

**USE OF PERFORMANCE APPRAISAL AS A STRATEGIC
MANAGEMENT TOOL AT TOYOTA EAST AFRICA LIMITED**

BY

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REQUIREMENT OF THE AWARD OF MASTERS DEGREE IN BUSINESS
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DECLARATION

This research project has been done by me and has never been submitted for exam in any college, University or any other institute of higher learning.

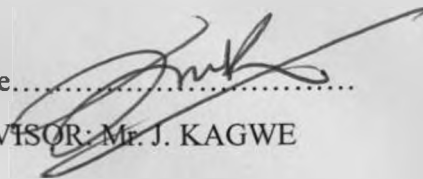
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This project has been submitted for examination with my approval as University Supervisor.

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Date.....12/11/2011.....

SUPERVISOR: Mr. J. KAGWE

DEDICATION

This Research Project is dedicated to my wife Sarah for accepting and understanding my absences while undertaking taking my research. Despite all this, she gave me the moral support, cooperation and understanding I needed during this period. For this I say thank you all and God bless.

ACKNOWLEDGEMENT

I wish to thank the almighty for giving me wisdom to conduct this study. I also appreciate my supervisor Mr. J. Kagwe for his guidance in conducting the research and the management of Nairobi University for their understanding and support.

ABSTRACT

The issues of accuracy and fairness in performance appraisal are 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. Performance appraisal 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.

This research problem was studied through the use of a descriptive research design. The main focus of this study was both quantitative and qualitative. The study population for this research focused on employees of Toyota East Africa limited (TEAL). The study utilized both primary and secondary data. The researcher used drop and pick later method to administer the questionnaires. Quantitative data was analyzed using descriptive statistics while qualitative data was analyzed using content analysis. The quantitative data was coded to enable the responses to be grouped into various categories. Coded data was entered into computer spreadsheet using SPSS to generate quantitative reports through tabulations, percentages, and measures of central tendency.

The study found that TEAL uses training and pay for performance as a strategic management tool to a great extent and that it carried appraisals of its employees frequently. TEAL maintains a record system, and it maintains records as a strategic management tool to a moderate extent.

The study has recommended that organizations should continuously train their staff to continually equip them with the necessary skills to perform their duties. Further, it has recommended that organizations reviews should be performed on a frequent and on ongoing basis. Finally it has recommended that organizations should pay their employees based on their performance to helps motivate and commit the employee in order to increase revenue and profitability or organizations.

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ACRONYMS AND ABBREVIATION

TEAL	Toyota East Africa Limited
PA	Performance Appraisal
PMS	Performance Management Systems
KMI	Kenya Motor Industry association
EAC	East Africa Community
HRM	Human Resource Management

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Armstrong and Baron (2005) notes that issues of accuracy and fairness in performance appraisal are 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. Perhaps the most significant benefit of appraisal is that, in the rush and bustle of daily working life, it offers a rare chance for a supervisor and subordinate to have "time out" for a one-on-one discussion of important work issues that might not otherwise be addressed. Thus the performance of the whole organization is enhanced.

For many employees, an "official" appraisal interview may be the only time they get to have exclusive, uninterrupted access to their supervisor. Said one employee of a large organization after his first formal performance appraisal, "In twenty years of work, that's the first time anyone has ever bothered to sit down and tell me how I'm doing." The value of this intense and purposeful interaction between a supervisors and subordinate should not be underestimated, (Pettijohn et al., 2001).

1.1.1 Strategic Management

Strategic management is the art, science and craft of formulating, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives (David, 1989). It is the process of specifying the organization's mission, vision and objectives, developing policies and plans, often in terms of projects and programs, which are designed to achieve these objectives and then allocating resources to implement the policies and plans, projects and programs. Strategic management seeks to coordinate and integrate the activities of the various functional areas of a business in order to achieve long-term organizational objectives. A performance appraisal is often used to elevate the overall performance of the business and its progress towards objectives.

1.1.2 Concept of Performance Appraisal

Performance appraisals are most commonly undertaken to let an employee know how his/her performance compares with the supervisor's expectations and to identify areas that require training or development. Employees have a legitimate need to know how their performance is viewed.

The supervisor also has a legitimate reason to conduct performance appraisals. Unsatisfactory performance needs to be conveyed in order to arrange for improvement. Indeed, if performance is satisfactory the supervisor wants to promote continued satisfactory performance. In either case, it helps to have a systematic framework to ensure that performance appraisal is “fair” and consistent.

Performance appraisal has become a key feature of an organization’s strategic management in a 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).

An organization's performance appraisal system can be a practical strategic management tool for employee motivation and development when employees perceive their performance appraisals as accurate and fair (Pettijohn et al., 2001).

Appraisal practices often include formal review and feedback sessions, and may include procedures for establishing work objectives, conducting self-appraisals, and setting performance goals.

The processes inherent in these systems and the performance appraisal outcomes themselves can have an important influence on employees' reactions toward their work, their supervisors, and their organization as a whole (Youngcourt et al., 2007).

The process can create a source of extreme dissatisfaction when employees perceive the appraisal system as biased, political or irrelevant (Youngcourt et al., 2007).

1.1.3 Performance Appraisal as a Tool of Strategic Management

Performance appraisals in the recent years have taken on additional importance as a strategic management tool. Performance appraisals have become vital parts of disciplinary and dismissal processes as well as corporate restructuring. The overall purpose of performance appraisals is to increase organizational effectiveness and productivity, by making right decisions in the organization. Strategic management on the other hand is management of the process of strategic decision-making.

Performance appraisal is a powerful strategic management tool, if designed and used properly, have many advantages to the company (Youngcourt et al., 2007). It facilitates organizational decisions such as reward allocation, promotions/ demotions, layoffs/recalls, and transfers. It may also assist managers in developing employees. It serves to assist individual employee's decisions regarding career choices and the subsequent direction of individual time and effort. Additionally, performance appraisals may increase employee commitment and satisfaction, due to improvements in organizational communication.

1.1.4 Toyota East Africa

In Kenya Motor Industry players in the motor Industry are brought together under the umbrella of the Kenya Motor Industry association (KMI). This industry in the past few years has experienced growth. For example in 2004, the Industry volume stood at 13,015 Units, the highest volume in eighteen years. The growth of the industry has intensified rivalry amongst the players each trying to outdo the other to gain competitive advantage.

KMI is facing the challenges of developing new technology which is in harmony with the environment, to meet and exceed its customers' needs. One of the strategies employed by the major players is to have a wide coverage of the country through independent dealers and/or through having subsidiaries in the major towns in Kenya. TEAL is no exception to this strategy.

Major challenges facing the motor industry in Kenya are, lack of appropriate infrastructure in place, the rule of law is now taking effect, and lack of Government commitment to engage with the private sector to improve the industry. There are many other challenges facing local motor vehicle assemblers including access to EAC markets and the continued flood of second hand vehicles into the region, (KNA, 2011). Toyota is a world leader in the research and development of advanced automobile technology. Creating intelligent solutions for today's mobility challenges and taking responsibility for future generations.

