with the majority i.e. 31.4%.

**Table 4.7: Respondents' perceptions of the use of performance appraisal outcomes**

<b>Statement</b>	<b>Response</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Rate the extent to which performance appraisal is used for renewal of service contract</b>	Strongly disagree	11	31.4	31.4
	Disagree	8	22.9	54.3
	Neither agree nor disagree	8	22.9	77.1
	Agree	6	17.1	94.3
	Strongly agree	2	5.7	100.0
<b>Total</b>		<b>35</b>	<b>100.0</b>	
<b>Rate the extent to which performance appraisal is used for promotion</b>	Strongly disagree	9	25.7	25.7
	Disagree	8	22.9	48.6
	Neither agree nor disagree	11	31.4	80.0
	Agree	5	14.3	94.3
	Strongly agree	2	5.7	100.0
<b>Total</b>		<b>35</b>	<b>100.0</b>	
<b>Rate the extent to which performance appraisal is used for training needs analysis</b>	Strongly disagree	6	17.1	17.1
	Disagree	6	17.1	34.3
	Neither agree nor	11	31.4	65.7

	Disagree			
	Agree		17.1	52.9
	Strongly agree	5	17.1	100.0
Total		35	100.0	
Rate the extent to which performance appraisal is used for counselling and redeployment	Strongly disagree	7	20.0	20.0
	Disagree	8	22.9	42.9
	Neither agree nor disagree	10	28.6	71.4
	Agree	9	25.7	97.1
	Strongly agree	1	2.9	100.0
Total		35	100.0	
Rate the extent to which performance appraisal is used for determining transfers	Strongly disagree	7	20.0	20.0
	Disagree	13	37.1	57.1
	Neither agree nor disagree	10	28.6	85.7
	Agree	2	5.7	91.4
	Strongly agree	3	8.6	100.0
Total		35	100.0	
Rate the extent to which performance appraisal is used for allocating new assignments	Strongly disagree	6	17.1	17.1
	Disagree	12	34.3	51.4
	Neither agree nor disagree	8	22.9	74.3
	Agree	7	20.0	94.3

	Strongly agree	1	5.7	100.0
	Potal	35	100.0	
<b>Rate the extent to which performance appraisal is used for Coaching and Mentoring</b>	Strongly disagree	7	20.0	20.0
	Disagree	1	22.9	12.9
	Neither agree nor disagree	?	25.7	58.6
	Agree	1	20.0	88.6
	Strongly agree	4	11.4	100.0
Total		35	100.0	
<b>Rate the extent to which performance appraisal is used for Rewards and recognition</b>	Strongly disagree	9	25.7	25.7
	Disagree	5	14.3	40.0
	Neither agree nor disagree	9	25.7	65.7
	Agree	7	20.0	85.7
	Strongly agree	5	14.3	100.0
Total		35	100.0	
<b>Rate the extent to which performance appraisal is used for Discipline</b>	Strongly disagree	9	25.7	25.7
	Disagree	11	31.4	57.1
	Neither agree nor disagree	9	25.7	82.9
	Agree	1	8.6	91.4
	Strongly agree	3	8.6	100.0
Total		35	100.0	



Rate the extent to which performance appraisal is Just a Formality	Strongly disagree	11	31.4	31.4
	Disagree	3	8.6	40.0
	Neither agree nor disagree	3	8.6	48.6
	Agree	8	22.9	71.4
	Strongly agree	10	28.6	100.0
Total		35	100.0	

#### **4.4 Responses on whether KPA has achieved the goal set for its performance Appraisal**

This section deals with the perception of respondents with reference to the Kenya Ports Authority performance appraisal practices. Table 4.8 shows that 40% of respondents disagreed with the statement whether KPA has achieved the goal of its performance appraisal to motivate and reward deserving personnel through periodic evaluation of their performance to achieve greater efficiency while the other respondents stated as follows: 17.1% Strongly disagreed, 22.9% undecided, 17.1% agreed and 2.9% of respondents strongly agreed which is less than the mean response. 28.6 % of respondents disagreed with the statement whether KPA achieved the goal of its performance appraisal to assess the authority's human resources skills and to identify those who need to be further developed while the other respondents stated as follows, 25.7% undecided, 22.9% Agreed, 17.1%, strongly disagreed and 5.7% strongly agreed with the statement. 37.1% of the respondents disagreed with the statement whether KPA achieved the goal of its performance appraisal to serve as guide for counselling employees to more effectively perform their duties and responsibilities while the other respondents stated as follows,

20% strongly disagreed 22.9% undecided 14.3% agreed and 5.7 % strongly agreed with the statements.

31.4 % of respondents are undecided on whether KPA achieved the goal of its performance appraisal to provide an objective basis for promotions while the other respondents stated as follows, 11.4% strongly agreed 8.6% Agreed 25.7% disagreed and 22.9% strongly disagreed with the statement.

