

EMPLOYEES VIEW ON PERFORMANCE APPRAISAL PROCESS AND ITS EFFECT ON WORK ATTITUDE; THE CASE OF KENYA SEED COMPANY LTD

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Abstract: Performance appraisal is a means of evaluating employees' current past performance standards set by the organization. The purpose of the study was to establish the employees' views on performance appraisal process and its effect on work attitude in Kenya seed Company Limited. Stratified random sampling technique was used to select the 71 employees. The data collected from the field was analyzed using descriptive statistics. The results were then presented in tables, pie charts and bar graphs. On overall, the study found out that performance appraisal if carried out as a matter of routine improves the work performance in the organization. It was recommended that the management should continue embracing performance appraisal and employees to get more information on the standards against which they are being rated.

Keywords: Appraisal, Performance, Work Attitude.

1. INTRODUCTION

1.1 Background:

Performance appraisal systems basically aim at improving the performance of employees by enhancing staff participation and their involvement in planning and evaluation of work performance. The importance of people management has an influence on organization productivity, even more than quality, technology, comparative advantage, research and development. Muthaura (2006). Employees' performance may be viewed as a behavior or activity. Performance is what the workers do and can be observed. Performance involves those actions and behaviors that are relevant to the organizational goals and which can be measured by the individual's employee contributions. According to Armstrong (2002), performance is a record of specified outputs on specified activity or job function during a specified period of time.

Performance appraisal is a means of evaluating employees' current past performance standards set by the organization. Appraisal involves the setting of standards, and assessing the employees' past and current performance in relative to these standards. Cole (2002). Performance appraisals also involve the provision of feedback on employees' actual work performance in relation to the standard set.

Dessler (2003) states that Performance appraisal Permits for continuous communication between the supervisor and an employee about job performance, as a result this provides appropriate information to the management which can lead to appropriate managerial action for the improvement of the organizational standards. He further suggests that, In most organizations that appraise staff, performance appraisals provide some valuable information to a number of important human resource issues such as: deciding promotions, determining transfers, making terminations, identifying training

needs, identifying skill and competency deficits, providing employee feedback and determining reward allocations. Through Performance appraisal organizations can validate and refine organizational actions such as selection, promotion and provide feedback to employees with the intention of improving future performance.

Various methods used to appraise employees include; Essay, Graphic rating scale, forced choice distribution, Management by objectives (MBO), rating and assessment centres and behaviorally anchored rating scales, Graphic rating scale is used to assess employees on quality and quantity of work done. In cases of suspicion of rater bias, then graphic scale and essay approaches are combined which helps each appraiser to appreciate the standard similarities. In forced – choice technique employees are rated and better employees, are those with higher scores while the poor get low scores. Management by objectives (MBO) involves employees helping in setting their own work standards and targets. To rank people working under different supervisors or departments, Alternation ranking and paired ranking techniques are used. In assessment centres, individuals from different departments are brought together to spend days working on individual and group assignments similar to the ones they will handle if they are promoted Armstrong (2002).

Perception varies from person to person and thus we may assign different meanings to what we perceive. The perception of performance appraisal by employees of organization is important, as employees are the driving force behind any successful productivity. The appraiser and appraisee should view performance similarly, so as to lead to increased acceptance of appraisal Nzuve(2007).

According to Nzuve (2007) people's behavior is based on their perception of the reality. If staff perception of what is expected of them is consistent with the actual expectations of the organization, then the result is effective performance. The Authors further notes that if staff perception is distorted or in accurate picture of reality, then the outcome will be inappropriate behavior and ineffective performance. If employees perceive low level of justice, favoritism, nepotism they will change their behavior contrary to what is beneficial to the organization.

1.2 Objective of Study:

The general purpose of the study was to find out the effect of performance appraisal process on employees work attitude.

The specific objective was to:

- i) To determine how the employees viewed the process of performance appraisal.

1.3 Research Question:

This paper focused on addressing the following research question:

- i) What are the views of employees on performance appraisal process?