TEAL is the franchise holder for Toyota Vehicles in Kenya. It is a multi national company wholly owned by Toyota Tshusho Corporation which is the trading subsidiary of Toyota Motor Corporation of Japan.

TEAL has dominated the motor industry for the last six years, with a 22.1% market Share in 2007. It has subsidiaries in Nairobi (Nairobi Toyota), Mombasa (Mombasa Toyota) (Mombasa) & Lokichoggio (Lokichoggio Toyota). There are also independent dealers, they include, Bhogals Autoworld (Nakuru), Esso Motors (Nanyuki), Nyeri Motors (Nyeri), Kericho Toyota (Kericho), Silverline (Kisumu) and Crater Automobiles (Nakuru) which has two subdealers in Nairobi and Kisumu.

Toyota East Africa Limited (TEAL) is the sole distributor of Toyota and Yamaha products in the East African region.

The company began its operations in 1999. The Toyota brand is ranked among the highest in the world and was featured in Superbrand East Africa's top ten brands in the region. TEAL is committed to introducing vehicle models that respond to the diverse needs of the region. This is done in order to ensure that developed vehicles are suitably designed to meet the needs of this particular region.

In TEAL the lacks of appraisee training in the PA process causes discrepancies between expected and actual performance assessments which contribute to dissatisfaction with the system. In TEAL, there further lacks an effective people management through strategic human resource management (HRM) practices, such as regular PAs, this tends to lower the workers potential as well as the organisation's. Employees tend to dissatisfied with the PAS used here especially on the reward for work.

1.2 Statement of the problem

The success of any institution largely 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 (Akinyele, 2010). Bacal (1999) 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.

Performance appraisal is arguably the most contentious and least popular among those who are involved. Managers do not appear to like doing it, employees see no point in it, and personnel and human resource managers as guardians of the organisation's appraisal policy and procedures have to stand by and watch their work fall into disrepute (Bratton and Gold, 1999). Rarely in the history of business can such a system have promised so much and delivered so little (Grint, 1993).

Toyota East Africa Limited have administrative and professional 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 company. TEAL lack effective performance appraisal system as part of a strategy to attract, motivate, develop and retain high caliber staff.

Although TEAL administrations implement some type of performance appraisal as afore-mentioned, disparity exists within the organization regarding the process itself and its effectiveness, that is, the ultimate goals sought and those actually achieved.

Studies on performance appraisal have been conducted in different parts of the world but a huge gap exists in third world countries like Kenya. According to Nyaoga, Magutu and Kibet (2010), most studies discuss performance appraisal that allows employees to develop their skills and to meet business goal. Bahati (2009) did a study on the influence of marketing strategies on popularity of Toyota and Nissan brands in Kenya. However, to the best of knowledge of the researcher no empirical study has been conducted to determine the use of performance appraisal as a strategic management tool in Toyota East Africa, despite the fact that the organisation are faced with rampant challenges that can be solved through effective performance appraisal systems.

The purpose of this study is to examine the use of performance appraisal as a strategic management tool with specific reference to the Toyota East Africa. The study therefore seeks to answer the following research question; to what extent does TEAL use performance appraisal as a strategic management tool?

1.3 Objective of the study

The objective of the study was to determine the use of performance appraisal as a strategic management tool.

1.4 Value of the study

The results of this study are expected to benefit the Toyota East Africa Management by compelling them to make a critical examination of the existing employee appraisal system in the organisation. This will help them contribute to improvement of the present system or at least prepare them for any changes or improvements to the existing employee performance appraisals.

The study will also add value to the research in the area of performance appraisals. Scholars will find it important as it will increase the body of knowledge in this area. It will also assist the researchers in doing further studies on the same. It is hoped that the knowledge gained from the study could serve as a basis for planning and a point of reference for further studies in the field of performance appraisal and its importance as a strategic management tool.

Employees of Toyota EA will benefit from the results of this study in that if the right performance appraisal systems are put in place, the employees will be motivated through rewards both monetary and non-monetary. Motivated employees help organizations survive and they are more productive (Smith, 1996).

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the past studies on performance appraisal in an organization and how different organizations have used performance appraisal. The specific areas covered are performance appraisal systems, purposes of performance appraisals, strategy implementation and control, strategic management and use of performance appraisal as a strategic management tool.

2.2 Performance Appraisal Systems

Pettijohn, *et al* (2001), argued that used effectively performance appraisal can be one of strategic management's most powerful tools; the strategic potential for governing employee behaviour relates directly to the determination of corporate direction through the appraisal systems dynamic links to selection systems, training and career planning systems and reward structures. Developing an appraisal system that accurately reflects employee performance is a difficult task. Performance appraisal systems are not generic or easily passed from one company to another; their design and administration must be tailor-made to match employee and organizational characteristics and qualities (Pettijohn, *et al*, 2001).

As a management tool performance appraisals are most commonly undertaken to let an employee know how his/her performance compares with the supervisor's expectations and to identify areas that require training or development. Employees have a legitimate need to know how their performance is viewed.

Effective communication between the employee and the supervisor is a vital employee tool, at a basic level, without adequate communication, undesirable work habits may be formed or good work habits may be modified (Jawahar, 2007). Lack of such communication may be viewed by the employee as approval of their current work habits and performance.

There are many advantages to using a formal system if performance appraisals are designed and used properly (Murphy and Cleveland, 1995). It facilitates organizational decisions such as reward allocation, promotions/ demotions, layoffs/recalls, and transfers. It may also assist managers in developing employees. It serves to assist individual employee's decisions regarding career choices and the subsequent direction of individual time and effort. Additionally, performance appraisals may increase employee commitment and satisfaction, due to improvements in organizational communication.

2.3 Purposes of Performance Appraisals

The overall purpose of performance appraisals is to increase organizational effectiveness and productivity. However, the most important single purpose served by performance appraisals is to let employees know where they stand. In the absence of information, employees will harbor questions about performances, such as: Is my performance satisfactory? Is it above average? If so, how far above? Is it below average? If so, how far? Is the company considering terminating me? Is the company thinking of promoting me? Is the company even aware of my performance? Employees need to know where they stand concerning their job performances in an organization for the following reasons (Wells and Spinks, 1994):

In recent years, performance appraisals have taken on additional importance. Performance appraisals have become vital parts of disciplinary and dismissal processes as well as corporate restructuring. At one time, the prevailing thought was that the company was spending company money, so the company could hire and fire whomever it pleased. Then, laws and court decisions came about denying employers the right to hire and fire as they pleased; equal employment opportunity must be extended to all. Recently, court decisions have held that employment security is a right that cannot be denied without just cause and due process. In other words, a company cannot dismiss an employee without just cause and without due process.

2.4 Strategic Management

Strategic management can be simply defined as the management of the process of strategic decision-making. It requires acquiring a proactive mindset that concentrates on; where the firm is now, where the firm wants to go and how to get there. This involves carefully defining what business positions to stake out, financial and strategic outcomes to achieve. Strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives (Pearce and Robinson, 2003) an organization's strategy must be appropriate for its resources, circumstances and objectives. The process involves matching the companies' strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently. A good corporate strategy should integrate an organization's goals, policies, and action sequences into a cohesive whole.

Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies to meet all existing and potential competitors; and then reassesses each strategy annually or quarterly to determine how it has been implemented and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, a new economic environment., or a new social, financial, or political environment, (Lamb, 1984). The strategic management process is ways for businesses to build strategies that help the company respond quickly to new challenges. This dynamic process helps organizations find new and more efficient ways to do business. The four key elements of the strategic management process are situation analysis, strategy formulation, strategy implementation, and strategy evaluation. Strategic or institutional management is the conduct of drafting, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives (Bogdanowicz and Bailey 2002).

2.4.1 Strategic Management Process

Strategic management process is a six-stage process, run in-house usually by a strategic management group. It is supported by various consultants and accessible to external stakeholders. Within each stage, 3 basic steps are followed which include: Search, for ideas and information, Synthesis, observation of patterns, trends and Selection, determine priorities for action. Within these 3 basic steps, 4 alternative criteria are used to assist using the best technique namely: quality, acceptance, innovation and preservation.

Three ongoing process analysis, decisions, and actions are central to strategic management. In practice, these three process-often referred to as strategy analysis, strategy formulation, and strategy implementation-are highly interdependent. Further, these three processes do not take place one after the other in a sequential fashion in most companies.

Strategic management seeks to refine the management process, dealing rather with the long term issues instead of operational issues. The discipline of management has been useful in addressing management challenges for more than a century. Strategic management seeks to provide solutions to these issues by maintaining a long-term focus to anticipate and deal with issues facing the organization with a view of long-term growth, profitability and survival, (Jawahar, 2007).

By addressing each element of the strategic management process in the order listed, an organisation evaluates and re-evaluates situations as they develop; always checking to be sure the company has positioned itself optimally in the business environment. Situational analysis is the first and most vital part of business process management. Concurrent with this assessment, objectives are set. These objectives should be parallel to a time-line; some are in the short-term and others on the long-term (Mintzberg, 1991).

2.5 Use of Performance Appraisal as a Strategic Management Tool

In strategic management, performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning (Lowenberg and Conrad, 1998). The development approach contained all of the traditional overall organizational performance appraisal purposes.

Some organizations treat appraisals as an annual burden consisting of a quick meeting between supervisor and subordinate that produce a written review that's filed and forgotten. However, appraisals—if done carefully and thoughtfully—can add considerable value to the supervisor/employee relationship and can help structure and clarify expectations for both parties (Jawahar, (2007). For many organizations, appraisal system is used to improve performance. A system that is properly designed and communicated can help achieve organizational objectives and enhance employee performance.

According to Judge, Higgins, Thoresen and Barrick, (1999), as a strategic tool for management, performance appraisal is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition. Knowledgeable employees are, therefore, able to utilize their own knowledge and information to create value. They are therefore experts in various fields and product and service provided by them shall combine their own knowledge and experience to a large extent (Judge, Higgins, Thoresen and Barrick, 1999b). Experience provides a historical perspective from which to view and understand new situations and events, (Bogdanowicz and Bailey 2002).

As reviewed above, almost half a century of research has identified factors that contribute to effective performance appraisal. Despite recognition of the important components of performance appraisal, dissatisfaction with performance appraisal is the norm. With reference to Toyota East Africa Limited, the widespread dissatisfaction raises questions about the extent to which the organizations incorporate the recognized key components into their performance appraisal systems.

2.5.1 Training

Judge, *et al* (1999), stated that training as a strategic tool for management, is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition. Knowledgeable employees are, therefore, able to utilize their own knowledge and information to create value. They are therefore experts in various fields and product and service provided by them shall combine their own knowledge and experience to a large extent (Judge, *et al*, 1999b).

Training should begin with those levels of management that will be involved in administering the programme and providing training for lower levels of supervision. This specific training should include at least the following: supervision skills; coaching and counselling; conflict resolution; setting performance standards; linking the system to pay (assuming this is an aim of the appraisal system); providing employee feedback (Armstrong and Baron, 2005). Once the necessary training has been administered, periodic refresher courses should be required to help the employees maintain necessary skills and maintain high performance standards ensuring performance is similar and consistent throughout the organization.

2.5.2 Frequency of appraisal

For improved high standards performance, employees should be motivated constantly. Every organization should endeavor to ensure that performance appraisal in the organization is carried constantly. This is because, in strategic management, performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning (Lowenberg and Conrad, 1998). Employee reviews should be performed on a frequent and ongoing basis.

Frequent performance appraisals should eliminate the surprise element and help to modify performance prior to any annual review. Frequent reviews also allow for clarification and revision of objectives. This leads to better informed employees who are better equipped to perform their job satisfactorily. In addition frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives (Youngcourt et al., 2007). Job demands can frequently prevent employees from achieving specified objectives. This therefore hold frequent performance appraisal as an important strategic management component for success in any organization irrespective of its orientation.

2.5.3 Maintaining records

Organizations face an increasing demand to retain, preserve and produce records and information in a timely and effective manner. The failure to properly manage business records can compromise an organization's ability to meet legal, regulatory and compliance obligations and can create significant unnecessary costs for the company.

An effective use of a performance appraisal as a strategic management tool should ensure that it keeps and maintains accurate records of employee's performance. Carefully maintained, they establish patterns in an employee's behaviour that may be difficult to spot by typical incident-by-incident supervision (Crane, 1991). Careful review of the records helps avoid the selective memory and helps plot appropriate actions. Of course, well-maintained records are essential if the need arises to discipline, demote or dismiss an employee.

2.5.4 Pay for performance

Most companies today are practicing some form of pay-for-performance for employees and managers other than top executives. Many performance appraisal systems attempt to relate pay to performance. Pay for performance allows for use of financial compensation as a strategic tool. Flexibility regarding managerial and employee compensation is needed to allow short-term shifts in compensation that can stimulate efforts to achieve long-term objectives.

However, this link is often unsatisfactorily established and even less often maintained to the satisfaction of employees and supervisor/organization. The People's Natural Gas Company, a regulated utility based in Pittsburgh, Pennsylvania discovered that in order to remain competitive, pay for performance was an important strategic management linkage to be obtained and maintained. While researching a potential new system, both the supervisors and employees were interviewed.

An unexpected finding from the employee interviews indicated the company's six-month separation between performance appraisal and the resulting merit increase was blurring the perceived link between an employee's performance and pay (Jawahar, 2007). When pay is not directly related to performance, it is possible that employees will discount the appraisal process.

The strategic management employs pay for performance as a ways for businesses to build strategies that help the company respond quickly to performance and employee motivation challenges. In order for an appraisal system to be truly effective in a pay for performance environment, adjustments to pay should come as close in time as possible to the conducted performance review. This immediate effect helps motivate and commit the employee to the appraisal process.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter is a blueprint of the methodology that was used by the researcher to find answers to the research question. In this chapter the research methodology was presented in the following order, research design, data collection methods, instruments of data collection and finally the data analysis.