34.3% of respondents disagreed with the statement whether KPA achieved the goal of its performance appraisal to provide an objective basis for transfer while the other respondents stated as follows, 20% Strongly disagree, 31.4% undecided, 11.4 % Agree, and 2.9% strongly agreed with the statements. 28.6% of respondents disagreed with the statement whether KPA achieved the goal of its performance appraisal to provide as objective basis for confirmation to permanent status while the other respondents stated as follows, 28.6% strongly disagree, 22.9% undecided, 17.1% agreed, 2.9% strongly agreed. 25.7% of the respondents disagreed on whether KPA achieved the goal of its performance appraisal to provide an objective basis for recognitions while the other respondents stated as follows, 22.9 % strongly disagree, 22.9% undecided 22.9% agreed and 5.7% strongly agreed with the statement. The statement that KPA achieved the goal of providing an objective basis for commendations and other appropriate personnel actions was rated as follows, 28.6% of the respondents strongly disagreed with the statement, 28.6% of respondents disagree with the statement, 22.9% of respondents were undecided 17.1% of respondents agreed with the statement and 2.9% of

respondents strongly agreed with the statement. We can conclude that the average response is 20% with a mean of 7 respondents.

28.6% of respondents disagreed with the statement whether KPA achieved the goal of its performance appraisal to provide mechanisms for effective communication between the superior and his subordinates with respect to job performance while the other respondents stated as follows, 14.3% strongly disagree 20% undecided 31.4% agree 5.7% strongly agreed with the statement. 37.1 % of respondents disagreed with the statement whether KPA achieved the goal of its performance appraisal to provide information for the succeeding supervisor in cases of employee transfer from one organisational unit to another while the other respondents stated as follows, 20% strongly disagree, 20% undecided, 17.1% agree, and 5.7 % strongly agree with the statement.

**Table 4.8 Respondents perceptions of KPA's achievement of the goal of its performance appraisal**

<b>Statement</b>	<b>Response</b>	<b>Frequency</b>	<b>Mean</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Has KPA achieved the goal of its performance appraisal to motivate and reward deserving personnel through periodic evaluation of their performance to achieve greater	Strongly disagree	6	7	17.1	17.1
	Disagree	14		40.0	57.1
	Neither agree nor disagree	8		22.9	80.0

efficiency	Disagree	5		17.1	97.1
	Strongly agree	1		2.9	100.0
Total		35		100.0	
Has KPA achieved the goal of its performance appraisal to assess the authority's human resources skills and to identify those who need to be further developed	Strongly disagree	6	7	17.1	17.1
	Disagree	10		28.6	45.7
	Neither agree nor disagree	9		25.7	71.4
	Agree	8		22.9	94.3
	Strongly agree	2		5.7	100.0
	Total			35	
Has KPA achieved the goal of its performance appraisal to serve as guide for counselling employees to more effectively perform their duties and responsibilities	Strongly disagree	7	7	20.0	20.0
	Disagree	13		37.1	57.1
	Neither agree nor disagree	8		22.9	80.0
	Agree	5		14.3	94.3
	Strongly agree	2		5.7	100.0
	Total			35	
Has KPA achieved the goal of its performance appraisal to provide an objective basis for promotions	Strongly disagree	8	7	22.9	22.9
	Disagree	9		25.7	48.6
	Neither agree nor disagree	11		31.4	80.0

	nor disagree				
	Agree	3		8.6	88.6
	Strongly agree	4		11.4	100.0
Total		35		100.0	
<b>Has KPA achieved the goal of its performance appraisal to provide an objective basis for transfer</b>	Strongly disagree	7	7	20.0	20.0
	Disagree	12		34.3	54.3
	Neither agree nor disagree	11		31.4	85.7
	Agree	4		11.4	97.1
	Strongly agree	1		2.9	100.0
	Total		35		100.0
<b>Has KPA achieved the goal of its performance appraisal to provide as objective basis for confiration to permanent status</b>	Strongly disagree	10	7	28.6	28.6
	Disagree	10		28.6	57.1
	Neither agree nor disagree	8		22.9	80.0
	Agree	6		17.1	97.1
	Strongly agree	1		2.9	100.0
	Total		35		100.0
<b>Has KPA achieved the goal of its performance appraisal to provide an objective basis for recognitions</b>	Strongly disagree	8	7	22.9	22.9
	Disagree	9		25.7	48.6