1.4 Conceptual Framework:

According to Kombo and Tromp (2009), a concept is an abstract or general idea inferred or derived from specific instances. Unlike a theory, a concept does not need discussion to be understood (Smyth, 2004). A conceptual framework is a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Kombo and Tromp, 2009). A conceptual framework for the this study showed how employees view on performance appraisal process affect work attitude; a case of Kenya seed company ltd which was shown in Figure 1 below which conceptualizes that performance appraisal affect work attitude ascertained through efficiency

2. LITERATURE REVIEW

2.1 Employees View on Performance Appraisal Process and Its Effect on Work Attitude:

Performance appraisal is a systematic, periodic review and analysis of employee's performance. The work performance of the subordinates is examined and discussed with a view to identifying weaknesses and strengths as well as opportunities for improvement and skills development. In some organizations results are used, either directly or indirectly to help determine reward outcomes. Appraisals are used to identify better performing employees who get the majority available merit pay increases, bonuses and promotions while on the other hand it is used to identify poor performers who may require counseling or in extreme cases, demotions, dismissal or decreases in pay Graham (1998).

According to Sisson (1996) ideally performance appraisal permits management to specify what employees must do and combines feedback and goal setting. All those involved should therefore recognize that appraisal involves human judgment and information processing and may not be totally objective and infallible. The system should be job related, relevant, sensitive, reliable, acceptable, practical, open, fair and useful and that the employee should participate in the development.

Cleveland, Murphy and Williams (1998) note that performance appraisal of staff are an important and integral part of any organization as they aid organizations to improve and be sufficiently productive. However, Derven (1990) has expressed doubts about the reliability and validity of performance process. Derven, (1990) notes that the process of appraisal is inherently flawed that it may be impossible to perfect Lawrie (1900) views staff performance appraisal as the most crucial aspect of the organization's life. Judge and Ferries (1993) agree with this view and add that performance appraisal plays a critical role for decision making on human resources actions and outcomes. They add that performance appraisal is a pre-requisite for other human resource functions such as training, selection and motivation. Lawler (1995) suggests that whatever its practical flaws performance appraisal is the only process available to achieve fair, decent and consistent reward system adding that it is the core of management of an organization as it provides information regarding planning, control and development purposes.

According to Stalz (1966) the process of performance appraisal follows a set pattern, and starts with the establishment of performance standards. The author states that when designing the job and formulating a job description, performance standards are developed for the job. The set standards should be clear and objective enough to be understood and measured. Mamoria et al (2005), state that standards set should be discussed with the supervisors to establish the factors to be included, weights and points to be assigned to each factor, these then be indicated in the appraisal forms to be used in staff appraisal.

The Mamoria et al (2005) further state that the second phase of appraisal process is to inform employees of the standards expected of them. Feedback is then sought to ensure that the information communicated to the employees has been received and understood in the intended way. This stage is followed by the measurement of performance. To determine what actual performance is, it is important to get information about it. The concern here is how to measure and what to measure; four sources provide information on how to measure actual performance. Personal observation, statistical reports, oral reports and written reports. This is followed by comparison of the actual performance and actual standards. Efforts are then made to note deviations between standard performance and actual performance. Mamoria et al (2005) state that appraisal results should be periodically discussed with a view to improve performance. The information an employee gets about his performance appraisal is very important in terms of self esteem and on his/her subsequent performance. Finally, the initiation of corrective action when necessary, can be of two types; immediately which deal with symptoms and the other is basic and delves into the courses. The diagram on the next page shows the performance process.

3. RESEARCH METHODOLOGY

The study adopted descriptive research design. The descriptive survey design was appropriate in this study since the data to be collected was both qualitative and quantitative. The target population for this research was drawn from Kenya Seed Company. The researcher intended to reach out to the 71 employees. The sample size was determined by use of Kombo and Tromp (2006) recommendation that a sample size of 10% to 30% is representative enough for the study population. Therefore, the sample size of employees was determined on the basis of 25% employees through proportionate sampling. Questionnaires were used to collect data from respondents. A five point likert scale with opinions ranging from 5-Strongly Agree, 4-Agree, 3-Not Sure, 2-Disagree, 1-Strongly Disagree was used. Data was analyzed using descriptive statistics and explained using the mean and standard deviation.