3.2 Research Design

Dooley (2007) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. This study adopted a descriptive survey design which according to Churchill (1991) is appropriate where the study seeks to describe the characteristics of certain groups, estimate the proportion of people who have certain characteristics and make predictions. The primary purpose of the study was to study the use of performance appraisal as a strategic management tool at Toyota East Africa Limited. Khan, (1993) recommends descriptive survey design for its ability to produce statistical information about aspects of education that interest policy makers and researchers.

3.3 Study Population

Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated.

The study was carried out in TEAL. The population comprised of section heads, Team leaders, and supervisors as shown in the table below.

Table 3.1: Population of the study

Level	Frequency	Percentages
Section heads	8	15.7
Team leaders	9	17.6
Supervisors	34	66.7
Total	51	100

Source: Author (2011)

3.4 Sampling

Ngechu (2004) underscores the importance of selecting a representative sample through making a sampling frame. From the population frame the required number of subjects, respondents, elements or firms was selected in order to make a sample. Stratified proportionate random sampling technique was used to select the sample. According to Deming (1990) stratified proportionate random sampling technique produce estimates of overall population parameters with greater precision and ensures a more representative sample is derived from a relatively homogeneous population. According to Cooper and Schindler (2003), random sampling frequently minimizes the sampling error in the population. This in turn increases the precision of any estimation methods used.

Table 3.2 Sampling Frame

Level	Frequency	Percentage	Sample size
Section heads	8	60	5
Team leaders	9	60	5
Supervisors	34	60	20
Total	51	60	30

Source: Author (2011)

3.5 Data collection

For the purpose of this study, the researcher used primary data. Questionnaires were used for the data collection purpose. The study targeted the team leaders, section heads and supervisors in Toyota East Africa Limited. This is because they were in a better position to provide information on performance appraisal in TEAL as a strategic management tool.

3.6 Data Analysis

The results of the study were both qualitative and quantitative. Quantitative data collected using a questionnaire were analyzed by the use of descriptive statistics using the Statistical Package for Social Sciences (SPSS) and presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. This was done by tallying up responses, computing percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of SPSS.

Qualitative data was analyzed using content analysis which is the best suited method of analysis; content is defined by Creswell (2003) as a technique for making inferences by systematically and objectively identifying specific characteristic of messages and using the same approach to relate trends. According to Mugenda and Mugenda (2003) the main purpose of content analysis is to study the existing information in order to determine factors that explain a specific phenomenon. According to Kothari (2000), content analysis uses a set of categorization for making valid and replicable inferences from data to their context.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data that was found on the analysis of the use of performance appraisal as a strategic management tool at Toyota East Africa. The research was conducted in Toyota East Africa.

4.2 Data Analysis

This section presents the information on response rate, respondent's demographic information and the use of performance appraisal as a strategic management tool.

4.2.1 Response Rate

A total of 30 questionnaires were administered, all the 30 questionnaires were returned duly filled-in by the respondents. This makes a response rate of 100%. This response rate was excellent and representative and conforms to Mugenda and Mugenda (1999) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

This commendable response rate was made possible after the researcher personally administered the questionnaire and made further visits to remind the respondents to fill-in and return the questionnaires.

4.2.2 Demographic Information

The study sought to find out from the respondents, the positions they held in the company. From the table 4.1 below, majority of the respondents said that they were supervisors as indicated by 66.7% while an equal percentage of 16.7 stated that they worked as section heads or team leaders.

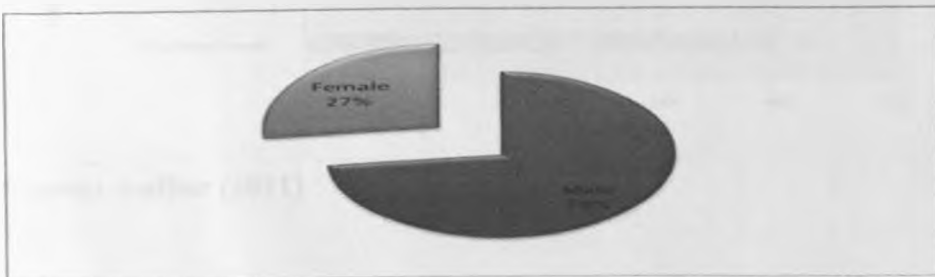
Table 4.1: Position held by the respondent

Level	Frequency	Percentage
Section heads	5	16.7
Team leaders	5	16.7
Supervisors	20	66.7
Total	30	100

Source: Author (2011)

On the gender of the respondents, the study found out that majority of the respondents was male as shown by 73.3% representation. The rest 26.7% were female. It therefore indicates that at TEAL majority of the employees are male. This is as shown on figure 4.1 below.

Figure 4.1: Gender of the respondent



Source: Author (2011)

The study sought to establish the age of the respondents. According to the table 4.2 below, majority of the respondents, 66.7%, were aged between 31 and 45 years, 20% were aged between 46 and 50 years while 13.3% were below 30 years. It therefore depicts that majority of the employees in TEAL are middle aged.

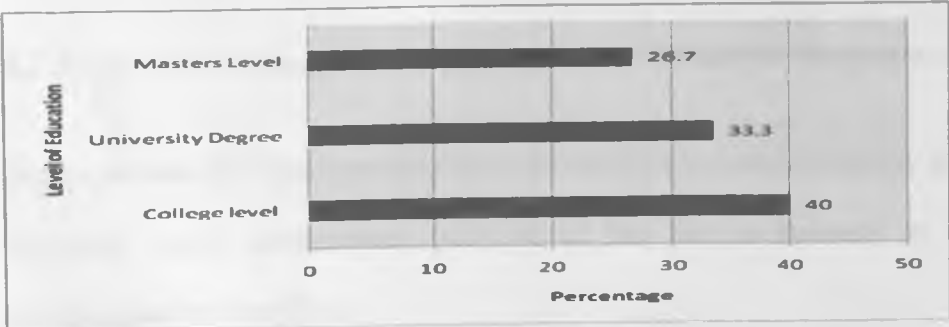
Table 4.2: Age of the respondent

	Frequency	Percentage
Below 30 years	4	13.3
31-45 years	20	66.7
46-50 years	6	20.0
Total	30	100.0

Source: Author (2011)

According to the figure 4.2 below, most of the respondents had their highest level of education as college; this is indicated by a percentage of 40. Among the respondents, 33.3% held university degree while 26.7% had their highest level of education as masters degree. According to the table below, majority of the respondents (63.3%) had university degree and above, this depicts that, TEAL employs personnel with academic credentials.

Figure 4.2: Respondent’s highest level of education



Source: Author (2011)

Further, the study sought to find out the duration the respondents had worked with TEAL. Majority of the respondents (66.7%) had worked with TEAL for a period of between 7 and 10 years, 20% for more than 10 years, 10% for a period of between 1 and 3 years while only 3.3% had worked with TEAL for 3 to 6 years.

This shows that majority of the employees (86.7%) had worked with TEAL for more than 7 years and therefore we best suited to answer the questions as sought by the study owing to their interaction period with TEAL

Table 4.3: Number of years working in a TEAL

	Frequency	Percentage
1-3 years	3	10.0
3-6 years	1	3.3
7-10 years	20	66.7
Above 10 years	6	20.0
Total	30	100.0

Source: Author (2011)

On whether TEAL train its staff, all the respondents stated that TEAL trains its staff. The study further sought to establish the extent TEAL use training as a strategic management tool.