	Neither agree nor disagree	3		>2.9	71.4
	Agree			22.9	74.3
	Strongly agree	2		5.7	100.0
Total		35		100.0	
<b>Has KPA achieved the goal of providing an objective basis for commendations and other appropriate personnel actions</b>	Strongly disagree	10	7	28.6	28.6
	Disagree	10		28.6	57.1
	Neither agree nor disagree	8		22.9	80.0
	Agree	6		17.1	97.1
	Strongly agree	1		2.9	100.0
Total		35		100.0	
<b>Has KPA achieved the goal of its performance appraisal to provide mechanisms for effective communication between the superior and his subordinates with respect to job performance</b>	Strongly disagree	5	7	14.3	14.3
	Disagree	10		28.6	42.9
	Neither agree nor disagree	7		20.0	62.9
	Agree	11		31.4	94.3
	Strongly agree	2		5.7	100.0
Total		35		100.0	
Has KPA achieved the goal of its performance appraisal to provide	Strongly disagree	7	7	20.0	20.0

information for the succeeding supervisor in cases of employee transfer from one organisational unit to another	Disagree	13		37.1	57.1
	Neither agree nor disagree	7		20.0	77.1
	Agree	6		17.1	94.3
	Strongly agree	2		5.7	100.0
Total		35		100.0	

#### 4.5 Respondents believe that KPA uses the following tool to measure performance currently

This section was intended to establish whether the respondents are aware of the tool used to conduct performance appraisal process. Table 4.9 shows that 74.3% of respondent pointed out correctly that rating scale is the tool currently in use while the other respondents stated as follows, 5.7% of respondents believe that KPA uses Performance Prism, 2.9% of respondents believe that KPA uses 360 degree feedback, 17.1% of respondents believe that KPA uses balanced score card. This implies that a total of 25.7% of respondents are not aware of the performance appraisal tool currently used by the Kenya Ports Authority. This is one quarter of the population under investigation therefore there is an urgent need to sensitize staff about the appraisal tools in use. This will help strengthen the team spirit.

**Table 4.9 Tools used by KPA to Measure Performance currently**

Statement	Appraisal Tools	Frequency	Percent	Cumulative Percent

Identify the tool that KPA uses to measure performance	Performance Prism	2	5.7	5.7
	360 degree feedback	1	2.9	8.6
	Rating Scale	26	74.3	82.9
	Balanced score card	6	17.1	100.0
Total		35	100.0	

#### 4.6 Most popular appraisal technique

The aim of this section was to establish the most popular appraisal tool. As shown in Table 4.10, 60% of the respondents ranked balanced score card at the top of the list, followed by 31.4% of the respondents who ranked 360 degrees feedback at the top of the list and lastly 8.6% of the respondents ranked performance prism at the top of the list. This implies that the balanced score card is the most popular appraisal tool.

**Table 4.10 Popularity of Appraisal Tools**

Statement	Appraisal Tool	Frequency	Percent	Cumulative Percent
What performance appraisal technique can you list at the top of the list in order of preference	Performance Prism	3	8.6	8.6
	360 degree feedback	11	31.4	40.0
	Balanced score card	21	60.0	100.0
Total		35	100.0	



The respondents reasons for ranking above techniques on top of the list were expressed as follows, balanced score card was described as a tool that focusses on tangible results. The tool is viewed as realistic since it sets targets which can be measured on quarterly basis per year. The tool was described by respondents as one that uses the four basic perspectives namely the financial perspective, innovation and learning perspective, internal business processes perspective and customer perspective. Secondly, 360 degrees feedback has been rated as the second best tool since the respondents believed that it allows the junior employees to evaluate the performance of the senior employees within the organization. This was seen as an opportunity to include all views for the benefit of the organisation (bottom up approach). Lastly performance prism has been rated as the third best since it sets specific targets to be achieved. The tool measures specific perspectives and allows peers, customers, stakeholders to assess the performance of employees. These are the reactions of respondents based on the results in Table 4.10.

#### **4.7 Appraisal Technique recommend by the Respondents**

This section was aimed at seeking the response of respondents on the appraisal tool they wished to recommend to the Kenya Ports Authority. Table 4.11 indicates that the majority of the respondents 57.1% recommended that KPA should adopt balanced score-card, while 37.1% of respondents recommended 360 degrees feedback, 2.9% of respondents recommended performance prism and lastly 2.9% of respondents recommended rating scale. This again implies that the balanced score card is the most popular appraisal tool.

