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**A CRITICAL EVALUATION OF THE RELATIONSHIP
BETWEEN PERFORMANCE APPRAISAL SYSTEMS AND
EMPLOYEE PERFORMANCE AT THE SAMFYA DISTRICT
HOSPITAL.**

BY

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**A Proposal submitted to Copperbelt University in partial fulfilment of the
requirements for the award of Master in Business Administration General**

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DECLARATION

This research report is my own original work and has not been submitted for a certificate award in any institution. No part of this work may be produced without prior knowledge of the student or University.

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CERTIFICATE OF APPROVAL

This research report has been submitted for examination with my approval as the Research supervisor.

.....

DEDICATION

This study is dedicated to my family members; my parents Mr and Mrs. Sinkala. I also dedicate it to my Sisters and my Brother and George Musenge.

ACKNOWLEDGEMENT

I extend my most sincere thanks to my supervisor Dr Wui for his guidance, professional advice and constructive criticism which kept me going to the end. I also want to thank my family members and my friends; Alice, Mutale, Mathews and George for the support and encouragement they gave me during my studies. Special thanks go to my father Dr Wui for his support. I also want to sincerely thank all the respondents in this study, this study would not have reached this final stage. To all mentioned and unmentioned but supported this study, I say a big thank you.

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..... date/...../.....

Author Signature

ABSTRACT

The purpose of this study was to investigate the relationship between performance management systems and employee performance. The study was guided by the following research questions. To determine the significance of performance management systems on the employee performance? to measure the relationship between the performance management systems and employee performance? and factors influencing the Effectiveness of the Performance Management Systems

The study used descriptive research design to obtain information concerning the relationship between performance management systems and employee performance. This was done by describing in details the significance of performance management systems on the employee performance and stating the relationship between performance management systems and the general employee performance. This was a case study based on the employees of Samfya District Hospital, whose total number is 100; therefore making up the target population of this study. The essence of this study was to acquire the perception, views and observations of the employees at Samfya District Hospital on matters 54 pertaining to the performance management system that they were exposed to by their organization and how it related to their overall performance.

The study used a survey method to collect data from the field. The data was coded after editing and entered into the statistical program named SPSS for analysis. This study used descriptive statistics. Descriptive statistics such as percentages and frequency distribution was used to analyze the performance of the employees. While the measure of central tendency, particularly the mean measured all the data variables on performance appraisals

and its effect on employee performance. The data was presented using tables so as to give clear pictures of the research findings at a glance.

In this research, the findings on effects of implementation of performance management on employees and factors influencing the effectiveness of the performance management system, performance management systems was found to have a linear significant influence to employee performance. In the findings of the measure of the relationship between PMS and the employees' performance, it was found that the relationship between performance management systems and employee performance is positive.

Therefore, findings indicated that employee performance at Samfya District Hospital is highly influenced by factors such as performance management systems and performance appraisal. This means that performance management systems improve employee performance and it is therefore a relevant tool for Samfya District Hospital to provide them with purposes of improving the efficiency of employees in their organizations. Any Hospital that aspires to get the best from their employees should consider performance appraisal systems as they were found to drastically improve the employee efficiency of any organization



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1 CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1 Background of the study

Performance appraisal originated mainly in the public sector employment. Now formal schemes of performance appraisal are widely being used in both the public and private sectors. The details of these formal schemes vary considerably depending on the purpose and preferences of individual work organizations. These differences are reflected in terms of the format, report degree of confidentiality, openness, appraisee's level of participation and the nature of appraisal discussions between those being appraised (Tyson and York, 2002).

Performance appraisal has been noted as a core factor in modern-day Human Resource practices (Saeed & Shah, 2016) and pivotal to performance management. Factors upon which performance examination is based include employee inspiration, work performance, inherent prizes, outward rewards, worker performance, worker preparation and advancement, interior correspondence, as well as workplace and hierarchical responsibility. In the social insurance sector human resource management occupies a central position in institutional performance management. Medicinal services facilities, on the other hand, have a double authoritative structure comprising of clinical administrators and wellbeing management chiefs that regulate two unmistakable gatherings of employees with various obligations and preparation needs (Mathew & Johnson, 2015). The objective of the medicinal services industry is to give the most noteworthy patient consideration and treatment.

The employee performance examination is an imperative vocation advancement apparatus for the administrator and worker. The administrator can help control the employee on the way to corporate headway, while the worker gets a clearer comprehension of what is normal in their everyday work obligations. As indicated by Aydın and Tiryaki (2018), the basic target of performance evaluation is to enhance the performance of the individual worker, consequently prompting enhancement in the overall performance of the organization. Three qualities that comprise viability of a successful appraisal framework are: adequate notice, reasonable hearing (two-way correspondence) and judgment dependent on proof (reporting performance issues utilizing verifiable proof) rather than sincere beliefs when rating performance (Taylor et al., 1995).

Performance evaluations have a wide assortment of impacts on employees that administrators must distinguish. For example, Chow et al. (2002) investigated instructors' view of the appraiser-appraisee relationship and discovered that the appraiser-appraisee mix made a huge contrast in educator impression of the reasons and suitability of the examination. An investigation by Kamiti (2014) on the impact of performance examination on Civil Servants' motivation discovered that a performance examination framework is a critical factor in the inspiration of workers. The more straightforward and target-specific the performance examination framework is in the general population benefit, the higher be the inspiration of employees (Kamiti, 2014).

Another examination by Muriuki (2016) on impact of performance evaluation on worker inspiration, as well as work and social assurance, built up a constructive critical relationship between performance evaluation and employee motivation at the Ministry of Labour, southern Africa Community and Social Protection.

The examination in the current study will be directed at Samfya District Hospital since the success of the wellbeing industry relies on how individuals' function. Absence of a powerful assessment framework builds the danger of wastefulness, poor office spirit and high worker turnover (Gesme & Wiseman, 2011). There is restricted information about the level of oncology rehearses that deliberately audit performance of employees or doctors (Gesme & Wiseman, 2011) as referred to in Kamiti (2014). Inside the private area, an enhancement in viability and productivity of the human asset is fundamental to the private entities' survival and the enhancement of national aspirations.

1.2 Statement of the Problem

Performance appraisal acts an important factor in the overall functions of human resource management in both private and public sectors (Njeru, 2013). Performance appraisal has great implications on employee motivation. For instance, staff are unlikely to want to be open about job difficulties, or to admit that they need more training to do the job, if they feel this will directly affect their next pay increase (Chow et al., 2002). According to Kavanagh et al (2007) as cited in Kamiti (2014), inaccuracies in appraisal can demotivate employees, forcing them to either consider looking for other job opportunities or become less productive.

The need for modern organizations to develop performance management systems underscores the importance of employees in an organization and their role in making any organization both efficient and effective. Armstrong (2009), notes that the major goals for coming up with performance management systems include correcting poor performance, sustaining good performance and improving performance. There should be an expected difference in terms of performance between organizations that have robust PMSs and those that don't. This begs the question whether the existence of PMSs in an organization automatically makes its employees productive. Femi (2013), examined the performance appraisal and the performance of the employees and recommended the need for continuous performance appraisal in order for the PMS to yield the results that the management had intended. This points to the fact that an organization that has PMS in place does not imply that it invariably translates into employee efficiency and effectiveness.

Even though a recognized training centre by the health professional of Zambia, Samfya district Hospital cannot maintain excellence across its all services which include, education,

rehabilitation and sight enhancement services, as well as rural community outreach, without motivated employees. Such motivation can only be achieved through proper job evaluation systems. Arguably, it is successful performance appraisal that will help employees to know how well they are performing and what is expected of them in future in terms of effort and task direction through an established plan of performance improvement (Kamiti,2014). The supervisor communicates to the employees how well they have done to motivate them towards good performance {(Cascio, (2003) as cited in Kamiti (2014). Many studies on performance evaluation have focused on the private service, but this study focuses on civil service, specifically the health sector. It seeks to establish what relationship exists between performance appraisal and employee performance at Samfya District Hospital.

1.3 Purpose of the Study

The purpose of this study is to evaluate the relationship between performance appraisal systems and employee performance at the Samfya District Hospital.

1.4 Specific Objectives of the Study

The study was guided by the following objectives:

1. To determine the relationship between performance appraisal system factors and employee performance at the Samfya District Hospital.
2. To measure the relationship between the PMS and the employee's performance at the Samfya District Hospital
3. To determine the factors influencing the effectiveness of the performance management systems at the Samfya District Hospital.

1.5 Research Questions

- 1) What is the relationship between performance appraisal system factors and employee performance at the Samfya District Hospital?
- 2) What is the relationship between the Performance Management Systems and the employees' performance at the Samfya District Hospital?
- 3) What are the factors influencing the effectiveness of the performance management systems at the Samfya District Hospital?

1.6 Research Hypotheses

The following hypotheses were formulated for acceptance or rejection:

- H1. There is a significant positive relationship between performance appraisal system factors and employee performance at the Samfya District Hospital.
- H2. There is a significant effect of the Appraiser-Appraisee relationship on employee performance at the Samfya District Hospital.
- H3. There is a significant effect of performance appraisal system pitfalls on employee performance at the Samfya District Hospital.

1.7 Significance of the study

The study will have numerous benefits to members of staff at the Samfya District Hospital. It aims at creating awareness in health facilities in Zambia on appraisal performance systems that

are crucial to incorporate as a means of enhancing employees' performance as well as enhance motivation at the workplace. The study also aims at being a source of motivation and inspiration to low- production workers. In addition, it is hoped the results from the study will help the health sector cope with the central problem of motivating their workers to have them give their best.

1.8 Scope and Limitations of the Study

This study focused on the Samfya District Hospital in Zambia County. It was limited to the purpose of the study whose variables were: Performance Appraisal system-factors, appraiser-appraisee relationship, appraisal pitfalls (Independent variables), and on the other hand employee Performance (Dependent Variables). The study targeted employees of the health facility for primary data, which was collected by use of a detailed questionnaire. Secondary data was also obtained from availed documents, both hard copy and other data bases. The study set out to establish the influence of performance appraisal systems, appraisers and the challenges in appraising employee performance. As such, it ignored other factors that might be affecting employee motivation in health facilities in Zambia.

1.9 Relevance to Copperbelt University's research body

This study will be useful to academicians and researchers who might be interested in pursuing research in the same area to Copperbelt University. The research findings will hopefully help the Copperbelt University's research body in term of understand the relationship between appraisal performance system and employee performance.

2 CHAPTER TWO: LITERATURE REVIEW

1.1 Introduction

This chapter reviews literature pertinent to performance appraisal both theoretical and empirical. The theoretical literature focuses on the theories underpinning the study while the empirical focuses on the effects of performance appraisal on employee motivation.

1.2 Performance Appraisal System: types and performance appraisal factors

Performance appraisal is a widely discussed concept in the field of performance management. The importance accorded to performance appraisal systems in part arises from the nature of the current business environment, which is marked by the need to achieve organisational goals as well as remain relevant in intensely competitive markets through superior employee performance (Chen and Eldridge, 2012). Within this context, various studies suggest that organisations can hardly control the behaviour of their employees (Attorney, 2007). The organisations can however control how employees perform their jobs. In addition, performance management research shows that a significant number of employees tend to have the desire to perform their jobs well as part of their individual goals as well as a demonstration of loyalty towards the organisation (Wright & Cheung, 2007). Arguably, the key to ensuring

that employees perform well lies in the ability to provide them with the right working environment. Such an environment generally includes fair treatment offering of support, effective communication and collaboration. According to Maley (2013) these are the very qualities that are created by an effective performance appraisal system.

