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## Employee Attitudes Effect on Human Resource Performance Appraisal Process in United Nations Office at Nairobi, Kenya

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### **Abstract:**

*Performance appraisal is therefore a process of systematically evaluating employees and providing feedback on which performance adjustments can be made. The goal of performance appraisal is to assess and summarize past performance, and develop future work performance goals and expectations.*

*Several comprehensive reviews on UN performance appraisal have been conducted by the International Civil Service Commission (ICSC, 1980, 1989, 1993, 1997). These reviews have triggered implementation of new appraisal systems and adoption of an electronic performance appraisal system as documented by the International Civil Service Commission (ICSC, 2010). Nevertheless, employees continue to raise concerns of appraisal not being a priority to employees and managers, some supervisors not conversant with the process and rebuttals against supervisor ratings. It is against this backdrop that this study sought to understand how employee attitudes affect the human resource performance appraisal process in United Nations Office Nairobi.*

*The study adopted a descriptive survey design which is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables as illustrated by Mugenda & Mugenda (2008). A sample of 50 respondents was used from the target population of 495. The researcher used questionnaire to collect primary data, a pilot test was done and, reliability and validity of the research instruments established. Hague (1993) states that questionnaires draw accurate information, give structure to the interview, provide a standard format and facilitate data processing. The researcher further adopted multiple regression model at 5 percent level of significance to study the strength and direction of the relationship between the variables.*

*The researcher found out that employee attitude significantly affects effectiveness of performance appraisal process. The study concluded that perception of equity, effective communication between supervisors and employees, role clarity affect perceptions of appraisal effectiveness. According to Anderson (2002) the efficacy of a performance appraisal system should be considered effective if it produces desired result despite weaknesses in measurement and absolute accuracy should not be a determinant. The researcher recommends rebranding of the current appraisal system, continuous refresher training and putting in place policies that enforce measurable action points. Future research should consider developing knowledge on how information communication technology, appraisal methods and impact of organizational strategy and culture have on human resource performance appraisal process.*

**Keywords:** *Human resource management, information and communication technologies, performance appraisal system (PAS)*

## **1. Introduction**

### *1.1. Background of the Study*

According to Grint, (1993) the history of performance appraisal system could perhaps be traced back in third-century Chinese practise when the "Imperial Raters" were employed by emperors of the Wei dynasty to rate the performance of the official family members. Since then, the next development of the appraisal system was reportedly done by the Dublin (Ireland) government in evaluating the personnel for the evening posts of legislators by using a rating scale upon personal qualities (Evans, 1986). The other documentations discussing the performance appraisal process were done in the United Kingdom at the onset of 18th Century (Randell, 1994). In US the trend of performance was started in 1813 in the US War department. The performance appraisal process involved the submissions of an army general. This was done using a global rating scale, with descriptions such as "a good-natured man" or "a knave despised by all." (Bellows & Estep, 1954, Weise & Buckley, 1998).

After 1945, the appraisal system was developed to include results-oriented approaches which led to the development of management by objectives (abbreviated as MBO) (Pearce & Porter, 1996). According to (McEvoy & Buller, 1987), the development of self-

appraisal by discussion was added into the appraisal system in 1960s. In the 1990s a 360-degree appraisal process was developed, where information was sought from a wider range of sources and the feedback was no longer dependent on the manager-subordinate power relationship but included groups appraising the performance of line managers and peer feedback from peer groups on individual performance (Redman, Snape, Thompson, & Yan, 2000).

Modern organizations have been dependent upon the sum total of performance of its employees who set goals, objectives and work towards its realization (Oshode, Alade, & Ogunro, 2014). Generally, performance appraisal serves four key functions: assist with compensation, promotion, training and performance feedback. According to Alam, Saeed, Sahabuddin, & Akter (2013), note that the success of an organization depends on its ability to measure accurately the performance of its employees and use it objectively to optimize human resources. According to Anderson (2002) the efficacy of a performance appraisal system should be considered effective if it produces desired result despite weaknesses in measurement and absolute accuracy should not be a determinant.

This adds weight to Cash, (1993) views which underscore the inability of having improvements without feedback. Therefore stressing the need for employees to make adjustments in job performance or receive positive reinforcement for effective job behaviour. From an international perspective, performance appraisal practices are considered essential management tools. Darehzereshki (2013) noted that multinationals and international agencies have had to embrace performance appraisal processes to effectively remunerate employees. Contemporary employee trends have revealed that executive compensations are guided by evaluating previous performance appraisals. These may vary significantly between countries (Milliman et al.2002). However, when an evaluation process is used in an international organization, the processes and perceptions of it are often believed to have fairness and accuracy (Darehzereshki 2013).

### *1.2. Statement of the Problem*

Following the request of the General Assembly, the International Civil Service Commission was tasked to conduct a comprehensive review on the UN performance appraisal process (ICSC, 1980). The study highlighted performance appraisal techniques used by the organizations of the UN common system (ICSC, 1980). The ICSC established a need for a performance appraisal system and recommended need for a model performance appraisal form for use within the UN common system, effective 1st January 1982 (ICSC, 1982). The General Assembly (GA) while endorsing the general approach, the committee did not believe all the concerns of the organizations were taken into account (ICSC, 1982).