**Table 4.11 Appraisal Technique Recommended by Respondents**

Statement	Response	Frequency	Percent	Cumulative Percent
What can you recommend to KPA management as the best Performance appraisal technique for appraising staff	Performance Prism	1	2.9	2.9
	360 degree feedback	13	37.1	40.0
	Rating Scale	1	2.9	42.9
	Balanced score card	20	57.1	100.0
Total		35	100.0	

#### 4.8 Content Analysis

The performance appraisal process at KPA dates back to 1980's. During that period the appraisal process was linked to annual salary increments (yearly salary increments). This made appraisal a mandatory process since without the appraisal report one would miss the annual increment. Then in the late 1990s, KPA decided to delink the appraisal process with these annual salary increments. This meant that the process lost value to employees since it had no reward to the excellent performers. The process remained beneficial to the authority in terms of identifying productivity of resources. These resources are both human resources and equipment/machines. The authority consistently ensured machine maintenance and availability is assured and on the other hand ensured employees are equipped with the relevant skills, knowledge and attitudes to perform their duties. Also this helped to qualify the quality of human resources procured for the various jobs within the authority. This has been measured through the reduced operation costs, increased throughput and reduced rate of accidents and matched with increase in revenue generated over the years. The graphic rating scale tool became a tool for measuring

behaviours and competencies. This tool had parameters which are viewed as subjective in nature and lacking in specific targets. The others were measured through internal departmental output processes, training needs assessment processes, job evaluation and analysis processes.

60 % of interviewees believe that appraisal is just a formality while 40 % see value in the appraisal process and believe that employees are ready. They argue that employees view PA as a tool for identifying strengths and weaknesses, training gaps and updating staff profiles. However, 60% believe that employees are not ready. They argue that the PA tool is viewed as a tool for victimizing staff and does not help to develop staff for performance growth. They argue that the performance contracting tool has replaced the internal performance appraisal tool. The targets set in performance contracting are achieved without linking them directly to the performance appraisal tool. PA is a process managed through the human resources department. 30 % of interviewees believe that employees are aware of the PA process. They argue that those sections dealing with more managers and supervisors have constant communication and use of the PA guidelines. However 70% of interviewees believe that the areas with more operative staff do not have access to PA guidelines and constant e-mail communication. 30% of top managers believe that there is a link between PA and achieving goals. These departments show ownership to PA process. They also match targets to performance appraisal process. However 70% of interviewees believe that PA is the HR department process which should be perfected and made to achieve set objectives by the HR department.

40% of respondents believe that top managers support the PA process. They argue that they are champions of the process. Top managers build and empower junior staff to achieve the team goals. However 60% believe that top managers are not proactive, they are not able to create working and reliable performance management teams. 30% of respondents believe that the heads of division and heads of department have given sufficient support needed to achieve PA set objectives. They argue that the process takes place annually and it involves a lot of resources, planning, and time. However 70% believe that support is lacking from divisions and departments which view the process as a solid HR process. This has made it difficult to implement. Divisions and departments must embrace and see value in the process. They also argue that the government is running the performance contracting programme which targets top management therefore using PA tool to evaluate performance of top managers will be duplication of tasks. 25% of interviewees believe they have done what it takes to create value to the process including Motivating and inspiring users while 75% believe the process is viewed negatively as punishment tool by the junior staff and it is not a fair and just tool.

25% believe there is feedback on performance appraisal. They argue that staff discuss and use it to improve the areas of weakness. However 75% believe that there is insufficient feedback; there is lack of discussion between juniors and seniors. 60% believe there is lack of adequate communication about performance appraisal. They argue that the process is not taken seriously, it is not mandatory and those not appraised are not affected in terms of compensation or profile changes. Also the interviewees believe that lack of timely communication of PA is as a result of not linking the process with tangible rewards and targets. 40% believe that they have tangible targets like availing serviceable

equipments and machines, achieving set throughput, developing set number of training curriculums and training the desired employees.

75% of the interviewees believe that PA information is simple and clear. They argue that the information is simple but not objective. They also argue that the awareness has not been adequately done by HR department. In addition 75% of the interviewees believe that there has not been adequate communication of PA goals, Vision and Strategies in management meetings. Interviewees believe that disciplinary process should not be linked to performance appraisal. PA should be used to improve productivity. The challenge has been to achieve departments support on performance activities. Also, this is the reason the process has been assumed to be HR value process. They argue that, PA process has not taken its strategic position of influencing revenue generation. The communication process about performance must be done right from the head of division down to the worker who is at the operations level. However 25% believe that communication has been adequate. This is because they argue performance contracting and appraisal are the same processes only that they are given different names.

60% of interviewees believe that employees look at PA as a tool which lacks in objectivity and does not encourage discussion between juniors and seniors. The process is not linked to targets and revenue generation. 40% of interviewees felt that performance measurement is value adding process since one can only reward what is measurable they argued that Table 4.12 explains the revenue growth from 2007 to 2011. They argued that it helps to identify strengths and weaknesses. However, others pointed out that employees

don't value it since they feel it does not add income to them directly. Also they say previously PA was linked to annual salary increment which made it a mandatory process. When annual increment was delinked from performance appraisal then it lost value to employees. Finally, PA can be misused by seniors who would like to intimidate and victimise the junior employees.