Performance appraisal is the intermittent assessment of a representative's performance estimated against the activity expressed or assumed necessities (Alfes et al., 2013). It is one of the score of devices that can be utilized to successfully oversee performance in that it gives information that gives insight into different components of the performance administration process (Alfes, Shantz, Truss & Soane, 2013). Performance review is designed for workforce inspiration, position and conduct improvement, converse directorial aims, along with nurturing optimistic associations between supervision and workforce (Rowley & Jackson, 2010). In the past, appraisal would in general focus on worker qualities, insufficiencies and capacities. Nowadays, because of advances in understanding the worker-association relations, current evaluation emphasizes on present performance and future objectives. Likewise, current methods of insight weigh on worker support for objectives defined by the administration.

The assessment of occupation performance has been referred to using a wide range of names including an instrument of administration, a control procedure, a basic component in human asset assignment, and numerous others. The underlying evaluation frameworks have mainly been strategies for deciding if the pay of the representatives in the associations is reasonable or not. However, available literature has demonstrated that decrease and future pay were not the primary impacts of the procedure. Performance appraisal is an annual exercise conducted by organizations in order to determine an employee's overall contribution to the organization's performance (Armstrong, 2010). This appraisal is conducted using parameters such as time management at work(punctuality), quality of work, quantity produced and cost incurred to produce results, or any other credible and mutually agreed standard or measure (Hassanzadeh & Mahdinejad, 2013). Mutsuddi (2012) defines performance appraisal as a system that is structured and formal and is used to assess the present performance of an employee and come up with ways in which they can improve in future so that the employee as well as the organization can mutually benefit. He also points out that performance appraisal assesses the performance of employees and then gives feedback about past and present performance, and gives an indication of future performance expectations.

1.2.1 Types of Performance Appraisal Systems

There are three commonly recognized and used performance appraisal systems. First is the 360 Degree/Multi-Rater Performance Appraisal. This system encompasses the views of different groups of reviewers who socialize with the organization's employees (Ayomikun, 2017). Such reviewers include employee's supervisors (managers and supervisors), co-workers/peers and customers. It also includes the employees' opinions about themselves and is hence recognized as multi-source, multi-rater and full circle approval system (Grund & Przeme, 2012). 360 degree feedback ensures that a significant amount of performance data about the employee is gathered (Sahoo & Mishra, 2012) and that the employee's performance is double-checked (Ayomikun, 2017). The disadvantage of this system is limited ability to exhaustively gather the richness of information that reviewers provide.

Second is the Management by Objectives (MBOs) system, which is a result-based evaluative program (Choon & Embi, 2012) as cited in Ayomikun (2017). Goals of the MBO appraisal system are mutually defined by a number of key stakeholders, including the organization's supervisors and employees. MBO is known to provide objectivity, allow for a two-way feedback and encourage performance improvement of employees through motivation (Ayomikun, 2017). With MBO, employee acceptance of the organizational goals is considered one of the strongest motivators of the appraisal process. However, it is limited in the sense that it does not allow monitors to deal with every eventuality over the given work period.

Third is the Graphical Rating Scales system which is reportedly the most used during performance appraisal in most organizations (Wirtz, 2004; Woods, 2002). This entails a performance appraisal rating checklist, with a continuum that may range from poor to excellent depending on the aspects being evaluated. Such aspects include employee's quality of work, work time and completing assignments on schedule. It also involves evaluation of job relevant skills gained through education, experience or on-job training (Panari et al., 2010). The checklist scales may suffer from systemic advantage, in which case relevant indicators of performance may be excluded and hence result in inability to achieve results reflective of employee's full value (Woods, 2012).

1.2.2 Performance appraisal factors

Performance appraisal answers many questions concerning job performance by coming up with solutions and a path to be followed. Poor performances can sometimes be improved (Hassanzadeh *et al.*, 2013). It can help evaluate appraisal factors such as punctuality, compliance to policies and practices, job knowledge and execution, team work and appraisal

system orientation. Employees' performance evaluation ought to be treated as an enduring developmental progression process rather than a prescribed, once-a-year review. It ought to be intimately monitored by both worker and assessor to guarantee that targets are achieved. Punctuality together with dedication, high productivity, loyalty and commitment are some of the positive consequences that promote an organization's success (Newstorm & Davis, 1997) and can benefit from a constructive performance approval.

Professionals are apathetic to control frameworks, codes of behaviour and frameworks for consistence administration that are expanding in volume but not in adequacy (Hofedtz, Nienaber, Dysvik & Schewe, 2015). In a study directed by Price Waterhouse Coopers (PWC) in 2010, 45% of German officials announced that the bureaucratic control of consistence administration stresses them, with 43% of them feeling that the advantages did not legitimize the exertion. The reason behind the resistance was the maintaining of customary financial reasoning that sanctions are the best method to dissuade potential guilty parties (Williamson, 1975). Accordingly, more often than not, center approaches have planned to drive away potential guilty parties by approvals (e.g., fees, extra work). In any case, current investigations demonstrate that control frameworks and authorizations are not just hard to present (Bowles & Polania-Reyes, 2012; Falk & Kosfeld, 2006; Lindenberg, 2001; Lindenberg & Foss, 2011), but in addition have little impact on consistence conduct (Braithwaite & Makkai, 1991; Frey et al., 2013; Parker & Nielsen, 2016). Natural parks saw an increment in consistence inspiration, while outward help (e.g., control) diminished rebelliousness inspiration (Hofedtz et al., 2015). Concerning performance of consistence programs, studies show that esteem-situated usage that is dependent on self-heading and social qualities is more successful than formal legitimate consistence-arranged performance, which in turn is dependent upon controls and punishments (Adam & Rachman-moore, 2004; Trevino et al., 1999; Weaver & Trevino, 1999).

1.3 Other studies on the impact of performance appraisal

In Zambia, Chaponda (2014) did an investigation on the impact of performance appraisal on representative inspiration. For a survey of slum based non-governmental organizations in Nairobi, the investigation embraced an enlightening exploration plan. The number of inhabitants in intrigue comprised each of the 300 workers of ghetto-based NGOs. An example size of 171 was chosen, utilizing a stratified examining strategy. Information was accumulated using organized surveys. The information was broken down using the Statistical Package for Social Sciences (SPSS) tool to look into recurrence dissemination rates and

Pearson relationships. The information was analyzed using tables and outlines. The examination set up that performance evaluation process on worker inspiration set up that the framework is essential for representative inspiration. Distinctive raters can expand the precision of performance assessment (can decrease predisposition) and increase worker's discernment.

Muriuki (2017) led an investigation into the impact of performance appraisal on worker inspiration at the Ministry of Labour, East Africa Community and Social Protection. The exploration involved a sample size of one hundred and twenty (120) respondents drawn from every one of the divisions in the Ministry, made up of various occupation bunches including the senior administration (Job Group P and above), middle-level administration (job groups J to N) and lower level representatives (job groups A to H). Stratified arbitrary examining was utilized as every one of the respondents was drawn from various levels or strata inside the Ministry. Organized polls created in the format of a five-point Likert Scale were utilized for information accumulation, and the information gathered was investigated using the Statistical Package for Social Sciences (SPSS) tool. A relapse display was utilized to decide the coefficient of the impact of performance evaluation on representative inspiration. The investigation demonstrated that there is a solid, positive connection between performance appraisal and worker inspiration and that the performance evaluation framework employed significantly affected representative inspiration at the Ministry of Labour, East Africa Community and Social Protection.

With regards to work information and execution, studies so far seem to demonstrate that preparation in observational abilities is advantageous (Thornton & Zorich, 1980) and that preparation can enable raters to build up a typical casing of reference for assessing rate performance (Bernardin & Buckley, 1981; McIntyre et al., 1984). Fay and Latham (1982) suggested that rater preparation is more crucial in diminishing rating mistakes than the kind of scale utilized. There were fundamentally less blunders among prepared raters and for the type--based scales contrasted to the characteristic scales. The rating blunders were one and one half to three times as extensive for untrained raters. Another survey by Feldman (1986) suggested that rater preparation was not profoundly viable in expanding legitimacy and precision of rating. In later examinations, Murphy and Cleveland (1991) proposed that preparation is most proper when the fundamental issue is an absence of learning or comprehension. For example, they found preparation to be more fundamental when the performance evaluation framework required convoluted techniques, figuring or rating strategies.

With cooperation, inquire about directed by Bernardin and Orban (1985) in regards to ratters who trusted that their associates in the association were biasing their performance evaluations. They saw the "maverick" appraisers as being excessively merciful, thus blowing up their subordinates' evaluations to expand the advantages accumulating to their labourers. Because of this observation, and particularly when the performance examinations were utilized for managerial purposes, the underlying raters were initiated to act shrewd and to misshape the evaluation results.

Introduction to the evaluation framework is another critical factor. Here, raters' states of mind toward their work have a pivotal influence in the manner in which they work when conducting performance assessments. While some are okay with the framework, others are doubtful and negative. Raters who believe in the after effects of the evaluation will probably create more precise appraisals than those that are negative or incredulous. Raters have been seen as being exceptionally uneasy when they assess subordinates' performance and have to furnish them with criticism (Murphy & Cleveland, 1991, 1995). One result of this inconvenience is the propensity to expand the appraisals and to abstain from making qualifications among subordinates (Villanova et al., 1993). By giving consistently high evaluations, the impression is created that the raters stay away from the conceivably unpalatable outcomes of surveying high appraisals to a few subordinates and low evaluations to other people.

Rummler et al., (2012) argues that a properly-designed performance appraisal system is critical as it helps employees in understanding their strong and weak areas regarding their roles and responsibilities in the organization. Particularly, setting out personal goals and aligning them with organizational objectives has been embraced in most organizations. One of the important features of most modern appraisal systems is that they depend on an equal input from the manager and members of staff (Chow et al., 2002). "They are also intended to be living documents which should be referred to throughout the appraisal period as you check up on the achievement of objectives or evaluate training or development activities." According to Mullins (2010) performance appraisal is a process applied in businesses to assess characters and contributions of employees in their teams. He argues that appraisal of performance serves two purposes; evaluative purpose and developmental purpose. Furnham (2012) describes performance appraisal as a systematic evaluation of the staff by their supervisor in terms of their job performance as prescribed by the job description, specification and working environment and it is usually carried against agreed criteria or conditions of evaluation.

The results of performance appraisal create a basis for recruitment and selection and assists in identifying the needs for training and development programs as well as creating motivational programs to retain the employees. Due to rapid growth and changes in today's organizations to suit the dynamic political, social and economic environments in which they thrive, there is need for employees to align their objectives with those of the organization (Rummler & Brache, 2012).

1.4 Performance Measures

Performance measurement is defined as the regular collection of data that enables an organization to conduct the assessment of whether correct processes are being undertaken and desired results are being realized (Mondy et al., 2002; Harper & Vilkinas, 2005). In essence, performance measurement entails collecting information on the performance of the organization, analyzing the collected information and then publicizing this information (Rossi 2012; Vigaró, 2013) in a manner that is understandable by all the relevant stakeholders (Dechev 2010; Vigaró, 2013).