4.2.3 Use of Performance Appraisal as a Strategic Management Tool

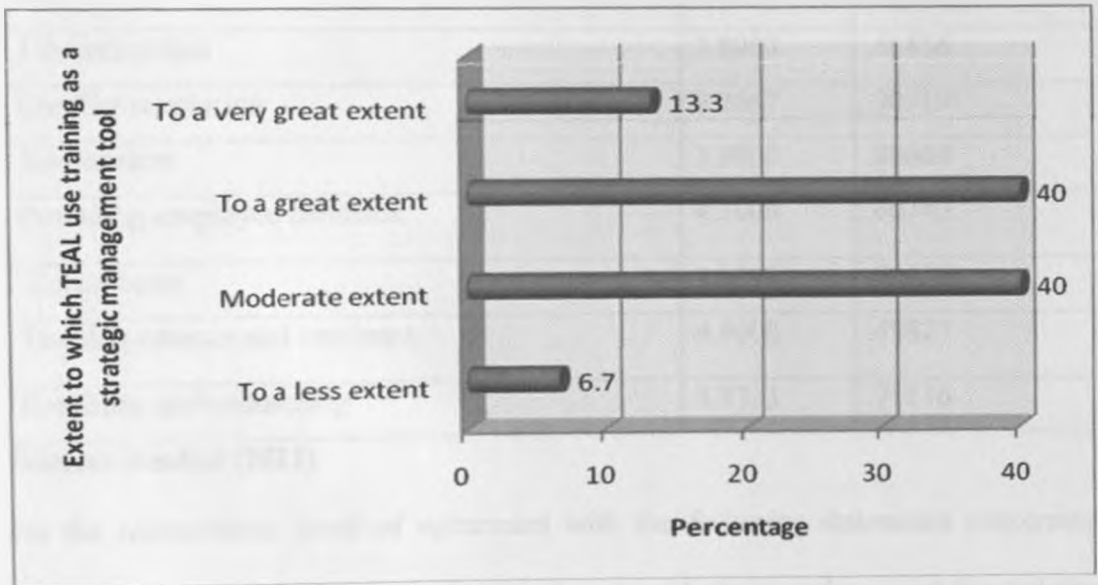
In this section, the study presents the data analysis the use of training, frequency of appraisal, record maintenance and use of pay for performance as a strategic management tools in TEAL.

4.2.3.1 Training

From figure 4.3 below, 40% of the respondents were of the opinion that TEAL use training as a strategic management tool either to a moderate extent or to a great extent.

On the same, 13% indicated that TEAL use training as a strategic management tool to a very great extent, while 6.7% said that it used training to a moderate extent. This depicts that, TEAL use training as a strategic management tool at least to a great extent; this is as shown by a majority of the respondents (53.3%).

Figure 4.3: Extent to which TEAL use training as a strategic management tool



Source: Author (2011)

The study further sought to establish the respondents level of agreement with effectiveness of training method used in TEAL. The respondents strongly agreed that the following methods were effective in achieving training objectives; setting performance standards as shown by a mean score of 4.5667, training courses and seminars as shown by a mean score of 4.4000 and coaching and counseling as shown by a mean score of 4.3333.

The respondents also said that providing employee feedback as shown by a mean score of 4.1000, supervisory assistance and mentoring as shown by a mean score of 3.8333, job instruction as shown by a mean score of 3.8000 and consultants as shown by a mean score of 3.5333 were effective methods of training. However, they were neutral to the effectiveness of conflict resolution as training method as shown by a mean score of 3.2667.

Table 4.4: Effectiveness of Training Methods Used in TEAL

	Mean	Std. Deviation
Setting performance standards	4.5667	.50401
Supervisory assistance and mentoring	3.8333	.74664
Job instruction	3.8000	.66436
Conflict resolution	3.2667	.90719
Job rotation	3.8000	.88668
Providing employee feedback	4.1000	.60743
Consultants	3.5333	.73030
Training courses and seminars	4.4000	.49827
Coaching and counseling	4.3333	.71116

Source: Author (2011)

On the respondents' level of agreement with the following statements concerning training as a strategic management tool, the respondents strongly agreed that training should include at least the following: supervision skills; coaching and counseling; conflict resolution; setting performance standards; linking the system to pay; providing employee feedback as shown by a mean score of 4.3000, appraisal systems should be evaluated periodically as shown by a mean score of 4.2667 and that training needs to focus on the process of managing, motivating and evaluating employee performance as shown by a mean score of 4.2333.

The respondents were further in agreement with statements that training and evaluation ensures that appraisal performed in a similar and consistent manner throughout the organization as shown by a mean score of 3.9667 and that after the necessary training, periodic refresher courses should be administered as shown by a mean score of 3.8667.

Table 4.5: Training as a Strategic Management Tool

	Mean	Std. dev
After the necessary training, periodic refresher courses are administered`	3.8667	.81931
Appraisal systems are evaluated periodically.	4.2667	.86834
Training and evaluation ensures that appraisal performed in a similar and consistent manner throughout the organization	3.9667	.55605
Training needs to focus on the process of managing, motivating and evaluating employee performance	4.2333	1.00630
Training should include at least the following: supervision skills; coaching and counseling; conflict resolution; setting performance standards; linking the system to pay; providing employee feedback	4.3000	.65126

Source: Author (2011)

4.2.3.2 Frequency of appraisal

The study aimed at establishing frequency of appraisal at TEAL. According to most of the respondents (43.3%), TEAL conducted appraisals semiannually, 33.3% said quarterly, 13.3% indicated monthly while 10% said that TEAL appraised its staff bi annually. It therefore depicts that TEAL appraised its staff frequently, as majority of the respondents (89.9%) gave a period 6 month and below as the frequency of appraisal at TEAL.

Figure 4.4: Frequency of appraisal at TEAL



Source: Author (2011)

Further the study aimed at finding out the respondents' level of agreement with the below statements related to frequency of performance appraisal. The data findings are as recorded in the table below. According to the table 4.6 below, the respondents were in agreement with the statements that, frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives as shown by a mean score of 4.6333 and that employee reviews should be performed on a frequent and ongoing basis as shown by a mean score of 4.5333.

They were also in agreement that frequent reviews also allow for clarification and revision of objectives, leading to better informed employees who are better equipped to perform their job satisfactorily as shown by a mean score of 4.5000 and that frequent reviews help eliminate the effects of generally unconscious, selective memory as shown by a mean score of 4.4000. Further the agreed that by conducting reviews frequently selective memory by the supervisor or the employee and surprises at an annual review are eliminated as shown by a mean score of 3.9667 and that frequent reviews ensure a good relationship between supervisor and employee as shown by a mean score of 3.9333.