**Table 4.12: Revenue growth since 2007 to 2011**

<b>Details</b>	<b>2007/2008</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>
Total Revenue	13,890,000,000/=	18,363,000,000/=	18,719,000,000/=	21,169,000,000/=
Change in Revenue	705,000,000	4, 473,000,000	356,000,000	2, 450,000,000
Percentage Growth	5.3%	32.2%	1.9%	13.1%

**Source: KPA 2011 Annual review and bulletin of statistics**

The Challenges of PA teams are numerous due to the size and complexity of KPA. The PA teams suffer the first challenge of KPA being a complex industry (it can be best described as a model of five companies' in one). Bandari College is a learning facility with targets like number of courses run, number of curriculums developed, number of employees trained and Impact of training on job performance. Bandari Clinic is a hospital facility with its own targets which includes but not limited to, preventive medicine through creation of awareness i.e. AIDS awareness program, Diabetes awareness, BMI

awareness program, Cancer awareness program and also curative program of treating employees to ensure they are out of work for the shortest time possible. Also dealing with the unique work based ailments. Engineering services deals with ensuring that the machine down time is minimized and ensuring availability of machines and equipment at the shortest time possible. Legal services deals with all services related to contracts and conveyance and also litigation and disputes at the KPA. Operations services ensure high cargo throughput, Container traffic, Container dwell time, Ship turn-round, and Reduced accident levels. Finance division services handle similar transactions like what is done in a banking facility. These services include, receiving cash, keeping records of clients, making payments for services rendered and many other financial obligations of KPA. This implies that the PA tool must be customized to measure performance for different divisions. Other challenges are lack of support and cooperation by the team of executive committee and top management. The executive committee and top management view PA as a subjective process, lacking in targets, not linked to bonus, not fair and just and lastly it is a HR process.

**Table 4.13 Interviewees Proposal of valuable performance appraisal and management process**

<b>Proposed performance appraisal tools</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Balance Score Card	17	48.6%	48.6%
360 Degrees Feed Back	8	22.9%	71.5
Combine Balanced Score Card and 360 Degree	3	8.6%	80.1

Feed Back			
Combine 360 degrees Feed Back and Paired Comparison Analysis	1	2.9%	83%
Rating Scale	1	2.9%	85.9%
Combine Balanced Score Card and Rating Scale	2	5.6%	91.5%
Combine 360 degrees Feed Back and Management By Oojectives	2	5.6%	97.1%
Performance Prism	1	2.9%	100%
Total	35	100%	

Interviewees proposed various strategies of making performance appraisal process valuable and usefull. There was a general consensus that KPA should sensitize staff on various PA tools such as the balanced score card, 360 degrees feed back, paired comparison analysis, rating scale, management by objectives, and performance prism. The majority of the interviewees proposed balanced score card as the best appraisal tool as per Table 4.13, with 48.6 % of the interviewees. However, 51.4% of interviewees proposed a combination of tools. They argued that the KPA is composed of various levels of employees and there is need to use various tools based on level of responsibility on individual employees. They argued that a docker can easily be evaluated using the rating scale since he/she performs at the operational level and most of his/her tasks can be quantified. They also argued that supervisors can use 360 degrees feedback to rate their seniors this will help to give feedback on the challenges they face on performance of their



tasks. They also argued that this system allows the appraisee to be rated by peers, subordinates, supervisors and also customers.

The interviewees proposed that PA be made compulsory and the reports be generated on quarterly basis to help in short term decision making. PA tool should measure performance starting with the heads of division, as it cascades downwards to the operatives (dockers) and also link performance to targets and bonus. They propose that KPA adopts performance management systems.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter is divided into four main sections: introduction, summary, conclusions and recommendation. The sections depend on one another and they are derived from the earlier chapters, and in particular Chapter Four.

#### 5.1 Background information

The study was conducted through census of the top management at the Kenya Ports Authority. The respondents were composed of, 82.9% (percent) male and 17.1% (percent) female employees as shown in Table 4.1. The distribution of the respondents from the various divisions and departments was balanced. The summaries of divisional responses as per Table 4.2 are stated as follows, legal services 14.3%, Operations services 14.3%, Engineering services 11.4%, Corporate services 14.3%, Infrastructure services 11.4%, Human resource and administration services 17.1%, Finance services 11.4% and lastly Managing directors office 5.7%. Table 4.4 shows that the respondents who had worked for less than 5 years were only 14.3% (percent), while those who had worked for more than 6 years were 85.7% (percent) of all respondents. All the 35 respondents have bachelors' degree and 77.1 % (percent) of the respondents (top management employees) have Masters qualification as shown in Table 4.15. This shows that top management at KPA is composed of employees with requisite knowledge, skills, attitudes and experiences in strategy formulation and able to conduct valid research for organisational progress.

## 5.2 Summary of Findings

^ case study research was conducted to establish the perceptions of top management on performance appraisal at **KPA**, specifically to establish the perceptions on performance appraisal at the Kenya Ports Authority. Data was collected using questionnaire and the interview guide; Appendix **II** and **III** respectively.