Therefore, performance measures are quantitative indicators of organizational products, services, personnel and processes (Dechev, 2010; Rossi, 2012). In order to achieve this; the organization should select and employ quantitative measures, which will provide crucial information about the activities of the employees and their teams; their undertakings and how they fair in comparison to the goals of the organization. It also entails the analysis of the successes of the projects, teams and/or the organization's efforts through comparing the data of what actually took place and what had been planned previously (Locke & Latham, 2002; Harper & Vilkinas, 2005; Armstrong, 2006; Inyang, 2008).

In essence performance measurement check whether the organization is making progress in regards to the desired; whether there are challenges that are hindering progress and how they can be overcome. These performance measurement focuses more on the organization at large rather than the individual employee; evaluating if at all there are adequate structures and processes that have been put in place to enable the organization to achieve its objectives (Armstrong, 2006; Inyang, 2008). As already pointed out, performance measurement systems achieve their objectives whenever the strategy and performance measures of the organization are in alignment. They also succeed when the leadership of the organization adequately their vision, mission, strategies and values to the employees and stakeholders (Mondy et al., 2002). Organizational activities that cannot be measured can hardly be controlled; in turn without such control the activities or rather processes cannot be managed. In essence, when an organization has got no

dependable measurement it is difficult to make informed decisions on organizational performance (Dechev, 2010; Vigaró, 2013). In this way the performance measure breathe life into the vision, mission and strategy of the organization through providing focus to each employee; helping them conversant on how they can contribute to the success of the measurable expectation of the organization and its relevant stakeholders (Locke & Latham, 2002; Inyang, 2008).

One of major challenges that are encountered when undertaking performance measurement is the selection of what is to be measured. In this case, the focus needs to be on the factors that can be quantified (Locke & Latham, 2002; Armstrong, 2006; Inyang, 2008). These factors also need to be clearly linked to what is considered as the success drivers of the organization, otherwise referred to as the key performance indicators. The quantifiable factors need not only be financial; they can be non-financial as well, such as the number of complaints received in regards to a particular customer service (Mondy et al., 2002; Inyang, 2008). More importantly performance measurement should focus on what is important to the organization, especially those employee activities that impact on the satisfaction of the customers (Rossi,2012; Vigaró, 2013).

According to Armstrong (2006) a good organizational performance measure provides a clear way through which the organization can gauge whether their strategy is working or not. It also focuses the attention of the employees on what is important to their success and provides an enabling means for measuring accomplishments and not just the finished works. The other salient characteristics of a good performance management measure are that it is valid in that it provides accurate measurements and verifiable in the sense that it ensures the accuracy of the collected data. More importantly, a good performance measure can be explicitly defined in terms of its units of measure, data quality, collection frequency, threshold and the expected targets.

The other importance of measuring performance is that it enables the improvement of quality. Through performance measurements organization can best gauge whatever they are doing well and the areas in which they need to make adjustments. Through measuring performance, an organization can therefore tell whether they are achieving their ultimate goal, in the process ensuring consistent improvement of quality (Locke & Latham 2002; Armstrong, 2006; Inyang, 2008; Rossi, 2012).

1.4.1 2.3 Relationship Between the Performance Management Systems and the Employees' Performance

The greatest challenge facing managers in almost all organizations today is how they can get maximum performance from their employees (James, 2003; Kirkpatrick, 2006; Sanderson et al. 2009; Rossi, 2012). This is because management of employees today has shifted in its outlook.

No longer are employees regarded as machines to carry out order given by the management; they are rather regarded as the greatest resource of the organization on whose shoulders rest the success or failure of that particular organization. In most instances, it is the employees that interact with the most important publics of an organization, such as customers, especially when it comes to commercial organizations. They therefore are the link between the organization and its outside publics and whenever they are frustrated it will invariably translate to how the organization is presented to the outside publics.

There are two aspects in which employee performance can be taken into consideration: either as outcome and/or behavior (Rossi, 2012). On the one hand, employee performance can be taken as outcome in the sense that the goals and actions that the employee has achieved. Whatever employees do on their day-to-day basis at their job consist of behaviors and however best they are carried out is essential in determining the performance criterion (Vigaro, 2013). Employee performance can therefore be defined as how the individual worker executes the duties assigned to them by the management in a bid to reaching the larger organizational goals. This individual performance is assessed by the organization on quarterly or annual basis, pin pointing the areas of strength and the areas that needs to be improved. In some organizations, the employee is rewarded on the areas where they have demonstrated strength; whereas their capacities are built to help them overcome the areas in which they need improvement (Dechev, 2010; Samson & Daft, 2012).

In regards to these, the managers today find themselves pressed to motivate their employees in order to get maximum efforts from them. This consists in ensuring that the employees are enabled to try their best in doing the job that they are assigned to do. The success of the manager in achieving to motivate their employees can be measured in terms of the time and energy that the employees are expending at their task (Kirkpatrick, 2006; Gupta, 2009; Rossi, 2012). In the case of the unmotivated employees, the time and efforts are invariably wasted.

1.4.1.1 Types of Employee Performance

Sanderson et al. (2009) argue that employee performance fall under two distinct categories: they include elevated performance and standard performance. In this case, elevated performance comes from the individual employees “discretionary effort” that sees them going an extra mile due to their commitment to the organization or the team and its objectives and missions. This level of employee performance is spurred by what they term as commitment drivers, which makes the employees feel motivated to achieve higher performance levels. On the other hand, standard performance consists of the typical level of output that an employee delivers in their normal course of fulfilling their duties. This Sanders et al. (2009) claim is dependent on “hygiene

factors” whose absence in an organization could easily erode productivity yet they do not necessarily drive employee productivity.

Arguably, organizational managers look forward to their employees delivering elevated performance. Commonly, many organizations seek to achieve this before they get right the hygiene factors. Worth noting is the fact that commitment factors cannot by themselves propel the employees to deliver improved performance unless the management has first put in place the basic hygiene factors (James, 2003; Dechev, 2010; Rossi, 2012). Most organization have their human resource managers concentrate their efforts on activities such as selection, training and recruitment in ensuring that their employees have acquired the required capacities that will enable them to meet the demands of the tasks assigned to them. Notably, these alone cannot guarantee that the employees will be productive in their tasks. This makes it imperative for organizations to invest into providing the hygiene factors that will lay the foundation for employees’ subsequent exemplary performance (Kirkpatrick, 2006; Samson & Daft 2012; Vigaró, 2013).

In essence, the hygiene factors are defined as the essential elements that do not directly or rather positively influence the performance of employees. But if they are absent or the employees perceive them in a negative manner, they then can be destructive to the willingness and commitment of the individual employee in their attempt to deliver their standard performance (Gupta, 2009; Rossi, 2012).

There are three crucial hygiene factors that organizations need to address in order to enable their employees deliver the minimum effort expected of them by the management. They include management capability, job security and pay and working conditions (James, 2003). The first and most important hygiene factor is the management capability.

This involves the establishment of the “basic acceptable line management practices” (Sanderson et al.2009), which include the building of stable and productive working networks and relationships within teams in the organization; equipping the individual employees and their teams with the relevant skills and resources that they need to perform their roles effectively; taking recognition of good performance and speedily managing underperformance; communicating the management’s expectation on the employees and embedding the clear guidelines for the unacceptable and acceptable conduct and, more importantly, employing performance management techniques in the planning, monitoring and evaluation of delivery (Mukherjee, 2005; Sanderson et al., 2009; Dechev, 2010).

Secondly, how the employees perceive their pay levels matters most to them. It is therefore imperative that the employee is remunerated at a level that they consider to be fair and rewarding to their role that they play for their organization. Even though the perception of payment and working condition is not regarded as a significant driver of employee performance, whenever the perception of pay is poor the employee's output clearly results into negative results (Sanderson et al., 2009; Dechev, 2010; Rossi, 2012). However, the increasing of payment doesn't necessarily translate into the increasing of efforts. If anything, focusing attention on more money in a bid to motivate the employees lead to the opposite results in most instances. This is because when the pay is made the primary goal then the interest of the employee becomes focused on their payment as opposed to performing their tasks (Shell, 2002; Kirkpatrick, 2006; Vigaro, 2013).

However, organizations can boost employee performance without raising their salaries through adoption of the total remuneration approach, which take into account all the elements of rewarding the employees. For example, employees could be willing to get their salaries reduced in favour of flexible working conditions (Samson & Daft, 2012). Thirdly, job security of the employees at the organizational level is normally subject to the prevailing business conditions and the state of the economy. Weak economic climates dictate a low-level state of job security (Sanderson et al., 2009). The employees live with the fear that the company can restructure, merge or retrench in order for it to remain viable to the prevailing economic conditions; in this case no employee is guaranteed stability in their employment (James, 2003; Gupta, 2009; Rossi, 2012). They therefore embark on seeking alternative employment, which becomes a major distraction that impacts on their performance negatively. It could even lead to the employee quitting the organization. Therefore, the management of the expectations of the employees in regards to their job security is significant for the achievement and maintenance of standard performance (Kirkpatrick, 2006; Daft 2008; Samson & Daft 2012).

Employee connectivity takes into account the contribution of an individual employee to the overall objective of their teams and/or organization. Sanderson et al. (2009) argue that for employees to deliver elevated performance they first need to perceive that their actions contribute directly to the overall performance of their teams, organization and the consumers that they are serving. The establishment of this sense of employee connectivity is quite challenging; yet it is the most effective driver of improving employee commitment and performance. Whenever employees can point out a direct link between their roles and the impact that it brings to the success of their teams and/or organization it makes them more inclined to put in additional efforts to their work.

Secondly, skills development is also critical for achieving employees' elevated performance. The employees who recognize their organization's willingness to invest in their personal development are easily motivated to repay by giving their best in realizing the goals of the organization (James, 2003; Gupta, 2009; Rossi, 2012). Skills development could include providing the employees with structured training interventions and high quality on-the-job learning opportunities. Such training needs to be relevant to the work of the employees; it needs to be managed intelligently through the establishment of a core curriculum, which is directly related to the work that the employee delivers (Gupta 2009; Sanderson et al., 2009; Rossi, 2012).

The third factor that enhanced elevated performance is personal recognition. When the performance of an individual employee is recognized it becomes easier for them to reinforce and sustain their elevated performance (Kirkpatrick, 2006). The employee's efforts can be recognized through financial and non-financial rewards. Non-financial rewards could include paid holidays and provision of career development opportunities. Therefore, the establishment of a robust performance culture is a key motivator for the employees and helps in the integration with the connectivity driver (James, 2003; Dechev, 2010; Samson & Daft, 2012).

In this regard, successful organizations have employed systematic performance management approaches to achieve this motivational factor. This has included the setting up of organizational objectives that inform the regular performance discussions at the individual, team and organizational levels. They have also ensured that there is regular conversation, which helps in the discovery of poor performance and therefore its consequences dealt with in time. (Gupta, 2009; Dechev, 2010; Vigaró, 2013). In order for organizations to promote and reinforce the desirable ways of working; they therefore need to ensure that the rewards and incentives are aligned to their organizational objectives. As Sanderson et al. (2009) noted, the alignment of compensation to the performance of the employee has emerged as having an impact on performance. It should therefore "form part of a coherent performance management regime."

1.5 Performance Management Practices

In a globalized world, business concepts and trends cannot be limited to just a select few in some particular location, especially when they are geared towards boosting the productivity of businesses. We hereby, take a critical look at the trends of performance management across the globe: we shall look at examples from Europe, and Asia. We shall also look at African examples from countries such as Botswana, Nigeria and Uganda. Finally, we shall study performance management examples as practiced in the Zambian context.