The International Civil Service Commission (1989) conducted another study which indicated that there were fragmented appraisal systems within the UN common system and staff raised issues of motivation and productivity with regards to satisfactory performance. Consequently, a General Assembly resolution instructed the ICSC (1991) to review merit systems and performance appraisal in the UN system as a vehicle for enhancing productivity and cost-effectiveness. Research in performance appraisal has demonstrated that performance appraisal characteristics (such as appraisal purpose and source) can elicit positive employee reactions to performance appraisal and, which in turn, can motivate employees to improve their individual and overall organizational performance (DeNisi and Pritchard 2006).

In 1995, International Labour Organization (ILO) and World Health Organization (WHO) were advised to discontinue long-service and merit increases in favour of lump-sum bonuses to align with other UN organizations (ICSC, 1995). Three years later an additional comprehensive review was undertaken where staff raised issues with rewards. This led to replacement of cash awards to any individual staff for a given performance period should not exceed ten percent of the mid-point of the base salary (ICSC, 1997). Darehzereshki (2013) noted that multinationals and international agencies have had to embrace performance appraisal processes to effectively remunerate employees.

Following the findings from the Joint Inspection Unit investigation in 1993, a new performance appraisal system was established (ICSC, 1999). The previous studies persuaded Human Resource network with the UN system to consider performance management systems in the context of a reward of contribution (ICSC, 2003). Empirical research had established that United Nations Population Fund (UNFPA) had successfully implemented an innovative and effective performance appraisal system (ICSC, 2008). A working group comprising of United Nations organizations looked into the different performance appraisal system and identified common traits. In 2005 the Office of Internal Oversight Services (OIOS) recommended coordinating and collaboration in performance appraisal and incentives (ICSC, 2005). The provisions of these findings led to revision of an appraisal application system (i.e. ST/AI/2010/5), but the functions were maintained to date. It is against this backdrop that the study seeks to understand how employee attitudes affect effectiveness of performance appraisal process.

### *1.3. Justification of the Study*

Keeping in mind that the effectiveness of performance appraisal has been studied in different contexts, (Ishaq, 2009), the study chose to specifically evaluate the performance appraisal system used in the United Nations offices by inquiring the view of the employees.

### *1.4. Significance of the Study*

In spite of some improvements made to the system the study has noted that there has not been any academic research that has been conducted to evaluate whether UNON was able to successfully implement all the recommendations.

### *1.5. Scope of the Study*

It must be noted that the UNON administrative hub which covers the HRM functions for UN-HABITAT and UNEP facilitates the performance appraisal system. Since this is an enormous mandate, the study noted that evaluating everyone within the UNON

appraisal system would be impossible; therefore, the study chose to concentrate on UNEP staff who voluntarily decided to respond to the questionnaires that were administered. The target population was 495 employees of UNEP.

### 1.6. Limitation of the Study

This study provides very little basis for scientific generalization since it used a small number of subjects within United Nations which may not be replicable in other organizations.

## 2. Literature Review

### 2.1. Theoretical Review

The theoretical framework of this research is divided into two parts: first part provides an overview of the current theories about the variables, while second part refers to performance of human resource appraisal processes. The two informed the conceptual framework that was developed.

#### 2.1.1. Expectancy Theory

Expectancy theory also known as Valence-Instrumentality-Expectancy Theory was developed by Victor H. Vroom (1964) from his study on the motivation behind decision-making. This theory of motivation provides an explanation as to why an individual chooses to act out a specific behavior as opposed to another Vroom (1964). Expectancy theory is based on the hypothesis that individuals adjust their behavior in the organization on the basis of anticipated satisfaction of valued goals set by them. This theory underlines the concept of performance management as it is believed that performance is influenced by the expectations concerning future events (Salaman et al, 2005).

Expectancy theory is based on an employee's beliefs and has the following variables: Valence (V) describes the emotional orientations which employees hold with respect to outcomes (rewards) and the value an employee attaches to first and second order outcomes. Expectancy (E) refers to employees' different expectations and levels of confidence about what they are capable of doing and the belief that effort will lead to first order outcomes. Instrumentality (I) defines the perception of employees whether they will actually receive what they desire, even if it has been promised by a supervisor and the perceived link between first order and second order outcomes. These three factors interact together to create a motivational force for an employee to work towards pleasure and avoid pain. First order outcome is the behavior that results directly from the effort an employee expends on the job while second order outcome is anything good or bad that results from a first-order outcome. The formula for this force is:  $\text{Motivation Force} = \text{Expectancy} \times \text{Instrumentality} \times \sum (\text{Valence}(s))$

An employees' thought process is required to make the connections between performance, effort, and outcomes. However, employees in some cases may misinterpret a situation and are not able to align the values properly to the outcome and this questions the validity of the process.

