THE EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEE MOTIVATION: A SURVEY OF SLUM BASED NON-GOVERNMENTAL ORGANIZATIONS IN NAIROBI

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________  Date: _____________________________

Natalie Chimwemwe Chaponda (ID No: 618014)

This project has been presented for examination with my approval as the appointed supervisor.

Signed __________________________  Date: _____________________________

Dr. Teresia Linge

Signed: __________________________  Date: _____________________________

Dean Chandaria School of Business
ABSTRACT

The general objective of the study was to determine the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations in Nairobi. The study was guided by the following specific objectives: to establish the extent to which performance appraisal process affects employee motivation, to determine the extent to which appraisers affect staff motivation and to determine the challenges in appraising employee performance.

The study adopted a descriptive research design. The population of interest consists of all 300 employees of slum based NGOs. A sample size of 171 was selected using stratified sampling method. Data was collected using structured questionnaires. The data was analyzed using the Statistical Package for Social Sciences (SPSS) into frequency distribution, percentages and Pearson correlations. The data was presented using tables and charts.

On the effect of performance appraisal process on employee motivation established that the system is important for employee motivation. Performance appraisal system has helped improve job performance at work. The regular assessment of performance leads to employee motivation. The performance standards are quantified and pegged against an individual evaluation which is essential for employee motivation. Performance appraisal rating can be considered as a technique that has a positive effect on work performance and employee motivation. The employees may be motivated if the appraisal process is based on accurate and current job descriptions. The performance appraisal identifies performance problems to improve employee productivity and motivation.

On the effect of performance appraisers on employee motivation established that the different raters can increase the accuracy of performance evaluation (can reduce bias) and increase employee’s perceptions of fairness. Customers can recognize the employees when they do a good job evaluation process that are important for employee’s motivation. Subordinate evaluations may give valuable information to improve on the employee’s motivation. Peers or co-workers often know the job of the individual employee better than the supervisor does and they are more directly affected by the employee’s actions, either positive or negative.
On the challenges of performance appraisal on employee motivation established that some managers tend to be liberal or strict in their rating of staff which may affect the employees’ motivation. The manager’s ability to address the skills gaps can have a significant impact on the employee’s motivation. Regular ratings may affect the performance and motivation of the employees. Fair assessment of the employee’s performance may enhance their motivation. Employers should also note that performance evaluation is a continuous process and not one that happens only once a year. The reasonable expectations of the ratings can lead to honest feedback for employee motivation.

The study concludes that performance appraisal process on employee motivation established that the system is important for employee motivation. Different raters can increase the accuracy of performance evaluation (can reduce bias) and increase employee’s perceptions. The manager’s ability to address the skills gaps can have a significant impact on the employee’s motivation.

The study recommends that the performance appraisal system is an important factor for employee motivation. Performance appraisal system helps improve employee job performance and motivation at work. Different raters can be used to increase the accuracy of performance evaluation and increase employee’s perceptions of fairness that can increase staff motivation. The managers of slum based Non-Governmental Organizations in Nairobi should quickly address the skills gaps which have a significant impact on the employee’s motivation.
Acknowledgement

Undertaking EMOD was truly challenging although incredibly rewarding journey and there is no more joyous moment than finally reaching the final destination. I found that being a student again was an incredible isolating experience. Had it not been for some special people who made enormous sacrifices and contributed huge amounts of support, I may not have survived this ordeal and been able to accomplish my goal. Therefore, there are several people I would like to acknowledge and thank for their tremendous support.

First, I wish to express my immense thanks to all the people who have been part of my supervisory, Dr. Teresia Linge. She saw me through my entire journey, forever positive, encouraging and supportive. I also thank her for contributing immense knowledge on how write a project, prepare data collection instruments, proof read and correct my project.
DEDICATION

I dedicate this project to my family for their enduring patience, understanding and preparedness to pursue what I always wanted to do. I can say that I would never have realised this accomplishment without my family. Thanks a lot for your inspiration and the support you have provided me throughout this long journey.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Organizations are in a constant battle to enhance their employee motivation (Kreitner and Kinicki, 2007). Motivation can be defined as the psychological processes that cause the arousal, direction, and persistence of voluntary action that is goal oriented (Lee and Mitchell, 2004). The employees of an organization are vital to the growth and success of the organization and in many cases the employees are a reflection of an organization (Bennet, 2002). Harvey and Brown (2006) also emphasize that people are the foundation of every organization. Bennet (2002) explains that people working for an organization, are the most valuable, the most costly, and the most volatile of all the resources that it can use to accomplish the organization’s work.