4. RESULTS AND DISCUSSIONS

4.1 Performance Appraisal Process and Its Effect on Work Attitude:

The findings were interpreted by regarding responses with mean as close: 1 = strongly agree, 2 = agree, 3 = neutral (not sure), 4 = disagree and 5 = strongly disagree. The study findings are shown in Table 4.1 below. Majority of the

respondents indicated that performance appraisal is carried out as a matter of routine (41.8%), is used to improve work performance at Kenya Seed Company Limited (78.2%), the purpose of performance appraisal in Kenya Seed is clear to all employees (45.5%), is used mainly for intended purpose (50.9%) and Kenya seed has a clear standards against which performance appraisal is measured (47.3%). The study findings show that majority of the respondents agreed to the statements that performance appraisal process influenced work attitude of employees of Kenya seed Ltd.

5. CONCLUSIONS

Based on the results from the data analysis and findings of the research one can safely conclude that the purpose of performance appraisal process at Kenya seed is clearly articulated by the management and as a result the system is effective and positively embraced by the employee

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APPENDIX - A

LIST OF FIGURES AND TABLES:

Performance process:

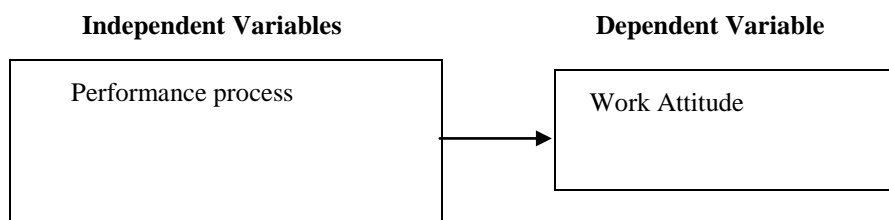
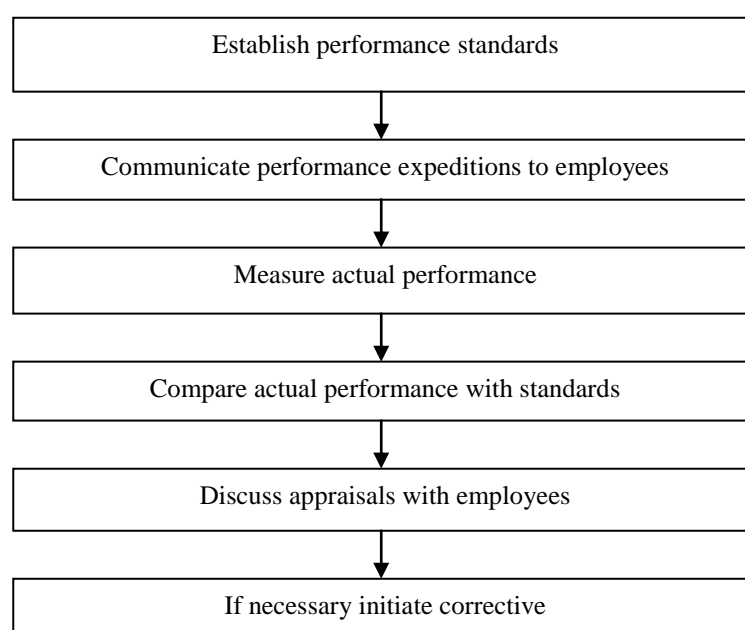


Figure 1: Conceptual Framework



Source: Mamoria et al (2005), Personnel Management, Himalaya Publishing House

Fig 2: Performance appraisal process

The effect of performance appraisal process on work Attitude:

1- Strongly Agree 2- Agree 3-Neither 4-Disagree 5-Strongly Disagree

Part 1: Performance process

	1	2	3	4	5
1. Performance appraisal is carried out as a matter of routine	12.7	41.8	7.3	20	18.2
2. Performance appraisal is used to improve work performance at Kenya seed Company Ltd	7.3	78.2		5.5	9.1
3. The purpose of performance appraisal in Kenya Seed is clear To all employees.	45.5	16.4	32.7	5.5	
4. Performance appraisal is used mainly for intended purpose.	5.5	50.9	20	18.2	5.5
5. Kenya Seed has clear standards against which performance Appraisal is measured.	10.9	47.3	20	16.4	5.5