### 2.2. Conceptual Framework

Miles and Huberman (1994) defined a conceptual framework as a visual or written product, one that "explains, either graphically or in narrative form, the main things to be studied—the key factors, concepts, or variables—and the presumed relationships among them". This study adopted a conceptual framework to describe the employee attitudes relationship to performance appraisal process. The conceptual framework for the study is shown in figure 1 below;

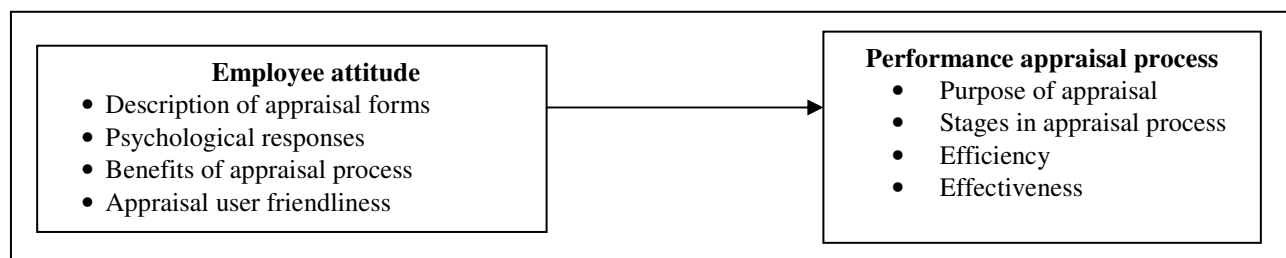


Figure 1

#### 2.2.1. Operationalization of the Variables

##### 2.2.1.1. Employee Attitude

This variable seeks to understand employees' description of the appraisal forms used in the organization and evaluate their consistency, reliability and validity. Furthermore, employees will state the kind of psychological responses that the appraisal process elicits for instance, satisfaction, acceptance, motivation, fear, loathing, resistance, denial, aggression and discouragement. These responses may be positive or negative. To apprehend employee attitudes, the researcher investigates benefits of performance appraisal from the respondents' perspective with regards to appraise, appraiser and organization.

The appraisee may experience the following benefits: increased job motivation and satisfaction, clear understanding of expectations, opportunity to discuss aspirations, improved working relationships, counselling and guidance and increased sense of personal value. For the appraiser benefits may include: opportunity to develop an overview of individual jobs, link team and individual with department and organizational objectives, clarified expectations, reprioritize targets, enhance productive relationships and increased sense of personal value. The organization would benefit from the appraisal process through: improved overall performance, improved overview of tasks performed, identification of ideas for improvement, creation of a culture of continuous improvement and communication to staff that they are valued. The respondents also highlight their opinion towards electronic performance appraisal system user friendliness whether they agree, slightly agree, are neutral, slightly disagree or disagree.

#### 2.2.1.2. Performance Appraisal Process

This dependent variable is being influenced by the independent variable discussed above including: employee attitudes, top management support, training and organizational policies.

This variable seeks to ascertain the managements' purpose of instituting performance appraisal process in the organization. Management may apply appraisals to evaluate and/or develop employees as its primary purpose. Nonetheless the study explored if the employees have a better understanding of the performance appraisal phases. The appraisal process is considered effective when there is feedback on performance and developmental meetings are held between supervisor and employees.

The efficiency of the process can be determined by the number of respondents who have experienced difficulty in using the performance appraisal system, stages they have encountered problems and their rating on electronic performance appraisal user friendliness. The level of proficiency of respondents in each stage can also be used to explain the efficiency of appraisal process because it directly affects how they use the online system. For instance, when most respondents are proficient in a particular stage it implies that they are using the system efficiently and the converse is true. Furthermore, if they are partially proficient it indicates that the system is not efficient and effective. The main stages being considered in the appraisal process are: registration, developing work plan, mid-point review and end of cycle phase. Furthermore, the frequency of training on performance appraisal process reflects on the sharing of information to enable employees better understand the system, become proficient and effectively and efficiently use performance appraisal system.

### 2.3. Empirical Review

#### 2.3.1. Employee Attitude

Farndale and Kelliher (2013) explored the employee experience in implementing the performance appraisal focusing on perceptions of justice in relation to organizational commitment. The researchers conducted a multilevel analysis of 4,422 employees across 22 business units in Europe, this showed that organizational unit with high trust in senior management have both higher levels of commitment, and show a stronger link between employee perceptions of fair treatment by their line manager during performance appraisal, and organizational commitment. The study provides initial evidence that the impact of line manager actions is important for employee-level outcomes but is also constrained by the organizational climate.

Mensah and Seidu (2012), performed a study on employees' perceptions of performance appraisal biases or errors, and examined the implications for developing and implementing an effective appraisal system in a polytechnic in Takoradi, Ghana. Data was collected from 140 employees of the institution, including academic and administrative staff who had worked for at least two consecutive years. Descriptive research design was used. A content validated semi-structured interview schedule was used to interview the respondents. The findings indicate that employees perceive that PA system is affected by subjectivity, and is influenced by some major errors.

Stylianos, George, Ourania and Vasilios (2013), performed a review of employee performance appraisal in health clubs and sports organizations in United States of America. The health and fitness club industry is highly competitive, which is recorded at 133,000 fitness centers worldwide with profits of 72.7 billion dollars, an organization in order to be viable requires from the employees' maximum work performance. This review highlighted the importance of a valid and reliable human resources assessment whereas organizations prosperity competitiveness and effectiveness is increased as well as a strategic planning is developed.

Singh et al (2013) purposed to investigate the relationship between performance appraisal and employee performance among employees of service and manufacturing sector organizations in India. Data was collected by standard questionnaire and random sampling from over 100 organizations both for service and manufacturing sectors. Correlation and regression analysis were used to explore the relationship between them. SPSS, Version 20 was used for analysis. Overall 52percent and 32percent of the variance in employee performance can be derived for by performance appraisal in the case of service sector organizations and manufacturing sector organizations respectively.