1.5.1 The Trends of Performance Management in United Kingdom and China

The past two decades have witnessed a series of public management reforms in the United Kingdom, characterized by developments taking place in other western democracies in which complex corporate governance legislations have imputed the organizations in the public sector to publish performance statistics. This development reveals the trends that have required the public service in those countries to become more accountable for the purpose of attaining best value performance (Lawrie et al., 2009).

In this regard the United Kingdom was not left behind. Since the late 90s many organizations in the UK public sector have been required to exhibit more accountability in the delivery of their standards as defined by the government. Recently, the UK government came up with detailed requirements that specified the need for the public sector agencies to demonstrate their plans and set in place a system that will help them in monitoring the performance of those plans (Lawrie et al., 2009).

On the other hand, Burns and Zhiren (2010) examined how the Chinese government endorsed performance management and analysed the Chinese experiment with the concept since early 90s. In the 90s the Chinese government experimented with numerous performance management systems, which by 1995 came to be identified as the Objective Responsibility System. Through this system the government set targets at high administrative level, which were to be implemented by the low-level administrators. This system is currently widely practiced in China and targets have become increasingly quantifiable, specific and closely linked to employees' outcomes. The monitoring of performance is however left to the local authorities, which have vested interests when it comes to reporting outstanding achievements.

In China performance management is therefore a new and imported concept. The top Chinese government official began to make reference to it back in 2003. Until 2006 the official understanding of the concept was merely limited to the performance measurement in the public sector. Currently, there are both centralized and decentralized systems that have been set up in China for the implementation of performance management. The central authorities initiated reforms and then supervised their implementation across the nation, using the top-down model. These reforms consisted of the re-organization of public agencies, budgetary reforms, civil service reforms and numerous public service delivery reforms (Burns & Zhiren 2010).

The trends in the United Kingdom and China demonstrate that performance management is a concept that is increasingly gaining currency in these economies. Its adoption by the public

sector in both countries depicts the necessity for the improvement of the performance of employees at public institutions. This is reflective of the current needs of the public that is increasingly looking for quality products and services. Therefore, for organizations to remain relevant, the performance of their employee has become an important variable.

1.5.2 Performance Management in Africa

The African corporations, both public and private have not been left behind in the quest of leveraging on the potential of their employees. We hereby take a critical look at some of the performance management examples in Africa.

1.5.2.1 Performance Management in Botswana

As demonstrated from the examples in United Kingdom and China, African countries are also in a rush to implement performance management systems in their public institutions. Boipono et al., (2014) conducted a study in which they interrogated the implementation of performance management systems in secondary schools in Gaborone, Botswana. The aim of their study was to suggest factors that could contribute to the successful implementation of the performance management system.

This system was implemented in the Botswana's public service in the 90s based on the recommendations from the previous evaluation of other performance improvement initiatives in the public sector that had failed to produce desired results. This performance management system was therefore aimed at improving the delivery of service to the public and in more specific terms it was aimed at improving performance, efficiency, communication, productivity and accountability of the public servants. It was introduced on the premise that it would come in handy in resolving problems in the various ministries in the government, which included inadequate planning, resource wastage and the disregard of the needs of the public (Boipono *et al.*, 2014).

In the secondary schools the performance management system saw to the teachers entering into performance development plans (PDP), which are in other words annual performance agreements. The PDP have set targets and goals, which the teachers are expected to achieve on an annual basis. Their progress is therefore, monitored by supervisors at least thrice during the course of the year. This system is also supported by the performance based reward system, which has laid out incentives for good performance. However, in spite of the implementation of this system in school performance has continued to decline over the years. (Boipono et al., 2014).

Boipono et al., (2014) concluded that timely feedback and effective communication were essential for the system as they could help the teachers to progressively make improvements of their processes in terms of achieving the set objectives. There was also need for the working condition of the teachers to be improved in order to motivate them to produce more. Besides, the assessment of their progress needs to be balanced and objective.

1.5.2.2 *Performance Management in Zambia*

In Zambia, like other African country, performance management has found its way right into the heart of the public and private sector organizations. Hope (2011), notes that in Zambia performance management is a distinct element of the reforms that the government is undertaking in the public sector and performance contracting is one of the major tools of the implementation on performance management. This development is informed by the fact that the quest to reform and transform the public sector in order to attain improvement in delivery of public services demands for the redressing of the past through focusing on meeting the current needs of all Zambians.

The performance of the public sector has seemingly been below the expectation of many stakeholders including citizens and this calls for concern from every well-meaning Zambian. The management of public service employees performance squarely falls on performance management system used and the Government Departments and human resource managers charged with the responsibility of implementing the performance management system (PMS) in Government Institutions. Being the most important aspect of human resource management, performance management system is failing to deliver the expected result in the Zambian public service. The poor performance of the public service employees is seemingly reflected in services such as delayed issuance of land title, identity documents and passports.

The reforms efforts like in the case of Zambia included the Public Sector Reform Programme (PSRP) and Structural Adjustment Programme (SAP) as prescribed by World Bank and International Monetary Fund (IMF) under the auspices of economic stabilization measures. PSRP in Zambia was launched in November, 1993 and its goal was to improve the quality, efficiency and cost effectiveness of the Public Services to the people of Zambia. Although performance management is new in many African countries as argued by Olufemi, the zeal in such an improvement tool is overwhelming among African institutions (André, 8 2007). In the case of the Zambian situation, before, the Government of the Republic of Zambia, introduced the annual performance appraisal system, the Public Sector was using Annual Confidential System (ACR) to manage performance. However, the Annual Confidential Reports on

individual performance had challenges as it was just a matter of routine and did not enhance or measure performance. Almost every public service employee, the performer and non-performer, got a good confidential report. This was a sad fact which contributed to the loss of confidence in the credibility of the Annual Confidential Reports (ACR). The loss of confidence in the ACR led to the transition to a new performance management system in the public service.

1.5.3 Factors Influencing the Effectiveness of the Performance Management Systems

The focus of many organizations today is the adoption of performance management systems as opposed to the traditional systems that are focused on financial productivity. According to Armstrong (2009) this can be partially attributed to the success of the balanced scorecard that was developed by Kaplan and Norton. There is adequate evidence suggesting that the balanced score card has a utilization rate of about 26 percent in Germany, 46 percent in the United States and 57 percent in the United Kingdom. Notably, only few of these adoptions strictly follow what Kaplan and Norton proposed; this has brought about a scenario whereby a balanced score card has emerged as the generic term currently used to refer to performance management system, which in essence, extends beyond the regular systems of financial measurements.

A research conducted by the Centre for Business Performance at the Cranfield School of Management demonstrated that the organizations that have implemented performance management systems are generally better placed to monitor their productivity; effectively communicate their strategies and even reduce their operational costs. Besides, these organizations are also able to review their business strategies, control their operations and more importantly support their systems of compensation. (De Waal 2003)

De Waal (2003) note that organizations that have integrated and balanced performance management systems have posted better performances as compared to those that do not have. Employee performance is specifically impacted in the sense that the channels of communication between employees are strengthened and so is their collaboration as they work towards implementing the strategic objectives of the organization.

Homayounzadpanah and Baqerkord (2012), conducted a study on the implementation of performance management system impact on the efficiency, productivity and effectiveness of the employees of Chabhar Municipal in India. They asked participants their views on how their organizations had changed after the implementation of the performance management

system. They found out that after the implementation of the system most of the organizations gained positive benefits. The implementation of the system increased the output, efficiency and even improved the satisfaction rates of the customers. More importantly, the implementation of the system also reaped substantial benefits for the human resource. This was attributed to clear communication lines and a boost on the employee initiative.

According to Armstrong (2009), the implementation of performance management in an organization is expected to boost the overall performance of the organization through the creation of a “performance culture” in which the subsequent achievement of high performance becomes a way of life. This becomes only possible through the development of individual employees, which happens when good performance is clearly defined; the performance goals have been agreed upon and the performance needs have been identified.

Armstrong further argues that the impact of performance management as a human resource management practice need to be based on three distinct propositions: one of the assumption is that human resource practice could directly impact on the characteristics of the employees such as commitment, skills, motivation and engagement. Secondly, when the employees exhibit these characteristics it then becomes probable that they will help the organization to perform better in aspects such as productivity and the delivery of quality service to the customers. Thirdly, when these aspects of the organization are improved then the financial results of the organization will invariably improve. Notably, the two intermediate factors between the financial performance of an organization and the performance management is the characteristics of the employees as impacted by the practice; and then how those characteristics in turn impact on the non-financial performance (Armstrong 2009).

Marr (2009), says that on factor that impact on successful performance management implementation is whether or not the top management makes emphasis on the control of inputs, outputs and behaviors. The top-down control of employee behavior to enhance compliance with laid out procedures is highly likely to yield minimum benefits, if any. In this case the organization needs to make huge investments on surveillance and control; this in turn minimizes the discretion of the employees and leads to rigidity and dysfunctional behavior. However, when organizations focus on controlling output they invariably provide their employees with the discretion of achieving the desired goals.

Stone (2007), argues that the performance of employees isn't a sole product of training. Rather, employees need to be get regular feedback from the managers; this will make them less worried and less defensive when the time for performance appraisal comes. The good rapport between the employees and their managers will go a long way in reducing the complaints from the employees. As much as employee training is crucial, for performance management to brings its desired results the manager need to do more than just put the employee through a stream of training.

Griffin and Moorhead (2010), provide the example of Merrill Lynch, a financial service firm that once came under fire due to its bad management. When managers deliberated on the way out they resolved to implement performance management and rewards system. This move stemmed from the realization of the invaluable assets their employees were. In implementing the performance management system, they ranked the employees against each other. The Merrill Lynch management also distributed the rewards to the employees with higher performance in accordance to a pre-determined formula. This system promoted competition amongst the employees and imputed the managers to explain the criteria for their rankings. It eventually led to tensions amongst the employees and also between the managers and employees. This tension was removed when the management shifted its emphasis from justifying ratings to improving performance (Griffin & Moorhead, 2010)

In the new quest to improve employee performance at Merrill Lynch the managers and the employees reach an agreement on a set of performance objectives. These objectives are closely related to the business goals of the company. The goals are subject to adjustments as required at any time. Feedback involves an ongoing process, with reviews undertaken at mid-year and the end of the year, providing a lot of opportunities for spontaneous mentoring and suggestions. The joint goal setting has strengthened cooperation between the manager and the employees, while measuring performance against standards has reduced the competition amongst the employees. (Griffin & Moorhead 2010).

3 CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this study was to investigate the impact of performance management on employee performance, based on the case study of Samfya District Hospital. Chapter 1 and 2 have introduced the pertinent research problems and provided a literature review that is relevant to the variables of the study. This chapter will have a critical look at the proposed methodology for this study, which shall be used to accomplish the objectives of the study and also answer the research questions.

Therefore, this chapter discusses the research design that guided the collection and analysis of data in the study; the target population, the sampling and sampling procedures. Additionally, it looked at the data collection methods and procedures and, the data analysis procedures.

3.2 Research Design

According to Kombo and Tromp (2012) research design is defined as the unique structure of a particular research study. In essence, it brings out the relationships between the major parts of the research in the processes of resolving the research questions of the study. On the other hand, Kothari (2011) regards research design as the “conceptual structure” through which a particular study is conducted: it entails the blue print that a researcher employs when they collect measure and subsequently analyze the data. This implies that the research design is critical in helping the researcher to standardize not just the data collected but also the findings of the study.