In this study the summaries of Table 4.6 shows that the heads of department form 80% of the top management population while 20% is composed of heads of divisions. The summaries of Table 4.7 shows that 31.4% strongly disagreed and 8.6% disagreed, with the statement whether performance appraisal is Just a formality while the other respondents reacted as follows 8.6% undecided, 22.9% agreed and 28.6% strongly agreed. This statement established whether performance appraisal was valuable tool and the answer was positive with 31.4% majority. However this implies that there is need to sensitize the undecided respondents, those who agreed with the statement and those who strongly agreed with the statement since this will motivate employees and build morale. This implies that part of the team does not believe in performance appraisal process since they view it as just a formality. The interviewees felt that performance appraisal process should not be used for disciplinary purposes. This is the only way to build trust between appraisees and appraisers. The interviewees also proposed that KPA should combine appraisal tools to achieve the best outcome. Performance appraisal should be used to complement performance management systems within the KPA.

### **5.3 Conclusions**

Based on the preceding summary of results, the researcher concluded that KPA top management values performance processes since the interviewees were able to mention specific targets of performance like reduced accidents, improved throughput, number of new curriculums developed at bandari college, number of bandari college trained staff and timely provision of equipment and machines as per the user demand. From this research it is also evident that most employees felt that there is need to adopt performance management system which will embrace the global competitive changes within the business environment. However, the appraisal system in KPA does not add any value to the employees since employees feel that the process has got no direct reward for excellent performers. The system is focused on the past events and does not help the appraisee determine his/her future performance. The system does not have tangible targets to be achieved. The board of management, executive committee and the top management should therefore review the system of appraisal or adopt one that ensures an opportunity for both the employer and employees to have significant and greater influence upon the quality and quantity of their work performance.

### **5.4 Recommendations**

The performance appraisal system should be designed in such a way that the appraiser and the appraisee would be able to analyze his /her contribution to the organization periodically (quarterly). The employees performing well should be adequately rewarded. Motivation of employees through target achievement, recognition, and involvement in setting the performance standards, job satisfaction and development can be done

efficiently through team building organization. The employees should be rated on performance standards agreed upon by the supervisor, peers, and stakeholders.

### **5.5 Limitations of the Study**

The study relied on both secondary and primary data. Primary data was obtained from respondents, in this case top management. The top management cadre posed a big challenge while planning to secure interview time with them but with patience and flexibility the researcher succeeded. The study did not seek the opinion from junior, middle and senior management in the organization with regard to the strategy of appraisal process. The study would have involved all management levels so as to establish position and opinions for all cadres. This was however not possible due to time and financial constraints.

### **5.6 Recommendations for further research**

The researcher recommends further research in the following areas The role of Performance appraisal in supervision of managers and unionized employees, Evaluating the impact of performance appraisal on employee productivity, The extent of performance appraisal influence on organizational success and lastly the influence of performance contracting on employee productivity at the Kenya Ports Authority.

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# APPENDICES

## APPENDIX I

#7

# imIVERSITY OF NAROB

## M o m b a s a c a m p u s

Telephone: 020-2059161  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 99560, 80107  
Mombasa, Kenya

DATE: 03<sup>TM</sup> JULY, 2012

### TO WHOM IT MAY CONCERN

The bearer of this letter, **Samuel Mrashui** of Registration number **D61/71191/2008** is a Master of Business Administration (MBA) student of the University of Nairobi, Mombasa Campus.

He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on **Perceptions of Top Management on Performance Appraisal at the Kenya Ports Authority**. We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

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

Thank you. / { S g s & a E S ^ a K .

\ 03 JUL 2012 \

**JOB MWANYOTA**  
**ASSIST. CO-ORDINATOR S b B f # @ M B ^ A CAMPUS**

## APPENDIX II: QUESTIONNAIRE

The following guidelines have been constructed to get your response on the extent to which KPA has achieved the purpose of its performance appraisal. On the basis of your answers and those of others, I hope to get a better understanding and generate information that will be useful to KPA.