Mukanzi (2013) sought to find out factors affecting performance appraisal process in Telkom Kenya. Target population consisted of 150 employees in department of mass market and customer care and sample under study was 50 employees. Data was collected using questionnaires and a descriptive research design was used to analyze the data. The study found out that majority of the respondents had indicated that they were not satisfied with the compensation package given after the performance appraisal process.

Dqarehzereshki (2013) studied the role of the performance appraisal quality (independent variable) on one important human resource management outcome which is job satisfaction (dependent variable). Using data from 133 employees of multinational companies in Malaysia, employees' performance appraisal experiences were identified. Regression analysis was then employed to examine the relationship between performance appraisal quality of employees and job satisfaction. Employees with high quality performance appraisal experiences were more likely to be satisfied with their job. The challenge HR practitioners is to decide whether the

allocation of additional resources to ensure that all employees have a uniformly high quality performance appraisal experience is a worthwhile investment.

### 2.3.2. Performance Appraisal Process

Ratnawat and Jha (2013), attempted to shed new light on effectiveness of performance management systems in terms of perceived effectiveness on one hand and variations in stakeholders perception based on demographic and other variables. A questionnaire survey was conducted in an engineering organization in India. The outcomes reveal that the performance management system of the organization is quite effective. However, there is scope for improvement as indicated by low rated variables. A predictive model was developed to establish the relationship between the significant variables of performance management system and performance improvement.

Lawler, Benson and Mc Dermont (2012) research suggested that performance management systems can be effective if they are designed and executed correctly in United States of America. Performance management systems are effective when they are based on goals, competency models that are jointly set and are driven by an organization's business strategy. Consequently, salary increases and bonuses incentives, senior management leadership and ownership of the appraisal process, appraisal training, holding the human resource and management accountable for how well they do appraisal and using measures of how results are achieved are important ingredients to effectiveness.

Nuti, Seghieri and Vainieri (2012) assessed the effectiveness of a performance evaluation system in the public health care sector focusing on novel evidence from the Tuscany region in Italy. The researchers pointed out five critical success factors: the visual reporting system, the linkage between performance evaluation system and chief executive officer's reward system, the public disclosure of data, the high level of employees and managers involvement into the entire process and the strong political commitment. Scholars suggest the use of a constructive approach in order to gain effective changes in human organization. Rahim (2012) critically evaluated the existing performance appraisal systems of Mercantile Bank Limited, Bangladesh. The researcher reviewed existing literatures and collected relevant information from the bank. In addition, he provided some recommendations to overcome the problems involved with the existing performance appraisal system of Mercantile Bank Limited.

Ishaq, Iqbal and Zaheer (2009), conducted a study to assess effectiveness of PA while exploring its outcomes and detriments in Pakistani public and private sector organizations. They collected data through survey of 127 managers and employees. The findings revealed that the awareness level about outcomes of effective performance appraisal is more than factors that can harm effectiveness of PA. Managers hold different views from employees regarding detriments to PA effectiveness whereas, regarding outcomes of PA effectiveness, male and female managers/operatives have different views.

### *2.4. Critique of Literature*

Performance appraisal process is being widely practiced in organizations worldwide (Dechev, 2010). Bellows and Estep, (1954) and Alam, (et. al. 2013) report there is a considerable gap between theory and practice and that human resources specialists do not make full use of the psychometric tools available. In as much as this point of view makes sense, Chowdhury, (2011) counters this argument by noting that line manager' needs are simple and easy to administer. Hence psychometric tools do not in any way contribute towards the effectiveness of the performance appraisal which could otherwise become time consuming and cost ineffective. Another portion of criticism in as far as performance appraisal is concerned emanates from the fact that performance appraisal increases the dependency of the employees on their superiors.

Whenever the process of performance appraisal is conducted by managers who are often not trained to be appraisers, the genuine feedback is obstructed (Dechev, 2010). This is because it includes subjectivity and bias of the raters, which leads to incorrect and unreliable data regarding the performance of the employee. This depletes the essence of the process because the appraisal activity is reduced to a bitter process of assessment which can create emotional pressures, stress and sometimes can adversely affect the morale and lead to de-motivation (Farndale & Kelliher, 2013).

Furthermore, Khan(2013) argues that performance appraisals are often time consuming and use incorrect methods to measure performances. His views underscore that generating false results and decisions can be politically influenced and the results thereof could impede any progress made within an organization. Similarly, Dechev (2010) noted that the struggle to remain sustainable and competitive should supersede the suggestions made by human resources professionals because there is a more pressing need to collaborate more intensely in designing strategies that are productive and humane.

This view out rightly undermines the effectiveness of the performance appraisal systems. Accordingly, Dechev(2010) noted that a generation ago appraisal systems tended to emphasize on employee traits, deficiencies and abilities, however, the development of the employee and organization relations has drastically changed the modern appraisal philosophy by emphasizing on the present performance and future goals (which focus on the organizational culture).