The choice of the research design in this study was guided by the key research question for the study. This is in accordance to Saunders *et al.*, (2007) who argued that the design of a particular study should be guided by the research questions. This is in reflection of the fact that the research question better hints to how data should be collected and analyzed, thus the research design. It also implies that each study is better suited by a particular research design, dictated by what the researcher wants to measure or find out by undertaking that particular study.

Based on the research questions of this study, the researcher adopted the descriptive research design as the design for the study. According to Koh and Owen (2000) the descriptive research can be looked at as the “study of status” and its application is commonly found in fields such as epidemiology, education and behavioral sciences. The value of this research design is based on the premise that “problems can be solved and practices improved through observation, analysis and description.” Kothari (2011) argues that the descriptive research design is suitable for studies that seek to describe the characteristics of a particular individual or group. On the other hand, Thyer (2010) concurs that the descriptive research design is used in describing characteristics of a particular sample and also describing the relationships between variables, phenomena and situations. Researchers achieve this through measuring the ways in which the variables are naturally distributed. In this study we seek to describe the impact of performance management system on employee performance in Samfya District Hospital.

3.3 Population and Sampling Design

3.3.1 Population

The population of a research study can be defined as the collection of elements, which the researcher intends to measure, evaluate or investigate (Cooper & Schindler 2003; Saunders *et al.*, 2007); and to which the result that are obtained in the study should be generalized (Bless *et al.* 2006). Mugenda and Mugenda (2003) define research population as the group of subjects that bear some particular characteristics that can provide data to serve the purposes of the research. The research population of this study included the 100 staff of Samfya District Hospital.

3.3.2 Sampling Design

A sampling design is the method used in selecting elements from the population that represented the population (Collins and Hussey, 2006).

3.3.3 Sampling Frame

The sampling frame consists of a list of the elements from which the probability sample is derived (Kothari 2011). The sampling frame is easily identified after the properties of the elements have been explicitly defined, determining if or not “an element belongs to the population under investigation” (Bless *et al.*, 2006). According to Denscombe (2007) the use of a sampling frame in research is very important. He refers to the sampling frame as

an “objective list of the population” that the researcher can use to make their selection. This list should be up-to-date, comprising the population of the research. The sampling frame in this study involved a list of the 100 employees of Samfya District Hospital.

3.3.4 Sampling Technique

According to Kothari (2011) sampling is the selection of a few items or elements from the research population, which becomes the basis for estimating or predicting the prevalence of a measured variable in the study.

On the other hand, a sampling technique is basically the identification of the specific process through which the particular entities of a sample are selected to be used in a research study (Heiman 2013). Sampling techniques are broadly classified into probability and non-probability sampling (Mugenda & Mugenda 2003). The major advantage of probability sampling is that it ensures equal opportunity for all the components in a research target population. The probability sampling methods include cluster sampling, stratified sampling, systemic probability sampling and simple random sampling (Saunders et al., 2007; Kothari 2011). The sampling technique that was used for this study was systematic random sampling.

The rationale for using the systematic random sampling in this study was based on the premise that unlike the simple random sampling the technique allows the researcher to employ a process in the random selection of the subjects in the study. In this way the technique ensures that the population of the study was sampled evenly through the systematic elimination of clustered selection of the research subjects (Kothari 2011). Through the use of the available sample frame, the application of the systemic sampling calls for the researcher to select every k^{th} number on the list and then systematically includes it in the sample. In other terms, the researcher selects an integer as the starting number on the sample frame. This integer must be less than the total number of the subjects in the research population. Then the researcher selects another integer that will demonstrate a constant difference between any two consecutive numbers along the progression. This integer helps the researcher to obtain the correct sample size (Albright *et al.*, 2011). As proposed by Babbie (2010) the researcher selected the first element at random in order to ensure that human bias is eliminated.

3.4 Sample Size

According to Cooper and Schindler (2003), a sample size of more than 10 to 30 percent is usually recommended for social sciences. The study used a sample size of 53 % of the total population that consists of 100 Samfya District Hospital staff, which translated into a sample of 53 respondents. The table below shows the calculation of the sample size.

Table 3-1 Sample Size

Target group	Target population	Sample number/size
Samfya district hospital	100	53
Totals	100	53

3.5 Validity of the instrument

Validity is the degree to which the instrument measures and produces results that actually represents the phenomenon under study. Mulusa (1988) defines validity as extend to which the item measures or describes what it is supposed to measure or describe. To ensure validity in this study, the researcher will carry out a pilot testing of the study. All the shortcomings will be noticed and corrected.

3.6 Reliability of the instruments

Orodho, (2005) states that reliability of measurement concerns the degree to which a particular measuring procedure gives similar results over a number of repeated trials. Reliability of the instruments will be ensured through thorough corrections of all the weaknesses of the instruments which will be noticed during the pilot testing.

3.7 Data Collection Methods and Instrument

There are two different types of data that were used in this study: the primary data and secondary data. Both primary and secondary data were used in this study. Primary data refers the kind of data that is directly gathered from the original source, for instance the respondents in the field. The primary data was convenient for this study due to its tendency for accuracy and control, providing the researcher with the opportunity to make interpretations (Mugenda & Mugenda, 2003). The primary data was collected from staff of Samfya District Hospital.

The secondary data, on the other hand, refers to data that already exists in the form of published and unpublished records and literature (Cooper & Schindler, 2003). It is “neither collected by the researcher nor specifically for the user” (Kombo and Tromp 2012). Salkind (2010), notes that the increasing popularity of secondary data is due to its availability in huge volumes for processing and analysis. In this study the secondary data

was collected from relevant literature, addressing the particular variables investigated in this study.

The main purpose of data collection instruments is to expedite the data collection procedures that are required for the study. An effective instrument helps the researcher to collect data in a manner that is simple, concise and reliable. A good data collection tool will also come in handy when conducting analysis of the collected data (Saunders *et al.*, 2007). Koh and Owen (2000) point out that the common descriptive research design method is the survey, which encompasses normative surveys, personal interviews, phone surveys, personal interviews and questionnaires. In this study questionnaires were used to collect quantitative data and interviews to gather qualitative data.

3.7.1 Questionnaires

Questionnaire is a tool of data collection that consists of a list of questions, which are related to the objective of the study. They are commonly used in gathering data about classification of people, their attitudes and circumstances. They are also used in the in-depth exploration of complex issues (Saunders *et al.*, 2007). Some of the advantages of questionnaires is they are time effective and can facilitate the collection of information from large samples. In using questionnaires the respondents can also be able to uphold the confidentiality of the participants (Kombo & Tromp 2012). Additionally, questionnaires are appropriate where quantitative information is required from a large sample group (Aguinis 2009; Kombo & Tromp 2012). These are some of the reasons that the researcher considered in adopting questionnaires as the tool for data collection in this study.

Questionnaires can be designed for completion either by the researcher (interviewer completion) or by the subject (respondents or self-completion). The interviewer completion surveys are effectively the same as structured interviews (Saunders *et al.*, 2007). In this study, respondents completed the questionnaire by themselves, at their own convenience.

3.7.2 Questionnaire Pre-testing

Mugenda and Mugenda (2003) point out that questionnaire pretesting entails conducting a preliminary test in data collection to crosscheck the tools and procedures. This according to Kombo and Tromp (2012) enabled the researcher to ascertain whether the questions are actually measuring the variables they are supposed to measure and if they also interpreted in the same way by the respondents. The researcher can then pinpoint and eliminate problems and, make necessary revisions on the questionnaire to ensure that the collected

data will be reliable and valid. In this study the researcher pretested five questionnaires with five staffers at Samfya District Hospital that helped in ascertaining the accuracy and reliability of the instrument. Thus, the successful outcome of the piloting helped the researcher to minimize questionnaire non-response rate.

3.8 Ethical and legal liabilities

The researcher avoided all kind of fabrication or misrepresentation of data. This research involved coordination and cooperation from different peoples from diversified fields. Therefore the ethical standards pertaining to the sustainability of the brand preference which are required for the research. Hamel and Prahalad (2005) explained are few areas need to be assessed while conducting such research like ethical norms make them accountable to management.

While conduction a research work and collection of data the ethical issues are considered as it reflects the opinion and thinking of others (Saunders et al., 2009). The Academic rules and regulations, code and conducts validity and reliability. Ethic is a code of conduct acceptable to academic behaviour (Wells, 1994). Information is given to the participant prior to interview that, all of them are voluntarily participating. They have the right to withdraw the information they provided at any time and the data protection act will be followed throughout the work, and information would be used for only university study intension and will not be used for any commercial intensions.

3.9 Data Analysis Methods

Data analysis involves examining the data that the researcher has collected in an experiment or survey and making inferences and/or deductions out of it. It also entails revealing the underlying structures of data; testing of the underlying assumptions and identifying relationships and/or anomalies between variables (Kombo & Tromp 2012). The data used in this study was predominantly quantitative and therefore called for the use of quantitative analysis.

Quantitative data analysis involves measuring the numerical values of data, out of which descriptions such as standard deviations and means are derived. The quantitative data used in this study was both discrete data (such as gender, education level etc) and continuous data (such as age). This quantitative data was analysed using the Statistical Package for Social Sciences (SPSS). This is because SPSS was able to handle large amount of data, and given its wide spectrum of statistical procedures purposefully designed for social sciences, it is also quite efficient (Martin & Kothari 2011).

3.10 Chapter Summary

This chapter discussed the research methodology that guided the collection and analysis of data in this study. The study adopted the descriptive research design as the design for the study since it sought to study the status of performance management in Samfya District Hospital. The study identified the research population of this study as 100 staff of Samfya District Hospital, which was sampled using the systematic random sampling. The study adopted the questionnaire as the data collection tool in this study; and elaborated on how it shall was constructed, pretested and then used in collecting the primary data. The quantitative data collected in this study was analyzed using the Statistical Package for Social Sciences (SPSS).

4 CHAPTER FOUR: FINDINGS AND DISCUSSION OF THE STUDY

4.1 Introduction

This chapter presents the findings, interpretation and discussion of the findings of this study in relation to the research questions. The chapter begins with a discussion on the questionnaire response rate and the demographic information of the respondents. The subsequent sections of the chapter discuss the findings on the research objectives which were; to identify the effects of the implementation of performance management systems on employee performance, to measure the relationship between the PMS and the employee's performance and to determine the factors influencing the effectiveness of the performance management systems.

4.2 Findings of the study

4.2.1 Response Rate

A total of 53 questionnaires were distributed to employees in the various departments of Samfya District Hospital. Out of the 53 questionnaires given out, 5 were not returned; the other 4 were returned but rejected by the researcher since they were inadequately filled. One of the unusable questionnaires was blank on most of the pages and appended on it was a note explaining why the respondent was unable to complete it; the 2 other questionnaires were partially complete with major portions of it blank; while the fourth unused questionnaire had contradictory answers and erasures that made it hard for the researcher to use it alongside other submitted questionnaires.

With the total of 46 questionnaires returned the response rate of this study 86.7%. This is evidently a higher response rate. According to Barbie (2014) high response rate are advantageous

since they greatly reduce non-response bias as compared to the low response rate. The low response rate poses a danger to a study since the non-respondents are highly likely to differ from the respondents in ways other than just their willingness to participate in the study.