### SECTION A: DEMOGRAPHIC INFORMATION

Use either of these symbols to score your choice V or x

1. State your gender: Male [ ] Female ( )

2. Division

Legal Services	[ ]	Infrastructure services
Operations	( ]	Human Resources &
Administration		
Engineering Services	[ )	Finance
Corporate Services	[ ]	Managing Directors Office

3. Please indicate your age bracket

Below 30 years [ ]

31 -40 years ( ]

Above 41 years [ J

4. State the years of your working experience in KPA

Below 5 years            11-15 years     

6-10 years      (  )      Above 16 years

5. What is your highest educational qualification?

'O" Level            "A" Level     

Bachelor's Degree            Masters Degree     

Diploma      (  )      PhD     

Others     

6. Specify which cadre best describes your position in the organization?

Top Manager      HE 1      ( )

Top Manager      **HE 2**      ( )

**SECTION B: PERFORMANCE GOALS & APPRAISAL PRACTICES**

The following are suggested statements that have been constructed in order to get your opinion concerning the extent to which KPA has achieved the purpose of its performance appraisal. Please rate the following statements on a scale of 1-5 where:

1. = Strongly Disagree ; 2 = Disagree; 3 = Neither agree nor disagree; 4 = Agree

5 = strongly agree

Use either of these symbols to score your choice V or x

**Part 1:** Rate the extent to which you believe that performance appraisal is used for the following reasons

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Performance Appraisal is used for Renewal of service contract					
Performance Appraisal is used for Promotion					
Performance Appraisal is used for Training needs analysis					
Performance Appraisal is used for Counseling and Redeployment					
Performance Appraisal is used for determining Transfers					
Performance Appraisal is used for Allocating New Assignment					
Performance Appraisal is used for Coaching and mentoring					
Performance Appraisal is used for Rewards & recognition					
Performance Appraisal is used for Discipline					



Performance Appraisal is just a Formality

**Part 2:** Has KPA achieved the goal of its performance appraisal as given by the statements below?

Statement	1	2	3	4	5
To motivate and reward deserving personnel through periodic evaluation of their performance to achieve greater efficiency.					
To assess the Authority's human resource skills and to identify those who need to be further developed.					
To serve as guide for counseling employees to more effectively perform their duties and responsibilities.					
To provide an objective basis for promotions					
To provide an objective basis for transfer					
To provide an objective basis for confirmation to permanent status					

To provide an objective basis for recognitions					
To provide an objective basis for commendations and other appropriate personnel actions					
To provide mechanisms for effective communication between the superior and his subordinates with respect to job performance.					
To provide information for the succeeding supervisor in cases of employee transfer from one organisational unit to another.					

**Part 3:** Identify the tool that KPA uses to measure performance then use either of these Symbols (V or x) to score your choice.

<b>Statement</b>	<b>Select One Tool</b>
KPA uses performance prism	
KPA uses 360 - degree feedback	
KPA uses rating scale	
KPA uses balanced score card	

**Part 4a:** What Performance appraisal techniques can you list down in your order of preference?

**Part 4b:** What has caused you to rank one technique at the top of your list?

**Part 5:** What can you recommend to KPA management as the best Performance appraisal technique for appraising staff?

Thank you for taking your time to answer this questionnaire.

## **APPENDIX III: INTERVIEW GUIDE**

**Part 6.** Interview guide to collect information on the perception of top management about the appraisal process at the KPA. Kindly feel free to participate in the discussion.

1. Within your organization do you:
  - (i) See employees ready to participate in performance appraisal process?
  - (ii) Sense that employees have a great awareness about performance appraisal process?
  - (iii) Observe effort directed towards meeting performance appraisal goals?
  - (iv) Observe that top managers play a major role in performance appraisal team?
2. Within your organization ,does the group that guides performance appraisal process:
  - (i) Consistently get the resources, information and the support they need to achieve set objectives.
  - (ii) Motivate and inspire others to value the performance appraisal process.
  - (iii) Give adequate feedback to employees after the appraisal process.
3. Within your organization does the performance appraisal team communicate adequately by:
  - (i) Providing timely communication about performance appraisal?
  - (ii) Keeping the information about performance appraisal simple?
  - (iii) Discussing the PA goals, vision and strategies in routine management meetings?
4. How is the PA process viewed by employees within the organization?
5. Does the PA process add value to the organizations business processes?
6. What are the main challenges faced by the performance appraisal teams within our organization?
7. What should KPA do differently when managing performance appraisal system?

**Thank you**

## APPENDIX IV: DIVISIONAL AND DEPARTMENTAL STAFF STRENGTH OF TOP MANAGERS

Table 4.14: The Divisions at the Authority

<b>Division</b>	<b>Top Manager</b>	<b>Grade</b>
Board & Legal Services	1	HE1
Human Resources & Administration	1	HE1
Operations	1	HE1
Engineering Services	1	HE1
Finance	1	HE1
Corporate Services	1	HE1
Infrastructure Services	1	HE1
Total	7	