The aforementioned perspectives on performance appraisal reveal that human resource authors have varying perceptions on appraisal procedures. The assumption that people want to satisfy some of their needs through performing work activities that provide them with a supportive environment, is therefore subject to investigation. The overarching need to perform meaningful tasks, work towards meeting objectives, and work towards personal growth seem to supersede the significance of having an effective appraisal system. Notwithstanding, the factors affecting the reliability of a performance appraisal system deserve attention.

### 2.5. Research Gaps

According to Akinbowale, Lourens, and Jinabhai, (2013) a well-administered performance appraisal system gives credibility to assigning proper compensation and rewards. The purpose for appraising is to encourage performance improvement plans for poor performers, improves morale and productivity, and appraisal records may act as proof that organizational policies have been adhered to. While this seems to be underscored in journals and human resource publications, evaluating the effectiveness of the appraisal systems seems to be a silent phenomenon.

Based on this view, it is worth noting that there has been extensive research world-wide on - performance appraisal methods, (Asamu, 2013). However, the factors attributing to the effectiveness have not been widely explored. Chowdhury, (2011) argues that research on international organizations mainly focuses on exploring the best practices of performance appraisal in Multi-national organizations, however gaps are usually downplayed. Additionally, Davis(1995) comments that meta-analysis studies abstractly mention the features entailed in evaluation systems. His view point highlights that the processes within appraisal systems are not extensively discussed by human resource publication.

According to Carrigan(2013), studies on performance appraisal seem to be deficient of the need for developing the employee skills and interpersonal relations. It seems that the modern appraisal philosophy emphasizes on the present performance and future goals. It is against this backdrop that this study sought to explore how employee attitudes affect the effectiveness and efficiency of performance appraisal process in United Nations Office Nairobi.

## 3. Research Methodology

### 3.1. Research design

Kothari (2004) defines research design as the plan and structure of investigating so conceived as to obtain answers to research questions. This study adopted a descriptive survey design. A survey design as described by Mugenda & Mugenda (2008) is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables. This type of research design attempts to describe conditions of the present by using many subjects and questionnaires to fully describe a phenomenon.

### 3.2. Target population

Population refers to the larger group from which a sample is taken (Orodho, 2003). According to records there were up to 495 staffs in UNEP which is the Headquarters located in Nairobi and there are several UN agencies, programs and funds that operate within UNON. The targeted population for the study thus includes the following: All GS Staff; all Hiring Managers and all HR Focal Points in UNEP as illustrated in Table 1:

Category	Population	Percentage
General Staff	468	94
Hiring Managers	18	4
HR Focal points	9	1
<b>Total</b>	<b>495</b>	<b>100</b>

Table 1: Target Population  
Source: UNON (2013)

### 3.3. Sample, Sampling Frame and Sampling Technique

A sample may be defined as representative unit of a target population, which is to be worked upon by researchers during their study. The sample represents a manageable size (Mugenda & Mugenda, 2003). This study targeted 10 percent of the target population as advocated by Mugenda and Mugenda (1999). Therefore, in total, a sample of 50 subjects will be selected from the target population of 495. Details of the sample are as follows:

Category	Population	Sample Ratio	Sample Size
General Staff	468	0.1	47
Hiring Managers	18	0.1	2
HR Focal points	9	0.1	1
<b>Total</b>	<b>495</b>	<b>-</b>	<b>50</b>

Table 2: Sample Distribution

### 3.4. Research Instruments

The literature review in chapter two served as the basis for the development of the questionnaire for the purposes of this study. Kotler (2000) states that when preparing a questionnaire, questions, their form, wording and sequence should be carefully chosen. It is important to note that the form of the question asked can influence the response. Distinction should be made between open-end and closed-end questions.

### 3.5. Data collection Procedure

The researcher used questionnaires to collect primary data. The questionnaires were self-administered and distributed to the respondents and reasonable time given before they could be collected. During this process, great care was taken to ensure that data were properly cleaned, edited, classified, coded and stored. Coding data involved transforming responses such as 'fully/partially/little or no support' or 'yes or no' into numerical form for quantitative analysis. The researcher also created code categories for qualitative data. To clean and edit data, the study ensured consistency and appropriateness of responses, where decisions are made and confirming data entry into a computer or transcribing data onto code sheets. Secondary data was collected by a study of records and documents in various departments in the organization involved in human resource appraisal processes; data that was collected concerned written records about variables understudy and reports with documentary evidence.

### 3.6. Pilot Test

Pilot study illustrates where research protocols may not have been followed or whether proposed methods or instruments are inappropriate or too complicated. According to Connelly (2008), extant literature suggests that a pilot study sample should be 10percent of the sample projected for the larger parent study. As a result, the study adopted 10participants for the pilot study covering the general service staff, hiring managers and human resource focal points.

#### 3.6.1. Reliability of Research Instruments

Joppe (2000) defines reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable.