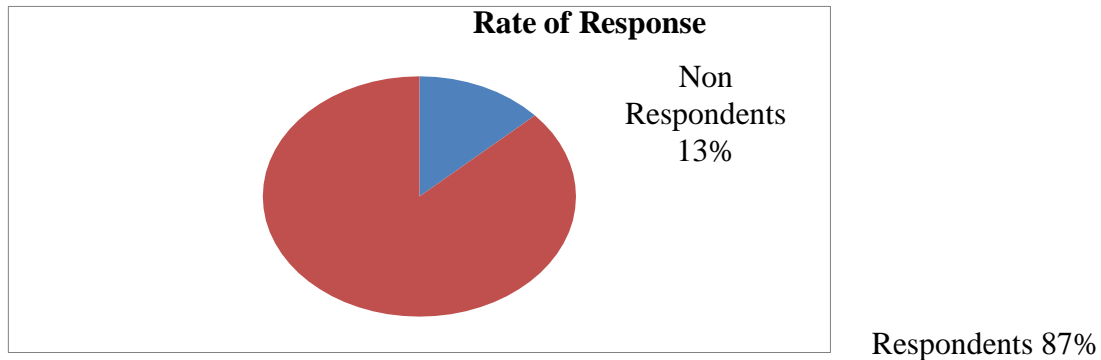


Figure 4-2 Rate of Response

4.2.2 Demographic Information

In this section discusses the features of the respondents that were involved in the study. These features include their gender, age, number of years working at Samfya District Hospital and their level of education.

4.2.3 Representation by the Gender of the Respondents

The findings of this study indicated that out of the 46 questionnaires that were returned 28 were filled by women who accounted for 60.9% of the respondents, while the remaining 18 questionnaires were filled by men who accounted for 39.1% of the respondents. A total of 8 respondents did not indicate their gender. The large number of female respondent is indicative of the gender inequality at the Samfya District Hospital; it hints to the fact that Samfya District Hospital is a female dominated hospital either because of the expertise required, which isn't found amongst many men or because of an institutionalized gender policy. The researcher was interested with the distribution of gender because it would help in ensuring a balanced view to the response of the research questions.

4-1 Distribution of Gender Representation of Respondents

gender of respondents					
		Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid	women	28	60.9	60.9	60.9
	men	18	39.1	39.1	100.0
	Total	46	100.0	100.0	

4.2.4 Representation by the Age of Respondents

The findings of this study indicated that 6 respondents (13%) were below the age of 25; 16 respondents (34.8%) were between 26 – 35 years; 14 respondents (30.4%) were between 36 – 45 years; 10 respondents (21.7%) were between 36 – 40 years and other 8 respondents (21.7%) were above 46 years old. These findings therefore indicated that most of the employees at Hospital were aged between 36-45 years. The cumulative percentage of those respondents aged below 35 years at the Hospital 47.8% whereas those that were aged above 35 years were 52.2% of the respondents.

TABLE 4-2 AGE OF RESPONDENTS

age of respondents				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below 25	6	13.0	13.0	13.0
between 26-35	16	34.8	34.8	47.8
between 36-45	14	30.4	30.4	78.3
above 46	10	21.7	21.7	100.0
Total	46	100.0	100.0	

4.2.5 The Number of Years Working At Samfya District Hospital.

The findings of this study demonstrated out of the 46 responses generated, 10 respondents (20.1%) had worked at Samfya District Hospital for less than five years; 25 respondents (54.3%) had worked in the Hospital between 6 – 10 years; 8 respondents (17.4%) had worked between 11 -15 years and 3 respondents (6.5%) had worked for more than 16 years in the Hospital. Most of the respondents in this study had worked for the Hospital between 5 and 15 years. The cumulative percentage of the respondents that had worked for the Hospital for less than 10 years was 76.1% of the employees. This percentage is significant for this study as it demonstrates that most of respondents have been in the Hospital for long and therefore their view the Performance Appraisal System was based

on their experience over a considerable duration of time.

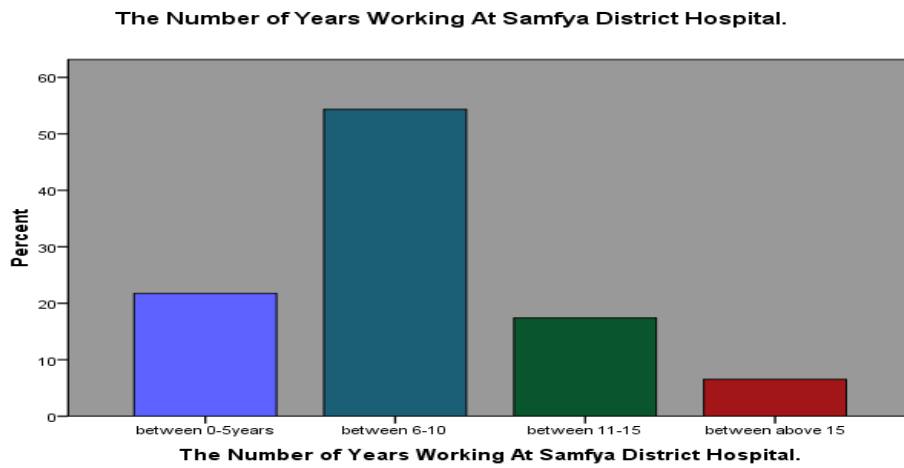


Figure 4-3 the Number of Years Working At Samfya District Hospital

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Figure. 4.4: Representation by Number of Years Working at Samfya District Hospital

4.2.6 The Respondent’s Level of Education

The findings of this study indicated that the respondents had attained various level of education. Nine of the respondents (19.6%) were certificate holders; 31 respondents (67.4%) were diploma holders; 6 respondents (13.0%) were degree holders whereas non respondents were Master’s Degree holders.

Table 4-3 The Respondent’s Level of Education

The Respondent’s Level of Education				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid certificate	9	19.6	19.6	19.6
diploma	31	67.4	67.4	87.0
degree	6	13.0	13.0	100.0
Total	46	100.0	100.0	

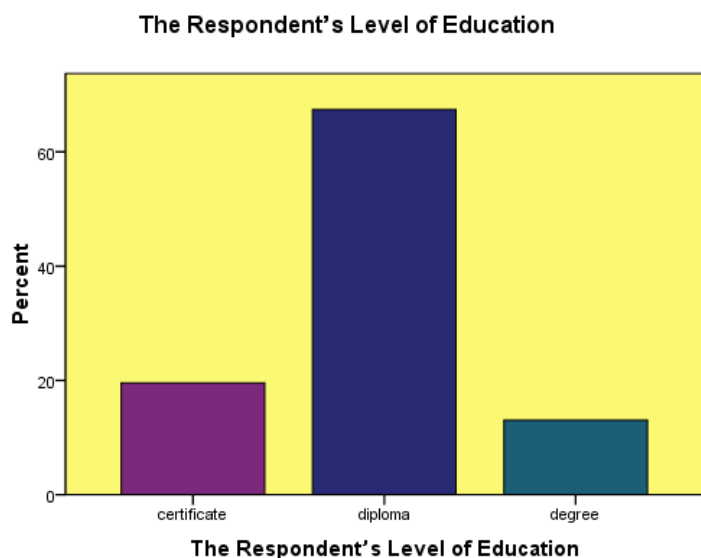


Figure 4-4 The Respondent’s Level of Education

4.2.7 Reliability of Performance Measurement Tools

The reliability of a measurement tool refers to its ability to produce similar results under consistent conditions. This internal consistency is measured using the Cronbach alpha which in the classical test theory in statistics is a measure of scale. It is necessary for quantifying the

reliability of a tool. The performance management tool for this study was measured for its internal consistency on these four categories; performance appraisal system, performance reward system, performance contract system, and performance of the employee. A reliability of .70 or higher is sufficient proof of reliability in the social sciences (Vigaro, 2007).

4.2.8 Performance Appraisal System

The reliability test on the performance appraisal system constructs achieved a Cronbach’s alpha of 0.832 indicating strong internal consistency thus verifying the reliability scale.

Table 4.1 Performance Appraisal System

Item-Total Statistics

Table 4-4 Performance Appraisal System

	Scale Mean if Item	Scale Variance if	Corrected Item-	Cronbach's Alpha	Overall Cronbach's
AS1	27.2174	47.552	.603	.809	0.832
AS2	27.0217	49.044	.525	.817	
AS3	27.1304	46.694	.624	.806	
AS4	27.1522	46.621	.581	.811	
AS5	27.0652	47.929	.585	.811	
AS6	27.4348	48.207	.546	.814	
AS7	27.1957	53.005	.269	.840	
AS8	27.0652	48.373	.567	.812	
AS9	27.0217	49.533	.453	.824	
AS10	27.0652	49.662	.461	.823	

4.2.9 Performance Reward System

The reliability test on the performance reward system constructs achieved a Cronbach’s alpha of 0.767 indicating strong internal consistency thus verifying reliability of scale. Results are shown in the table below.

Table 4.2 Performance Reward System

Item-Total Statistics

Table 4-5 Performance Reward System

	Scale Mean if Item	Scale Variance if	Corrected Item-	Cronbach's Alpha	Overall Cronbach's
RS1	28.9565	41.243	.519	.735	0.767
RS2	29.1087	41.477	.517	.736	
RS3	29.2826	43.052	.467	.743	
RS4	29.4348	41.673	.404	.752	
RS5	28.80	44.916	.268	.768	
RS6	29.1739	42.369	.435	.746	
RS7	29.1957	39.983	.532	.732	
RS8	28.8913	42.143	.456	.744	
RS9	29.1304	43.271	.396	.752	
RS10	29.1522	43.954	.329		

4.2.10 Performance Contract System

The reliability test on the performance contract system constructs achieved a Cronbach’s alpha of 0.683 indicating strong internal consistency thus verifying reliability of scale. Results are as shown in the table below;

Table 4.3 Performance Contract System

Item-Total Statistics

Table 4-6 Performance Contract System

	Scale Mean if Item Deleted	Scale Variance if	Corrected Item-Total	Cronbach's Alpha if Item	Overall Cronbach's
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CS1	30.86	45.31	.18	.68	0.68
CS2	96	6	2	5	3
CS3	30.76	41.91	.41	.64	
CS4	09	9	9	7	
CS5	30.73	42.55	.41	.64	
CS6	91	3	8	9	
CS7	30.73	39.26	.59	.61	
CS8	91	4	9	6	
CS8	30.84	39.51	.57	.62	
CS9	78	0	6	0	
	30.89	40.67	.46	.63	

4.2.11 Performance of the Employee

The reliability test on the performance of the employee constructs achieved a Cronbach’s alpha of 0.868 indicating strong internal consistency thus verifying reliability of scale. The results are as shown in the table below.

**Table 4.4 Performance of the Employee
 Item-Total Statistics**

Table 4-7: Performance of the Employee

	Scale Mean if Item Deleted	Scale Variance if Item	Corrected Item-Total	Cronbach's Alpha if Item	Overall Cronbach's Alpha
P1	27.0870	55.414	.617	.853	0.868
P2	27.1304	51.449	.841	.834	
P3	26.8478	57.599	.426	.868	
P4	26.6739	54.314	.581	.856	
P5	26.9783	54.066	.690	.847	
P6	26.6522	57.565	.477	.863	
P7	27.2391	52.808	.764	.841	
P8	27.0652	51.529	.763	.840	
P9	26.5000	59.233	.340	.874	
P10	27.0435	56.443	.411	.871	

4.2.12 Significance of Implementation of Performance Management System on Employee Performance

The different performance management systems; the reward system (RS) the appraisal system (AS) and the contract system (CS) all have an effect on employee performance. This study sought to establish the significance of the different systems on the performance of employees at Samfya District Hospital Limited. The table below shows the linear regression analysis to identify the significance of the independent variables on the dependent variables.