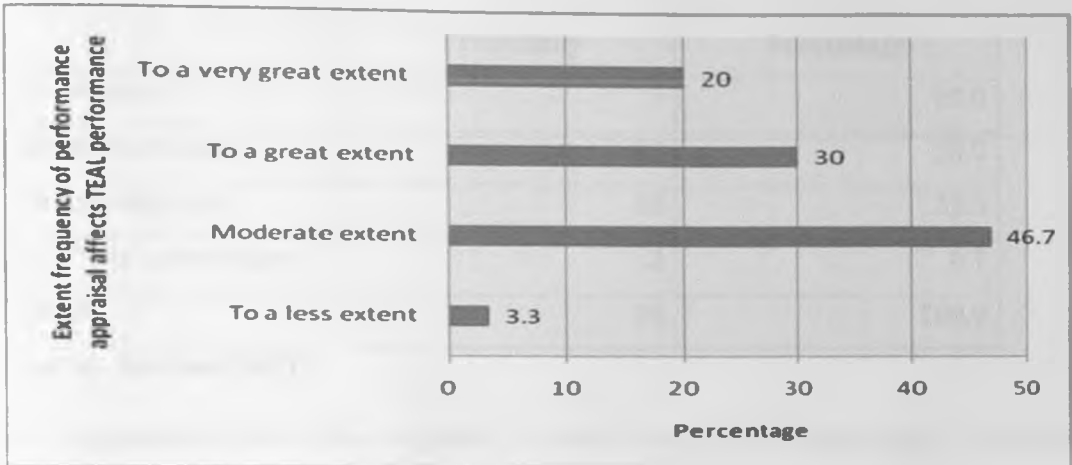
Table 4.6: Frequency of Performance Appraisal

	Mean	Std. deviation
Employee reviews should be performed on a frequent and ongoing basis	4.5333	.62881
By conducting reviews frequently two situations are eliminated: selective memory by the supervisor or the employee; and surprises at an annual review.	3.9667	1.32570
Frequent reviews help eliminate the effects of generally unconscious, selective memory.	4.4000	.62146
Frequent reviews ensures a good relationship between supervisor and employee	3.9333	.73968
Frequent reviews also allow for clarification and revision of objectives, leading to better informed employees who are better equipped to perform their job satisfactorily.	4.5000	.50855
Frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives	4.6333	.49013

Source: Author (2011)

The study also sought to establish the extent frequency of performance appraisal affects performance in TEAL. According to figure 4.5 below, most of the respondents (46.7%) said that frequency of performance appraisal affects performance in TEAL to a moderate extent, 30% to a great extent, 20% to a very great extent while 3.3% were of the opinion that it affected performance to a less extent. This indicates that frequency of performance appraisal affects performance at least to a great extent; this is shown by majority of the respondents (50%).

Figure 4.5: Extent frequency of performance appraisal affects TEAL performance



Source: Author (2011)

4.2.3.3 Record maintenance

The study aimed at establishing whether TEAL have a record maintenance system. All the respondents said that TEAL has a record maintenance system. Further, it sought to establish the extent to which TEAL does maintenance of records as a strategic management tool. The findings are as recorded in the table below.

According to table 4.7 below, 50% of the respondents stated that TEAL maintains records as a strategic management tool to a moderate extent, 33.3% said to a great extent, 10% to no extent while 6.7% of the respondents were of the opinion that TEAL maintains records as a strategic management tool to a very great extent. It therefore follows that, TEAL maintains records as a strategic management tool to a moderate extent.

Table 4.7: Extent to which TEAL does maintenance of records as a strategic management tool

	Frequency	Percentage
To no extent	3	10.0
Moderate extent	15	50.0
To a great extent	10	33.3
To a very great extent	2	6.7
Total	30	100.0

Source: Author (2011)

The respondents were also required to state their level of agreement with below statements concerning maintenance of records. According to table 4.8 below, the respondents were in agreement with statements that effective use of a performance appraisal system involves keeping and maintaining accurate records of employee's performance as shown by a mean score of 4.6333 and that careful review of the records helps avoid the selective memory as shown by a mean score of 4.6000. Further, they were in agreement with the statements that well-maintained records are essential if the need arises to discipline, demote or dismiss an employee and that if employees are themselves responsible for part of the process of record-keeping it ensures responsibility for their own development this is indicated by a mean score of 4.4333.

Table 4.8: Maintenance of Records

	Mean	Std. deviation
Effective use of a performance appraisal system involves keeping and maintaining accurate records of employee's performance	4.6333	.49013
Careful review of the records helps avoid the selective memory	4.6000	.49827

Well-maintained records are essential if the need arises to discipline, demote or dismiss an employee	4.4333	.67891
If employees are themselves responsible for part of the process of record-keeping it ensures responsibility for their own development	4.4333	.93526

Source: Author (2011)

4.2.3.4 Uses Pay for Performance as a Strategic Management Tool

The study also sought to find out whether TEAL uses pay for performance as a strategic management tool. The data findings are as recorded on figure 4.6 below. Majority of the respondents (86.7%) said that TEAL uses pay for performance as a strategic management tool while the rest 13.3% were of the opinion that TEAL did not use pay for performance as a strategic management tool. This indicates that, at TEAL, pay for performance is used as a strategic management tool.

Figure 4.6: Whether TEAL uses pay for performance as a strategic management tool

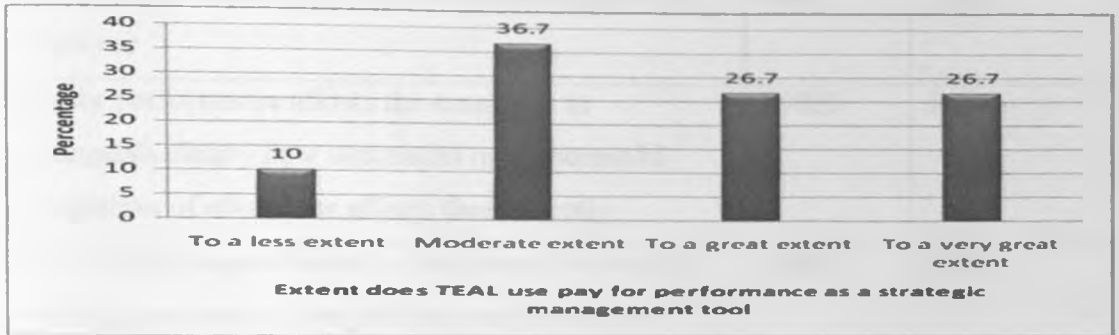


Source: Author (2011)

Further, the study aimed at finding out the extent TEAL uses pay for performance as a strategic management tool. From figure 4.7 below, most of the respondents, 36.7% said that TEAL use pay for performance as a strategic management tool to a moderate extent, 26.7% stated either to a great extent or to a very great extent.

10% were of the opinion that it uses pay for performance as a strategic Management tool. This therefore shows that, TEAL uses pay for performance as a strategic management tool to a great extent as indicated by 53.3% of the respondents.

Figure 4.7: Extent TEAL use pay for performance as a strategic management tool



Source: Author (2011)

The study also aimed at establishing the respondents' level of agreement with the below statements concerning pay for performance.