Internal consistency method refers to the consistency of scores using a single administration of an instrument. The three major types of testing internal consistency include: split-half, Kuder-Richardson approach and Alpha coefficient. Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1. In addition, reliability estimates show the amount of measurement error in a test. Put simply, this interpretation of reliability is the correlation of test with itself. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale. Based upon the formula  $\alpha = \frac{rk}{[1 + (k - 1)r]}$  where k is the number of items considered and r is the mean of the inter-item correlations the size of alpha is determined by both the number of items in the scale and the mean inter-item correlations. George and Mallery (2003) provide the following rules of thumb: " $\alpha > .9$  – Excellent,  $\alpha > .8$  – Good,  $\alpha > .7$  – Acceptable,  $\alpha > .6$  – Questionable,  $\alpha > .5$  – Poor, and  $\alpha < .5$  – Unacceptable". While increasing the value of alpha is partially dependent upon the number of items in the scale, it should be noted that this has diminishing returns. It should also be noted that an alpha of 0.8 is probably a reasonable goal. The researcher obtained a 0.7 alpha.

#### 3.6.2. Validity of the Research Instruments

A valid instrument is one which measures what it is supposed to measure (DeVellis, 2003). It also enables researchers to interpret variables and the relationships between variables in a more theoretically meaningful fashion (Bagozzi, 1980). Evaluating a scale's content validity is a critical early step in enhancing the construct validity of an instrument (Haynes, Richard, & Kubany, 1995). Among researchers, the most widely used method of quantifying content validity for multi-item scales is the content validity index (CVI) based on expert ratings of relevance. Lynn (1986) provided widely-cited guidelines for what an acceptable I-CVI should be in relation to the number of experts. She advocated that when there are 5 or fewer experts, the I-CVI must be 1.00—that is, all experts must agree that the item is content valid. When there are more than 5 experts, there can be a modest amount of disagreement (e.g., when there are 6 experts, the I-CVI must be at least .83, reflecting one disagreement). Another approach for the S-CVI is to compute the I-CVI for each item on the scale, and then calculate the average I-CVI across items. The researcher sought 5 experts to assess the instrument achieved a 0.80 I-CVI hence considered evidence of good content validity.

### 3.7. Data Analysis and Presentations

Data collected was analyzed using both quantitative and qualitative methods with the help of (SPSS) version 20 and excel. The findings were presented using tables and graphs for further analysis and to facilitate comparison. This generated quantitative reports through tabulations, percentages, and measure of central tendency. The researcher further adopted multiple regression model at 5percent level of significance to study the strength and direction of the relationship between the independent variable. Performance of human resource appraisal process was regressed against dependent variable. The equation was expressed as follows:

- $Y = \beta_0 + \beta_1 X_1 + \epsilon$ , where,
- Y= Performance of human resource appraisal process,
- $\beta_0$ = constant (coefficient of intercept),
- $X_1$ = Employee Attitude
- $\epsilon$  = error term;
- $\beta_1$ = regression coefficient of employee attitude.

#### 4. Data Analysis, Results and Interpretations

##### 4.1. Response Rate

From the data collected, out of the 50 questionnaires administered, 40 questionnaires were fully completed and returned making a response percent of 80 percent. This percentage concurs with Mugenda and Mugenda (2003) who argues that for generalization a response rate of 50 percent is adequate for analysis and reporting, 60 percent is good and a response rate of 70 percent and over is excellent, thus 80 percent was excellent for an analysis. This high response rate can be attributed to the data collection procedures, where the researcher pre-notified the potential participants and applied the drop and pick method where the questionnaires were picked at a later date to allow the respondents ample time to fill the questionnaires. The response rate was adequate for the study to make relevant conclusions.

Response	Frequency	Percentage
Filled-in Questionnaires	40	80
Unreturned Questionnaires	10	20
<b>Total</b>	<b>86</b>	<b>100.00</b>

Table 3: Response Rate

##### 4.2. Reliability Analysis

Reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency. Cronbach's alpha was calculated by application of SPSS version 21 for reliability analysis. The value of the alpha coefficient ranges from 0 to 1 and is used to describe the reliability of factors. A higher value shows a more reliable generated scale. Cooper & Schindler (2008) have indicated 0.7 to be an acceptable reliability coefficient.

Table 4 shows that organizational policies had the highest reliability ( $\alpha=0.788$ ) followed by employee attitude ( $\alpha=0.787$ ), top management support ( $\alpha=0.777$ ) and training ( $\alpha = 0.761$ ). This illustrates that all the four variables were reliable as their reliability values exceeded the prescribed threshold of 0.7 and therefore the instrument was reliable for data collection (Mugenda & Mugenda, 2008).

Variable	Cronbach's Alpha
Top management support	.777
Employee attitude	.787
Organizational policies	.788
Training	.761

Table 4: Reliability Coefficients

##### 4.2.1. Gender of the Respondents

Further the study assessed gender distribution of the respondents in order to establish if there is gender balance in the positions indicated. From the findings as indicated in Figure 4.1, majority (57percent) were male respondents with (43percent) being female respondents. This implies there were more males than female respondents though with less disparity meaning that there is gender balance among the employees in the organizations.

##### 4.2.2. Age Distribution

From the findings, 40percent indicated that they ranged between 41-50 years, followed by those who indicated that they are 51 and above years with 11percent and 5percent and indicating that they were 31-40 years and 20-30 years respectively. This implies that majority of the respondents were at their maturity stage and therefore able to handle their roles responsibly and could provide credible information sought by the study. The findings support Haugh and Kitson, (2007) that age is associated with experience and responsibility at work place.