Table 4.5 Regression Model

Table 4-8: Regression Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.021	.104		.199	.843
1 AS	.317	.102	.348	3.106	.004
CS	.361	.112	.374	3.209	.003
RS	.341	.111	.351	3.074	.004

The regression equation for this output is

4.2.13 Significance of Performance Appraisal System on Employee Performance

Performance appraisal system was found to have a linearly significant influence on the Employee performance ($\beta = 0.317$, $p = 0.004 < 0.05$, $t\text{-value} = 3.106$). This indicates that an increase in the performance appraisal will in turn cause an increase in the employee performance due to their linear correlation.

4.2.14 Significance of Performance Reward System on Employee Performance

Performance reward system was found to have a linearly significant influence on the Employee performance ($\beta = 0.361$, $p = 0.003 < 0.05$, $t\text{-value} = 3.209$). The performance reward system also

had a linear correlation to the level of employee performance as an increase in the performance management system will lead to an increase in the level of employee performance.

4.2.15 Significance of Performance Contract System on Employee Performance

Performance contract system was found to have a linearly significant influence on the Employee performance ($\beta = 0.341$ $p = 0.004 < 0.05$, $t\text{-value} = 3.074$). This implies that the introduction of a performance contract system to any organization will have a positive impact on the level of employee performance thus increasing the general productivity of the organization

4.2.16 Regression analysis of the significance of the PMS on employee performance

The impact of the performance management system as a whole employee on the performance of employees was determined by the use of the regression model. The results are as shown below

Table 4.6 Model Summary

Model Summary^b

Table 4-9: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.784	.61	.60	.5823

a. Predictors: (Constant), SYSTEM

b. Dependent Variable: PERFORMANCE

The model analysis of regression is shown in the table above. Regression indicates the strength of the relationship between the independent variables (Performance management systems) and the dependent variable (Employee performance). The R square value in this case is 0.615 which clearly suggests that there is a strong relationship between Employee performance and performance management system. This indicates that the performance management system share a variation of 61.2 % of Employee performance.

ANOVA^a

Table 4-10 Anova

Model	Sum of	df	Mean	F	Sig.
1 Regression	18.95	1	18.95	55.90	.000
Residual	11.86	35	.33		
Total	30.82	36			

a. Dependent Variable: PERFORMANCE

$$Performance = -0.095 + 0.678X_{system}$$

b. Predictors: (Constant), SYSTEM

The table indicates F-test (F= 55.906, p-value (sig) =0.000) is significant and therefore the entire model fits well.

Coefficients^a

Table 4-11 Predictors: (Constant), SYSTEM

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	-	.09		-	.32
	SYSTEM	.67	.09	.78	7.47	.00

a. Dependent Variable: PERFORMANCE

Performance management system was found to have a linearly significant influence on the Employee performance ($\beta = 0.678$, $p = 0.000 < 0.05$, $t\text{-value} = 7.477$)

The regression equation is.

4.2.17 Performance Management Systems and Employee Performance

The data was entered into SPSS to determine the relationship between each independent variable and the dependent variable that is employee performance. The independent variables are appraisal system (AS), Reward system (RS) and contract system (CS). Correlation is a measure of relationship that was used to explain the relationship.

Correlations

Table 4-12 Correlations

		PERFORMANCE	AS	CS	RS
PERFORMANCE	Pearson Correlation	1	.471*	.559*	.501*
	Sig. (2-tailed)		.002	.000	.001
AS	N	42	42	42	42
	Pearson Correlation	.471**	1	.228	.108
CS	Sig. (2-tailed)	.002		.146	.497
	N	42	42	42	42
RS	Pearson Correlation	.559**	.228	1	.299
	Sig. (2-tailed)	.000	.146		.055
RS	N	42	42	42	42
	Pearson Correlation	.501**	.108	.299	1
	Sig. (2-tailed)	.001	.497	.055	
	N	42	42	42	42

** . Correlation is significant at the 0.01 level (2-tailed).

4.2.18 Relationship between the Performance Appraisal system and Employee performance

The performance appraisal system was found to be positively related to Employee performance since the correlation coefficient between the two was significantly different from zero (r = 0.471, p-value = 0.002) at 0.01 levels of significance.

4.2.19 Relationship between the Performance Reward System and Employee Performance

The performance reward system was found to be positively related to Employee performance since the correlation coefficient between the two was significantly different from zero ($r = 0.559$, $p\text{-value} = 0.000$) at 0.01 levels of significance.

4.2.20 The Relationship between the Performance Contract System and Employee Performance

The performance contract system was found to be positively related to employee performance since the correlation coefficient between the two was significantly different from zero ($r = 0.501$, $p\text{-value} = 0.001$) at 0.01 levels of significance.

4.2.21 The Strength of the Relationship between the Independent Variables and the Dependent Variable

Regression indicates the strength of the relationship between the independent variables (RS, AS, CS) and the dependent variable (Employee performance). The R square value in this case is 0.549 which clearly suggests that there is a strong relationship between Employee performance and performance management system. This indicates that the performance management systems (RS, AS, CS) share a variation of 54.9% of Employee performance. The model analysis of regression is shown in the table below

Model Summary^b

Table 4-13 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.741	.54	.51	.6724	2.32

a. Predictors: (Constant), RS, AS, CS

b. Dependent Variable: PERFORMANCE

ANOVA^a

Table 4-14 ANOVA

Model	Sum of	df	Mean	F	Sig.
Regression	20.90	3	6.96	15.41	.000

1	Residual	17.18	38	.45	
	Total	38.08	41		

a. Dependent Variable: PERFORMANCE

b. Predictors: (Constant), RS, AS, CS

The table indicates F-test (F= 15.414, p-value(sig)=0.000<0.05) is significant and therefore the entire model fits well.

4.2.22 Overall Model of Correlation

Correlations

Table 4-15 Correlation

		PERFORMANC E	SYSTEM
PERFORMANCE	Pearson Correlation	1	.784*
	Sig. (2-tailed)		.000
	N	37	37
SYSTEM	Pearson Correlation	.784*	1
	Sig. (2-tailed)	.000	
	N	37	37

**. Correlation is significant at the 0.01 level (2-tailed).

Performance management system was found to be positively related to Employee performance since the correlation coefficient between the two was significantly different from zero (r = 0.784, p-value = 0.000) at 0.01 levels of significance.

4.3 INTERPRETATION AND DISCUSSION OF THE STUDY

4.3.1 The Significance of the Performance Management Systems on Employee Performance

The study revealed that employee performance is driven by the levels of motivation placed on the employees. Some of the key areas of enhancing employee performance were having a good performance management system and a performance reward system.

The findings agree with Armstrong (2006), who states that performance management plays a pivotal role in the human resource framework of all organizations. Cardy and

Leonard (2014) note that performance management is an essential component for attaining effectiveness in organizations. The benefits that come with managing individuals and the performance of teams are critical in the quest to achieve the objective of the organization. In the same vein, there are gains that accrue as a result of compensating the employees in terms of pay increments, stock options, bonuses and other such like benefits that are attributed to the achievement of some particular organizational goals. These links however do not in the long run produce extended results.

The findings also affirm that performance management initiatives have been given different terms such as pay-for-performance, management by objectives, performance based budgeting and/or programming and budgeting. At the outset, such like initiatives were merely geared towards making employee performance measurable and explicit for performance to be manageable (Mondy *et al.* 2002). However, performance management has evolved to such a level that it no longer signifies just a list of singular practices that are aimed at measuring and adapting the performance of employees (Harper & Vilkinas, 2005; Inyang, 2008; Cardy & Leonard, 2014). Performance management has become an integrated process through which managers' work together with their employees in improving their performance through setting expectations, measuring and reviewing results and cultivating reward performance. This ultimately is geared towards promoting the positive overall performance of the organization (Locke & Latham 2002). Appreciating these significances of performance management is a prerequisite to reaping its gains upon the implementation of its processes in any organization.

Finally the findings are an affirmation that performance measurement systems achieve their objectives whenever the strategy and performance measures of the organization are in alignment. They also succeed when the leadership of the organization adequately their vision, mission, strategies and values to the employees and stakeholders (Mondy *et al.*, 2002). Organizational activities that cannot be measured can hardly be controlled; in turn without such control the activities or rather processes cannot be managed. In essence, when an organization has got no dependable measurement it is difficult to make informed decisions on organizational performance (Dechev, 2010; Vigaró, 2013). In this way the performance measure breathe life into the vision, mission and strategy of the organization through providing focus to each employee; helping them conversant on how they can contribute to the success of the measurable expectation of the organization and its relevant stakeholders (Locke & Latham, 2002; Inyang, 2008).

4.3.2 Relationship between Performance Management and Employee Performance

The study revealed that one of the key areas of enhancing employee performance is setting up a performance management system in an organization. Performance management systems were found to greatly improve employee performance and it is to a great extent a key component for organizations' to provide them to their employees at the work place to improve the efficiency of their employees. This is due to the fact that the relationships between the performance management systems and employee performance have a positive correlation with a coefficient of 0.784.

The findings affirm that indeed the greatest challenge facing managers in almost all organizations today is how they can get maximum performance from their employees (James, 2003; Kirkpatrick, 2006; Sanderson et al. 2009; Rossi, 2012). This is because management of employees today has shifted in its outlook. No longer are employees regarded as machines to carry out order given by the management; they are rather regarded as the greatest resource of the organization on whose shoulders rest the success or failure of that particular organization. In most instances, it is the employees that interact with the most important publics of an organization, such as customers, especially when it comes to commercial organizations. They therefore are the link between the organization and its outside publics and whenever they are frustrated it will invariably translate to how the organization is presented to the outside publics.

In the same regard, it can be affirmed that organizational managers look forward to their employees delivering elevated performance. Commonly, many organizations seek to achieve this before they get right the hygiene factors. Worth noting is the fact that commitment factors cannot by themselves propel the employees to deliver improved performance unless the management has first put in place the basic hygiene factors (James, 2003; Dechev, 2010; Rossi, 2012). Most organization have their human resource managers concentrate their efforts on activities such as selection, training and recruitment in ensuring that their employees have acquired the required capacities that will enable them to meet the demands of the tasks assigned to them. Notably, these alone cannot guarantee that the employees will be productive in their tasks. This makes it imperative for organizations to invest into providing the hygiene factors that will lay the foundation for employees' subsequent exemplary performance (Kirkpatrick, 2006).

Finally the findings are in line with Burns and Zhiren (2010) who examined how the Chinese government endorsed performance management and analysed the Chinese experiment with the concept since early 90s. In the 90s the Chinese government experimented with numerous performance management systems, which by 1995 came to be identified as the Objective Responsibility System. Through this system the government set targets at high administrative level, which were to be implemented by the low-level administrators. This system is currently widely practiced in China and targets have become increasingly quantifiable, specific and closely linked to employees' outcomes. The monitoring of performance is however left to the local authorities, which have vested interests when it comes to reporting outstanding achievements.

Similarly, this system was implemented in the Botswana's public service in the 90s based on the recommendations from the previous evaluation of other performance improvement initiatives in the public sector that had failed to produce desired results. This performance management system was therefore aimed at improving the delivery of service to the public and in more specific terms it was aimed at improving performance, efficiency, communication, productivity and accountability of the public servants. It was introduced on the premise that it would come in handy in resolving problems in the various ministries in the government, which included inadequate planning, resource wastage and the disregard of the needs of the public (Boipono et al., 2014).