The respondents were in agreement with the statements that pay for performance helps motivate and commit the employee as indicated by a mean score of 4.4667, adjustments to pay should come as close in time as possible to the conducted performance review as indicated by a mean score of 4.4333 and that pay for performance helps an organization increase revenue and maintain (or attain) profitability as indicated by a mean score of 4.0333. They were also in agreement that pay for performance allows the employee to distinguish clearly how successful or unsuccessful completion of objectives affects them directly as indicated by a mean score of 3.9000 and that pay for performance leads to low return (low recall) and high precision of the job done as the workers understands that financial rewards comes after a job well done as indicated by a mean score of 3.8667.

Table 4.9: Pay for Performance

	Mean	Std. deviation
Adjustments to pay should come as close in time as possible to the conducted performance review	4.4333	.81720
Pay for performance helps motivate and commit the employee	4.4667	.62881
Pay for performance allows the employee to distinguish clearly how successful or unsuccessful completion of objectives affects them directly	3.9000	.84486
Pay for performance leads to low return (low recall) and high precision of the job done as the workers understands that financial rewards comes after a job well done	3.8667	.62881
Pay for performance helps an organization increase revenue and maintain (or attain) profitability	4.0333	.85029

Source: Author (2011)

4.2.4 Performance Appraisal

On the respondents' agreement to the below statements about performance appraisal as a strategic management tool, the study found out that the respondents were in agreement with the statements that, performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning as indicated by a mean score of 4.6333, performance appraisal is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition as indicated by a mean score of 4.2333 and that performance appraisal ensures properly designed and communicated system that improve performance as indicated by a mean score of 3.7000.

However, the respondents disagreed with the statement that performance appraisals is an annual burden consisting of a quick meeting between supervisor and subordinate that produce a written review that's filed and forgotten as indicated by a mean score of 1.6000.

Table 4.10: Performance Appraisal

	Mean	Std. deviation
Performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning	4.6333	.61495
Performance appraisals is an annual burden consisting of a quick meeting between supervisor and subordinate that produce a written review that's filed and forgotten	1.6000	.62146
Performance appraisal ensures properly designed and communicated system that improve performance	3.7000	1.11880
Performance appraisal is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition	4.2333	.72793

Source: Author (2011)

4.3 Discussion

The study found out that setting performance standard, use of training courses and seminars, coaching and counseling, providing employees, supervisory assistance and mentoring, job instruction and use of consultants were effective training method used by TEAL, this is in line with Judge, *et al* (1999) who stated that training as a strategic tool for management, is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition.

The study has found out that appraisal systems should be evaluated periodically, training and evaluation ensures that appraisal performed in a similar and consistent manner throughout the organization and that after the necessary training, periodic refresher courses should be administered, this agrees to Armstrong and Baron (2005), they stated that once the necessary training has been administered, periodic refresher courses should be required to help the employees maintain necessary skills and maintain high performance standards to ensure that performance is similar and consistent throughout the organization. The study found out that, frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives and that employee reviews should be performed on a frequent and ongoing basis, this concurs with Youngcourt et al., (2007) who stated that frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives.

According to the study, effective use of a performance appraisal system involves keeping and maintaining accurate records of employee's performance and that careful review of the records helps avoid the selective memory. These findings are in line with Crane, (1991), who stated that effective performance appraisal system should ensure keeping and maintaining accurate records of employee's performance.

The study has also illustrated that pay for performance helps motivate and commit the employee, adjustments to pay should come as close in time as possible to the conducted performance review and that pay for performance helps an organization increase revenue and maintain (or attain) profitability. According to Jawahar, (2007), in order for a company to remain competitive, pay for performance was an important strategic management linkage to be obtained and maintained.

According to the study, performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning, it is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition and that performance appraisal ensures properly designed and communicated system that improve performance. These findings concur with Lowenberg and Conrad, (1998) who discovered that performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning. Judge, Higgins, et al, (1999) shared similar sentiment when they indicated that performance appraisal is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on the use of performance appraisal as a strategic management tool at Toyota East Africa Limited, the conclusions and recommendations drawn there too. The chapter is hence structured into summary of findings, conclusions and recommendations.

5.2 Summary

The study found out that TEAL trains its staff and that it uses training as a strategic management tool to a great extent. On the effectiveness of the training methods used at TEAL, the study found out that setting performance standard, use of training courses and seminars, coaching and counseling, providing employees, supervisory assistance and mentoring, job instruction and use of consultants were effective training method used by TEAL. Further, it established that, appraisal systems should be evaluated periodically, training needs to focus on the process of managing, motivating and evaluating employee performance, training and evaluation ensures that appraisal performed in a similar and consistent manner throughout the organization and that after the necessary training, periodic refresher courses should be administered.

On frequency of appraisal, it was established that appraisals in TEAL were done frequently at least semiannually. Further, the study found out that, frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives and that employee reviews should be performed on a frequent and ongoing basis. It was also found that frequent reviews also allow for clarification and revision of objectives, leading to better informed employees who are better equipped to perform their job satisfactorily and frequent reviews help eliminate the effects of generally unconscious, selective memory. The study has also shown that performance appraisal affects performance in TEAL to a great extent.

The study found out that TEAL maintains a record system, and it maintains records as a strategic management tool to a moderate extent. It also established that that effective use of a performance appraisal system involves keeping and maintaining accurate records of employee's performance and that careful review of the records helps avoid the selective memory. Further, it was found out that well-maintained records are essential if the need arises to discipline, demote or dismiss an employee and that if employees are themselves responsible for part of the process of record-keeping it ensures responsibility for their own development.

On pay for performance, the study found out that, at TEAL, pay for performance is used as a strategic management tool and that this is used to a great extent. The study has also illustrated that pay for performance helps motivate and commit the employee, adjustments to pay should come as close in time as possible to the conducted performance review and that pay for performance helps an organization increase revenue.

It was also established that pay for performance allows the employee to distinguish clearly how successful or unsuccessful completion of objectives affects them directly and that pay for performance leads to low return (low recall) and high precision of the job done as the workers understand that financial rewards come after a job well done.

Finally, the study has found out that performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning, it is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition and that performance appraisal ensures a properly designed and communicated system that improves performance.

5.3 Conclusion

The study concludes that, TEAL uses performance appraisal as a strategic management tool. TEAL trains its staff and it uses training as a strategic management tool to a great extent. It also concludes that appraisals in TEAL are done frequently at least semiannually. Further, the study has concluded that, TEAL maintains a record system, and it maintains records as a strategic management tool to a moderate extent. Finally, on pay for performance, the study has concluded that, at TEAL, pay for performance is used as a strategic management tool and this is used to a great extent as it helps motivate and commit the employee.

5.4 Recommendations

The study recommends that organizations should continuously train their staff to continually equip them with the necessary skills to perform their duties. Further, it recommended that training needs to focus on the process of managing, motivating and evaluating employee performance. The study also recommended that after the necessary training, periodic refresher courses should be administered.

The study has also recommended that in organizations reviews should be performed on a frequent; frequent appraisals give supervisors more opportunity to assure that progress is being made in developmental objectives. The study has also recommended that appraisals in organizations be on an ongoing basis; this allow for clarification and revision of objectives, leading to better informed employees who are better equipped to perform their job satisfactorily. The study recommends that organizations should pay their employees based on their performance. Pay for performance helps motivate and commit the employee and thus helps an organization increase revenue and maintain (or attain) profitability.