##### 4.2.3. Level of Education

From the study findings 40percent indicated that they had university first degree, followed by those who indicated that they had diploma at 33percent with few 14percent indicating that they had master's degree and 7percent doctorate qualification respectively. Katz, Lazer, Arrow & Contractor, (2004) associated the education level of employees with business success with findings that, those with higher levels of education are more successful because higher education provides them knowledge and modern managerial skills, making them more conscious of the reality of the business world and thus in a position to use their learning capabilities to manage human resource appraisal processes.

##### 4.2.4. Years of Service in the Organization

From the study findings as indicated in Figure 4.4, majority 40percent of the respondents indicated that they had been in their position for a period ranging from 5-9 years followed by those who indicated that they had been in the position for a period of 10-19 years, (20percent) indicating that they had 0-4 years and with only few 10percent indicating that they had been in their position for a period more than 20 years. The findings collaborate Larsen, (2012) observation that the longer employees stick with their organization the



more they demonstrated an explicit motivation that was not for financial gain but a wish to make a difference. Human Resource appraisal processes would ordinarily thrive under such circumstances where their management remains focused in realizing both their objectives and economic outcomes.

#### 4.3. Employee Attitude

The study investigated respondents' views on performance appraisal forms used on the consistency, reliability and validity. From the study findings 40percent of the respondents indicated not at all consistent, 44percent of the respondents stated that they were reliable and 40percent indicated that they were not valid at all. This study supports, Stylianos et. al (2013) highlighted importance of a valid and reliable human resource assessment that increases the organizations competitiveness and effectiveness as well as strategic planning.

The study explored respondents' views on performance appraisal process improve the performance commitment, organizational commitment and job satisfaction. From the study findings 40percent of the respondents indicated not at all their performance commitment improved by the use of performance appraisal process, 44percent of the respondents also stated that organizational commitment partially improved by the use of performance appraisal process and 40percent of the respondents stated that job satisfaction improved by the use of performance appraisal process. These findings align with Asamu (2013) that there is a significant relationship between performance appraisal and worker's performance; and employee commitment to goals and objectives of the organization.

The study assessed respondents' views on psychological responses have performance appraisal process elicited in the organization. From the study findings 40percent of the respondents indicated 55percent on satisfaction 25percent on acceptance and motivation on positive responses, 40percent of the respondents stated that resistance and 35percent on aggression and 35percent of respondents stated discouragement, denial and loathing. Consequently, this study corresponds with Mukami (2013) that performance appraisal may elicit negative responses for instance employees expressing dissatisfaction with compensation packages given after performance appraisal. In addition, Dqarehzereshki (2013) study supports these findings as his study asserted that employees with quality experiences were more likely to be satisfied with the job.

The study explored respondents' views on some of the benefits of performance appraisal process for the appraisee, appraiser and for the organization. From the study findings, (76percent) of the respondents indicated identification of ideas for improvement for the organization for the organization, 65percent of the respondents stated that it helps to reprioritize the targets for the appraiser and 70percent stated that it helped to improve working relationships on satisfaction. Subsequently, this study supports Khan (2013) model indicating that on average positive appraisals depend on employee's perception of the manager's ability to assess performance accurately. Furthermore, Malcolm and Jackson (2002), noted that employees need to progress in their current positions, strengthen and require further development, match employees' skills with job positions, emphasize decisions regarding pay, benefits promotion and providing feedback.

#### 4.4. Performance Appraisal Process

From the study findings majority (65percent) of the respondents indicated perceptions of equity and communication effectiveness, 55percent stated instruments and estimates used and role clarity and 60percent Of the respondents indicated that expectancy affected effectiveness of the performance appraisal process.

#### 4.5. Inferential Statistics

##### 4.5.1. Correlation Analysis

Pearson correlation was used to measure the degree of association between variables under consideration i.e. independent variables and the dependent variables. Pearson correlation coefficients range from -1 to +1. Negative values indicates negative correlation and positive values indicates positive correlation where Pearson coefficient <0.3 indicates weak correlation, Pearson coefficient >0.3<0.5 indicates moderate correlation and Pearson coefficient >0.5 indicates strong correlation.

	HR appraisal process	Top management support	Employee attitude	Training	Organizational policies
HR appraisal process	1				
Top management support	.682	1			
Employee attitude	.779	.551	1		
Training	.713	.691	.711	1	
Organizational policies	.611	.324	.614	.713	1

Table 5: Correlation Coefficients

\*. Correlation is significant at the 0.05 level (1-tailed).

The analysis above shows that employee attitude has the strongest positive (Pearson correlation coefficient =.779; P value 0.000) influence on human resource appraisal process.

#### 4.5.2. Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.771	.590	.021	0.221

Table 6: Model Summary

The independent variable that was studied explains 59.0 percent of the human resource appraisal process as represented by the  $R^2$ . This therefore means that other factors not studied in this research contribute 41.0 percent of the human resource appraisal process. This implies that these variables are very significant therefore need to be considered in any effort to boost human resource appraisal process in international organizations in Kenya. The study therefore identifies variables as critical factors affecting performance of human resource appraisal process.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.534	4	.3800	4.000	.0449 <sup>a</sup>
	Residual	3.307	35	.0940		
	Total	3.465	39			

Table 7: ANOVA

**NB:** F-critical Value 2.33 (statistically significant if the F-value is less than 4.00: from table of F-values).

**a. Predictors: (Constant),** top management support, training, organizational policies and employee attitude.

The significance value is 0.0449 which is less than 0.05 thus the model is statistically significant in predicting how top management support, training, organizational policies and employee attitude influence the performance of human resource appraisal process. The F critical at 5 percent level of significance was 2.33. Since F calculated (value = 4.00) is greater than the F critical (value = 2.33), this shows that the overall model was significant.