Source: Human resource services records, Kenya Ports Authority, 2012

Table 4.15: The Departments at the Authority

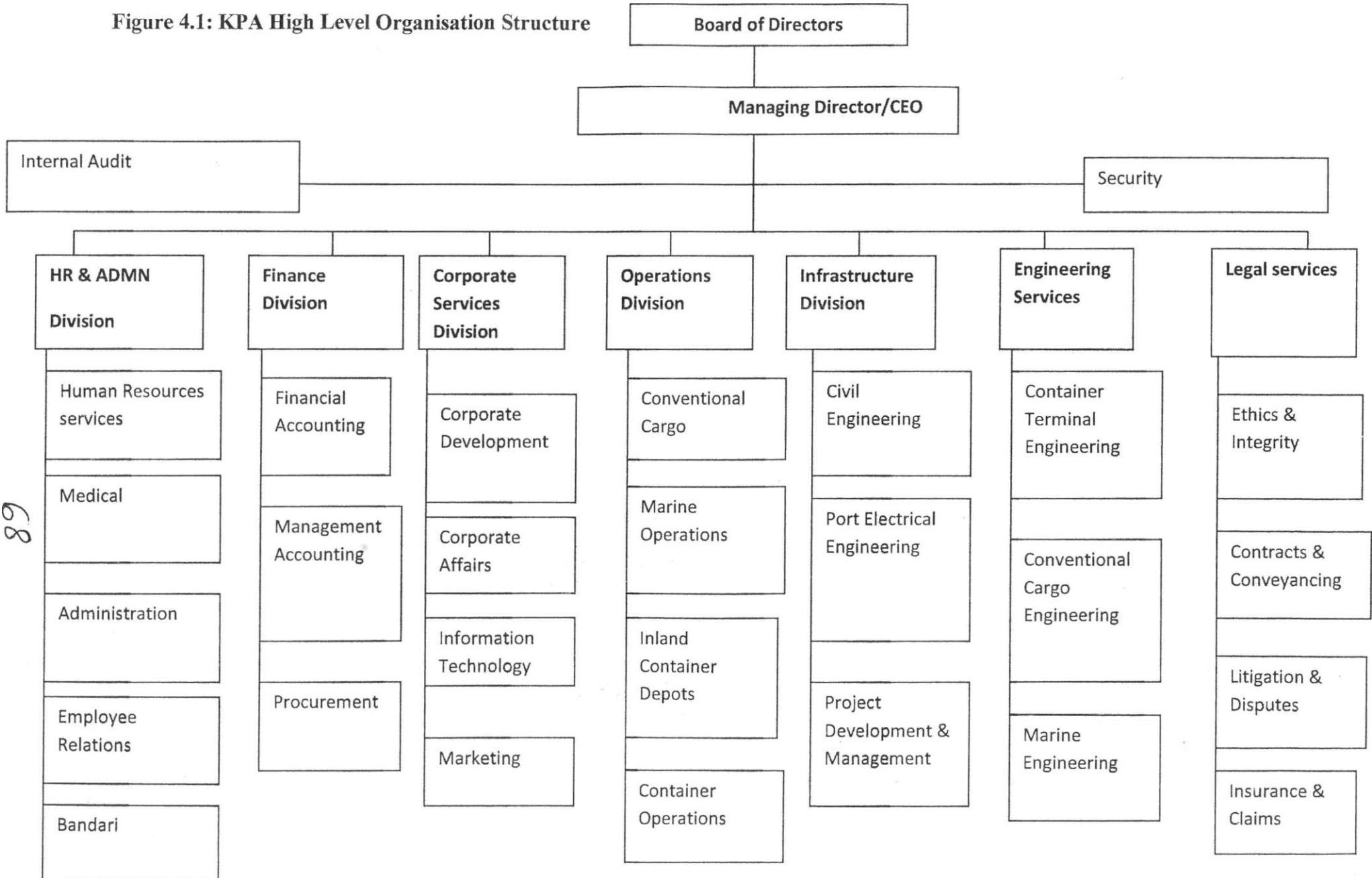
<b>Department</b>	<b>Top Manager</b>	<b>Grade</b>
Human resources services	1	HE2
Medical services	1	HE2
Administration services	1	HE2
Employee relations	1	HE2
Bandari college	1	HE2
Financial accounting	1	HE2
Management accounting	1	HE2
Procurement	1	HE2
Corporate development	1	HE2
Coiporate affairs		HE2

<b>Department</b>	<b>Top Manager</b>	<b>Grade</b>
Information technology	1	HE2
Marketing	1	HE2
Conventional cargo	1	HE2
Marine operations	1	HE2
Inland container depots	1	HE2
Container operations	1	HE2
Civil engineering	1	HE2
Port electrical engineering	1	HE2
Project development and management	1	HE2
Container terminal engineering	1	ILE2
Conventional cargo engineering	1	HE2
Marine engineering	1	HE2
Ethics and integrity	1	HE2
Contracts and conveyancing	1	HE2
Litigation and disputes	1	HE2
Insurance and claims	1	HE2
Total	28	

Source: Human resource services records, Kenya Ports Authority, 2012

**APPENDIX V: KPA HIGH LEVEL ORGANISATION STRUCTURE**

**Figure 4.1: KPA High Level Organisation Structure**



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