4.3.3 Factors influencing the Effectiveness of the Performance Management Systems

The findings on the factors influencing effectiveness of the performance management systems agree with a research conducted by the Centre for Business Performance at the Cranfield School of Management demonstrated that the organizations that have implemented performance management systems are generally better placed to monitor their productivity; effectively communicate their strategies and even reduce their operational costs. Besides, these organizations are also able to review their business strategies, control their operations and more importantly support their systems of compensation. (De Waal 2003).

In addition, the findings also agree with Homayounizadpanah and Baqerkord (2012), who conducted a study on the implementation of performance management system impact on the efficiency, productivity and effectiveness of the employees of Chabahr Municipal in India. They asked participants their views on how their organizations had changed after

the implementation of the performance management system. They found out that after the implementation of the system most of the organizations gained positive benefits. The implementation of the system increased the output, efficiency and even improved the satisfaction rates of the customers. More importantly, the implementation of the system also reaped substantial benefits for the human resource. This was attributed to clear communication lines and a boost on the employee initiative.

In the same regard the findings agree with Marr (2009), who says that on factor that impact on successful performance management implementation is whether or not the top management makes emphasis on the control of inputs, outputs and behaviors. The top-down control of employee behavior to enhance compliance with laid out procedures is highly likely to yield minimum benefits, if any. In this case the organization needs to make huge investments on surveillance and control; this in turn minimizes the discretion of the employees and leads to rigidity and dysfunctional behavior. However, when organizations focus on controlling output they invariably provide their employees with the discretion of achieving the desired goals.

Finally the findings are an affirmation that in the new quest to improve employee performance at Merrill Lynch the managers and the employees reach an agreement on a set of performance objectives. These objectives are closely related to the business goals of the company. The goals are subject to adjustments as required at any time. Feedback involves an ongoing process, with reviews undertaken at mid-year and the end of the year, providing a lot of opportunities for spontaneous mentoring and suggestions. The joint goal setting has strengthened cooperation between the manager and the employees, while measuring performance against standards has reduced the competition amongst the employees. (Griffin & Moorhead 2010).

4.4 Chapter Summary

This chapter presented the finding from the study based on the two research questions; to determine the significance of the performance management systems on employee performance and to identify the relationship between the performance management systems and employee performance. The data was collected from a population of 53 staff members at Samfya District Hospital limited for the purposes of the study.

The collected data was entered on SPSS and correlation and regression analysis were carried out. Reliability of the measurement scale was also determined using Cronbach alpha coefficients. The measurement tool had an average internal consistency of 0.787 which is higher than the acceptable 0.70 making it a reliable tool for this study. Performance management systems were found to have a linear significant influence to employee performance. Performance reward systems were found to have the highest influence on the employee performance with a t value of 3.106 followed by performance appraisal systems and lastly by performance contracts with t values of 3.106 and 3.074 respectively.

The relationship between performance management systems and employee performance is positive with a correlation coefficient of 0.784. This means that it can be concluded that performance management systems improve employee performance and it is therefore pertinent for organizations to provide them to improve efficiency at the work place.

5 CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study and various recommendations' in reference of the main objectives of the project which were:

1. To determine the significance of the performance management systems on the employee performance
2. To measure the relationship between performance management systems and employee performance.
3. Factors influencing the Effectiveness of the Performance Management Systems

The study was done on 53 staff members of Samfya District Hospital and the data collected was entered on SPSS where correlation and regression studies were done. The reliability of the measurement scale was also computed to ensure that the tool would provide data sufficient for this study.

5.2 Conclusions

5.2.1 The Significance of the Performance Management Systems on Employee Performance

Employee performance is driven by the levels of motivation placed on the employees. Some of the key areas of enhancing employee performance were having a good

performance management system and a performance reward system. Performance management systems were found to have a linear significant influence on the employee performance. This in turn improves to a great extent the efficiency of any organization as the employees' are motivated to perform.

5.2.2 The Relationship between Performance Management and Employee Performance

One of the key areas of enhancing employee performance is setting up a performance management system in an organization. Performance management systems were found to greatly improve employee performance and it is to a great extent a key component for organizations' to provide them to their employees at the work place to improve the efficiency of their employees. This is due to the fact that the relationships between the performance management systems and employee performance have a positive correlation with a coefficient of 0.784.

5.2.3 Factors Influencing the Effectiveness of the Performance Management Systems

The study concludes that any business organization should be ready to put in place a performance management system that motivates the employees to work effectively for best results. Performance reward systems were found to have the highest influence on the employee performance with a t value of 3.106. This shows that if you want to improve employee performance, organizations should put in place performance appraisal systems due to their positive effect to employee performance. Followed by performance appraisal systems and lastly by performance contracts with t values of 3.106 and 3.074 respectively.

5.3 Recommendation

5.3.1 The Significance of the Performance Management Systems on Employee Performance

Samfya District Hospital need to implement performance management systems because of their positive effect on the efficiency of the employee. To ensure that the employee stays motivated and efficient ascertains the organization that its goals will be met. Since the employee is the driving force of the company it is important for the organization to take an extra step in ensuring that the employees are performing at their level best which can be influenced by the motivation structures put up in place by the organization. More organizations need to implement performance management systems.

5.3.2 The Relationship between Performance Management and Employee Performance

Seeing as the performance reward system has the highest correlation coefficient at 0.559 to employee performance, more employers need to make it a part of their performance management system to keep their staff motivated. Employers should to a large extent focus on ensuring that their organizations have performance reward systems for ensuring that the employees work efficiently and productive.

5.3.3 Factors Influencing the Effectiveness of the Performance Management Systems

The study recommends the need for organizations to distribute the rewards to the employees with higher performance in accordance to a pre-determined formula. This system promoted competition amongst the employees and imputed the managers to explain the criteria for their rankings. This is likely to lead to tensions amongst the employees and also between the managers and employees. This tension can therefore be removed when the management shifted its emphasis from justifying ratings to improving performance.

5.3.3.1 *Recommendations for Further Studies*

The study recommends the need for additional studies to be conducted in this area of study, however particular consideration to be given to all sectors of the economy. It will also be interesting to carry out a study in a public organization setting so as to be able to establish if indeed the same findings will be achieved. Ideally the PMSs are not an end in themselves; they need constant monitoring, evaluation and updating in order for them to help organizations to reach their performance objectives.

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QUESTIONNAIRE

SECTION A: DEMOGRAPHIC INFORMATION

1. Indicate your gender

Male [] Female []

2. What is your age?

Below 25 years [] 25- 30 years []

31-35 years [] 36- 40 years []

41-45 years [] Above 45 years []

3. Number of years working in your company.

Less than 5 years [] 5-10 years []

11-15 years [] 16-20 years []

Above 20 years []

4. Level of Education

Form Four [] Certificate holder []

Diploma holder [] Degree holder []

Masters holder [] PhD Holder []

SECTION B: PERFORMANCE APPRAISAL SYSTEM AND EMPLOYEE PERFORMANCE

In each of the following questions please indicate the extent to which you agree or disagree with each statement by ticking the corresponding values on a scale of 1 to 5. Use the key below:

(1 = Strongly Agree; 2 = Agree; 3 = Neutral/Undecided; 4 = Disagree; 5 = Strongly Disagree)

1. The organization is only interested with the output of the employee
1 2 3 4 5
2. The company gives me the chance to do something that makes use of my abilities
1 2 3 4 5
3. The job that I perform at the company is challenging
1 2 3 4 5
4. It is not easy to access company information
1 2 3 4 5
5. My colleagues cooperate well with one another
1 2 3 4 5
6. My colleagues are loyal to the organization
1 2 3 4 5
7. The appraisal system emphasize on the behavior of the employee that instill confidence to the customers
1 2 3 4 5
8. The appraisal system helps to improves the employee responsiveness to the customers
1 2 3 4 5
9. The appraisal system has improved communication between the management and the employees
1 2 3 4 5
10. The appraisal system has improved coordination between teams in the organization
1 2 3 4 5

SECTION C: PERFORMANCE REWARD SYSTEM AND EMPLOYEE PERFORMANCE

In each of the following questions please indicate the extent to which you agree or disagree with each statement by ticking the corresponding values on a scale of 1 to 5. Use the key below:

(1 = Strongly Agree; 2 = Agree; 3 = Neutral/Undecided; 4 = Disagree; 5 = Strongly Disagree)

1. My organization has little concern for the personal relations of the employees
1 2 3 4 5
2. My organization believe that job competence is the only criterion of hiring people
1 2 3 4 5
3. My organization focuses on results rather than the procedures
1 2 3 4 5
4. My organization communicates to the employees about performance
1 2 3 4 5
5. My organization gives the chance to do different things from time to time
1 2 3 4 5
6. There are only specific kinds of people that fit into the organization
1 2 3 4 5
7. I am satisfied with my pay and amount of work I do
1 2 3 4 5
8. The chances of opportunity for promotion are available
1 2 3 4 5
9. Promotion is based on ability
1 2 3 4 5
10. My company has a fair promotion policy
1 2 3 4 5

SECTION D: PERFORMANCE CONTRACT SYSTEM AND EMPLOYEE PERFORMANCE

In each of the following questions please indicate the extent to which you agree or disagree with each statement by ticking the corresponding values on a scale of 1 to 5. Use the key below:

(1 = Strongly Agree; 2 = Agree; 3 = Neutral/Undecided; 4 = Disagree; 5 = Strongly Disagree)

1. My organization is bureaucratic with strict rules and procedures
1 2 3 4 5

2. My organization focuses on results more than the procedures
1 2 3 4 5

3. My organization has a high standards in regards to ethics and fairness in doing business
1 2 3 4 5

4. The performance contracts improves the effectiveness of the company programs and focuses on results
1 2 3 4 5

5. The performance contracts helps to reduce duplicating tasks
1 2 3 4 5

6. The performance contracts communicates the purpose for using performance measurements to employees
1 2 3 4 5

7. The performance contracts boosts the coordination amongst teams in the organization
1 2 3 4 5

8. I am satisfied with the feeling of accomplishment I get from my job
1 2 3 4 5

9. I am satisfied with the way my supervisor handles the people under him/her
1 2 3 4 5

10. My supervisor is competent in making decisions
1 2 3 4 5

SECTION E: MEASURING THE PERFORMNACE OF THE EMPLOYEE

In each of the following questions please indicate the extent to which you agree or disagree with each statement by ticking the corresponding values on a scale of 1 to 5. Use the key below:

(1 = Strongly Agree; 2 = Agree; 3 = Neutral/Undecided; 4 = Disagree; 5 = Strongly Disagree)

1. I am able to take new tasks

1 2 3 4 5

2. I can step in for my co-workers whenever need arises

1 2 3 4 5

3. I am continuously learning and improving myself

1 2 3 4 5

4. I am able to communicate freely with my supervisor and colleagues

1 2 3 4 5

5. I know what is expected of me at work

1 2 3 4 5

6. I have enough information to do my job well

1 2 3 4 5

7. I am aware about what the customers want

1 2 3 4 5

8. I receive good feedback from the customers

1 2 3 4 5

9. I am involved in important decisions that affect my work

1 2 3 4 5

10. I am comfortable with giving feedback to others

1 2 3 4 5