The study ran the procedure of obtaining the coefficients, and the results were as shown on the table below.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.564	1.2235		1.615	0.367
	Top management support	.752	0.1032	0.152	4.223	.0299
	Employee attitude	.767	0.3425	0.054	3.724	.0282
	Training	.505	0.2178	0.116	3.936	.0351
	Organizational policies	.439	0.1937	0.263	3.247	.0475

Table 8: Coefficient Results

Multiple regression analysis was conducted as to determine the relationship between performance of human resource appraisal process and the four variables. As per the SPSS generated table above, the equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ ) becomes:  
 $Y = 13.564 + 0.752X_1 + 0.767X_2 + 0.505X_3 + 0.439X_4$

According to the regression equation established, taking all factors into account (top management support, training, organizational policies and employee attitude) constant at zero was 13.564. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in top management support will lead to a 0.752 increase in performance of human resource appraisal process; a unit increase in employee attitude will lead to a 0.767 increase in performance of human resource appraisal process, a unit increase in training will lead to a 0.505 increase in performance of human resource appraisal process and a unit increase in organizational policies will lead to a 0.439 increase in performance of human resource appraisal process. This infers that employee attitude contributes the most towards effectiveness of performance appraisal process. At 5 percent level of significance, top management support had a 0.0299 level of significance, employee attitude showed a 0.0282 level of significance, training showed a 0.0351 level of significance, and organizational policies showed a 0.0475 level of significance hence the most significant variable is employee attitude.

## 5. Summary, Conclusions and Recommendations

### 5.1. Summary of the findings

#### 5.1.1. Employee Attitude

From the study findings 35 percent indicated that appraisal fully improved performance commitment while 25 percent answered that it does partially. Therefore, the majority 60 percent agreed it supported performance commitment. In addition, 44 and 34 percent of respondents felt appraisal improved organizational commitment partially and fully respectively. As a result, 78 percent agreed that

appraisal improves organizational commitment. 35 percent and 25 percent indicated that appraisal process has contributed to job satisfaction partially and fully respectively.

The study established that there were varied psychological responses on the appraisal process. The majority 55 percent experienced satisfaction hence a positive response while 40 percent experienced resistance to the process as a negative response. Employees also highlighted benefits they obtain from the appraisal process. 76 percent felt that the appraisal assists the organization in identifying ideas for improvement while 45 percent viewed it as improving the tasks performed. Therefore, most employees felt the appraisal process was beneficial to the organization. The majority 65 percent felt that reprioritizing targets was the key benefit for the appraisers or supervisors while 45 percent felt enhanced productive relationships was the least advantage. 70 percent of respondents felt that improved working relationships was a direct advantage to employees while the least merit were opportunity to discuss aspirations, and increased motivation and job satisfaction. As a result, these findings are in tandem with goal-setting theory which advocates that goals have a pervasive influence on employee behaviour and performance in organizations and management practice (Locke and Latham, 2002).

#### 5.1.2. Performance Appraisal Process Effectiveness

The study sought to explore the factors that affect effectiveness of performance appraisal process. The respondents showed that perception of equity and communication effectiveness was most considered by 65 percent of employees while over 55 percent attributed effectiveness to instruments and estimates used expectancy, merit and pay administration and role clarity. This indicates that effectiveness of performance appraisal lies on perceptions of equity, communication effectiveness and expectancy from employees.

#### *5.2. Conclusions*

The study deduces that employee attitudes affect the effectiveness of performance appraisal and this can be seen from the respondent's revelation that perception of equity, effective communication and role clarity are key factors affecting effectiveness of appraisal process. In addition, the employee's assessment of the appraisal forms to be consistent, reliable and valid are important to the design of an appraisal system. Employee psychological responses towards the appraisal process indicate that it elicits various responses which may affect its effectiveness. Performance appraisal process also improves the performance commitment, organizational commitment and job satisfaction.

#### *5.3. Recommendations*

Based on the findings that employee's attitude plays an important role in the appraisal process, management should change how employees perceive performance appraisal process. This can be done by rebranding the name performance appraisal to terms such as "Career Path Management sessions". At Standard Chartered Bank the appraisal process is called "Conversations that Count". By just changing what the process is called, the organization can change the feelings associated with the process. In addition, the rebranding should have employee participation at its core. The supervisors should solicit comments and suggestions regarding the appraisal process. The organization may institute 360-degree performance appraisal where employees rate their supervisors. Subsequently, this set in an empowerment feeling with belief that appraisal is more balanced and even handed.

#### *5.4. Future Research*

In light of this case study there are a number of areas which future research should consider developing the body of knowledge surrounding performance appraisal processes. The first area of research could assess the impact of information communication technology on performance appraisal process. Although the current study has found there is a relationship between employee attitude and effectiveness of performance appraisal process, it could be important to find out how the software designs, employee involvement, implementation and maintenance of the appraisal system affects effectiveness of appraisal process.

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