5.4.1 Recommendation for Policy and Practical Application

The study recommends that TEAL should conduct performance appraisal on regular basis. It further recommends that performance appraisal should be automated to reduce paper work and to ensure that the information on performance appraisal are easily accessed. The study also that TEAL should train its supervisors and employees on the importance and procedure of performance appraisal to ensure that it is similar and consistent throughout the organization.

5.4.2 Recommendation for Further Study

The study recommends that another study on the use of performance appraisal as a strategic management tool be done in another industry other than the motor industry. It therefore recommends that a study on use of performance appraisal as a strategic management tool be done in the banking sector to determine the effectiveness of performance appraisal and its effect on the industry performance.

5.5 Limitation of the Study

This section presents the constraints faced by the researcher while undertaking the study. These are the characteristic of the study and data collection that may affect the credibility of the data obtained.

5.5.1 Lack of Cooperation

Information is a major limitation since the individuals respondents may hesitate to reveal the use of performance appraisal as a strategic management tool at Toyota East Africa Limited and the information obtained may fail to show clearly how performance appraisal as a strategic management tool is conducted by the staff in TEAL. Due to sub-division of departments, it is difficult for the staffs in those departments willingly co-operate and give the correct information. A further, the respondents may be uncooperative in filling in the questionnaires. This will affect the achievement of the study's objectives.

5.5.2 Confidentiality

The respondents may be reluctant to give the information as sought by the study; this is due to the fact that, they fear that the information they give would be made public. This makes the respondents not to cooperate. To mitigate this, the researcher attached an introductory letter with the assurance that the information given by the respondents would be treated with at most confidentiality and will only be used for academic purposes only.

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APPENDICES

Appendix I: Letter of introduction

Samuel Maina

Phone: 0722498075

NAIROBI

Dear Respondent

REQUEST FOR RESEARCH DATA

My name is Samuel Maina and I am currently studying for my Masters in Business Administration in University of Nairobi and as part of my course work; I need to conduct a research based on my area of study. My study is on **USE OF PERFORMANCE APPRAISAL AS A STRATEGIC MANAGEMENT TOOL AT TOYOTA EAST AFRICA LIMITED.**

You have been identified as one of the people that could be of assistance with the research and I thus request your participation in the research. Essentially, you would be required to complete a questionnaire. Your response will be treated with absolute confidentiality. On completion of the research, a paper will be compiled for submission to the study supervisor but the identity of all participants will be treated as anonymous.

Should you require further information or assistance in completing the questionnaire, please do not hesitate to contact me. Please fill in all parts as sincerely as possible by putting a tick on one of the options given, where applicable. For those that require your opinion, please use the space provided.

Thank you in advance.

Samuel Maina

Appendix II: Questionnaire

USE OF PERFORMANCE APPRAISAL AS A STRATEGIC MANAGEMENT TOOL AT TOYOTA EAST AFRICA LIMITED

Section A: Demographic information

1. Name of the respondent (optional).....

2. Position in the organization.....

3. Gender:

Male Female

4. What is your Age?

Below 30 years 31-45 years

46-50 years Above 60 years

5. Your highest level of education

College level and below Undergraduate

Masters Level Phd Level

6. Number of years working in TEAL

1-3 years 3-6 years

7-10 years Above 10 years

Section B: Training

7. Does your TEAL train its staff?

Yes [] No []

i. If no, why.....

8. To what extent does TEAL use training as a strategic management tool?

To no extent [] To a less extent []
 Moderate extent [] To a great extent []
 To a very great extent []

9. A major aspect of developing an effective performance system is training your staff. The following are method used in training staff in organisations. Please indicate your level of agreement to their effectiveness in meeting training objectives. Where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Setting performance standards					
Supervisory assistance and mentoring					
Job instruction					
Conflict resolution					
Job rotation					
Providing employee feedback					
Consultants					
Training courses and seminars					
Coaching and counseling					

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Employee reviews should be performed on a frequent and ongoing basis					
By conducting reviews frequently two situations are eliminated: selective memory by the supervisor or the employee; and surprises at an annual review.					
Frequent reviews help eliminate the effects of generally unconscious, selective memory.					
Frequent reviews ensures a good relationship between supervisor and employee					
Frequent reviews also allow for clarification and revision of objectives, leading to better informed employees who are better equipped to perform their job satisfactorily.					
Frequent reviews give supervisors more opportunity to assure that progress is being made in developmental objectives					

13. To what extent does frequency of performance appraisal affect TEAL performance?

To no extent []

To a less extent []

Moderate extent []

To a great extent []

To a very great extent []

Section D: Maintenance of records

14. Does TEAL have a record maintenance system?

Yes [] No []

In your opinion to what extent do you think TEAL do maintenance of records as a strategic management tool?

To no extent [] To a less extent []

Moderate extent [] To a great extent []

To a very great extent []

15. Please indicate the level of your agreement with the following statement concerning maintenance of records. Where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Effective use of a performance appraisal system involves keeping and maintaining accurate records of employee's performance					
Careful review of the records helps avoid the selective memory					
Well-maintained records are essential if the need arises to discipline, demote or dismiss an employee					
If employees are themselves responsible for part of the process of record-keeping it ensures responsibility for their own development					

Section E: Pay for performance

16. Does TEAL use pay for performance as a strategic management tool?

Yes [] No []

17. To what extent does teal use pay for performance as a strategic management tool?

To no extent [] To a less extent []

Moderate extent [] To a great extent []

To a very great extent []

18. Please indicate the level of your agreement with the following statement concerning pay for performance. Where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Adjustments to pay should come as close in time as possible to the conducted performance review					
Pay for performance helps motivate and commit the employee					
Pay for performance allows the employee to distinguish clearly how successful or unsuccessful completion of objectives affects them directly					
Pay for performance leads to low return (low recall) and high precision of the job done as the workers understands that financial rewards comes after a job well done					
Pay for performance helps an organization increase revenue and maintain (or attain) profitability					

Section F: Performance Appraisal as a Strategic Management Tool

19. Please indicate the level of your agreement with the following statement related to performance appraisal as a strategic management tool. Where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning					
Performance appraisals is an annual burden consisting of a quick meeting between supervisor and subordinate that produce a written review that's filed and forgotten					
Performance appraisal ensures properly designed and communicated system that improve performance					
Performance appraisal is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition					

Thank you for Participating

Section F: Performance Appraisal as a Strategic Management Tool

19. Please indicate the level of your agreement with the following statement related to performance appraisal as a strategic management tool. Where 1=strongly disagree, 2= disagree, 3= Neutral, 4= agree, and 5= strongly agree.

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Performance appraisal is used as a contributor to employee motivation, development, and human resources strategic planning					
Performance appraisals is an annual burden consisting of a quick meeting between supervisor and subordinate that produce a written review that's filed and forgotten					
Performance appraisal ensures properly designed and communicated system that improve performance					
Performance appraisal is used to provide employees with an opportunity to formally indicate the direction and level of the employee's ambition					

Thank you for Participating