The literature on motivation suggests that there are two categories: extrinsic and intrinsic. Extrinsic motivation results from satisfying, indirectly, the lower-level human needs associated with basic survival (Bennett et al., 2002) and includes financial rewards, working conditions and job security. Intrinsic motivation results from satisfying the higher-level human needs (Bennett et al., 2002). This includes job satisfaction, compliance with standards for their own sake (such as ethical standards, fairness and team spirit) and the achievement of personal goals (Frey and Osterloh, 2002).

The Content theories of motivation are based on identifying specific human needs and describing the circumstances under which these needs activate behaviour. Amongst these, Maslow and Herzberg are the most famous and still cited in most of the motivation literature (Cuong et al., 2003). Process theories of motivation focus on the ways that people think through motivation issues and how they determine whether their actions were successful. These include expectancy theory, equity theory, goal theory and the psychological contract. Each has merits, but none is sufficient in itself (Handy 1993).

Amongst these theories, Herzberg's Motivation Theory (Herzberg, Mausner et al. 1959) has been used to identify the job motivation of nurses in the USA (Rantz, Scott et al. 1996) and health workers in developing countries (Cuong et al., 2003). Therefore for the purposes of this research, and after full consideration of all the theoretical evidence,
Herzberg's Motivation Theory is thought to be most relevant for this study. Herzberg suggested that there are two different types of needs: (1) hygiene factors (if inadequate these determine levels of worker dissatisfaction): supervision, interpersonal relations, work conditions, salary and job security (2) motivator factors (these determine the level of worker motivation and satisfaction): achievement, the work itself, recognition, responsibility, advancement and growth.

Herzberg's model proposes that if salaries are not paid in a timely manner, health workers are likely to become more concerned with getting paid and less willing to exert effort at their job as they seek alternative means of gaining income and support for their families. Motivator factors have been examined at length but researchers have neglected hygiene factors. However, Herzberg also suggests that even when hygiene factors are met, they simply produce neutral feelings if motivator factors are absent. Dieleman et al. (2003) argue that Herzberg’s theory has relevance for human resource management in the health sector because of the need to clarify whether a problem is due mainly to hygiene or motivator factors (Machungwa and Schmitt 1983).

If the problem is staff retention, hygiene factors such as improved salary levels and working conditions will be effective. If the problem is staff performance, attention should be given to motivator factors. For the primary purpose of addressing staff retention, it is relevant for this study to identify the hygiene factors within Herzberg's framework as motivator factors. In this regard, organizations need motivated employees to get things done in Non Governmental Organizations (NGOs). The slum based NGOs includes: Allavida Kenya, Slums information development and resource centres (SIDAREC), Haki Selp Help Group, Kibera Women Network (KWN), Uzima Foundation, Centre for Rights Education and Awareness (CREAW), Kenya Girls Guides Association (KGGA), Zulu and Kibera Youth.

The aim of Allavida Kenya is to transform the livelihoods of poor and marginalized people in Africa in the pursuit of social justice. For Allavida, social justice must include notions of people securing rights to have basic needs met, greater equity in the distribution of resources and of access to resources and opportunities, equal worth of people and respect for diversity (Allavida, 2014). Second, SIDAREC is a youth/children development project operating in the slums of Nairobi. The organization was established
in 1996 as a community based youth group with an aim of tapping and consolidating skills and talents existing among the youth/children in the community for the common benefit of the slum dwellers. And later SIDAREC developed and changed status to a non-governmental organization in the year 1997 (SIDAREC, 2014).

Goals SIDAREC’s main goal is to reduce apathy among the underprivileged community through dissmemination of accurate, consistent and relevant information in addition to designing and implementing responsive social development program. The objectives SIDAREC’s general objectives serve as a roadmap in achieving its set mission. The objectives address the most felt needs in the communities we serve and guide designing of programmes to tackle myriad problems afflicting these communities from improving the general health status of slum communities, enhance computer usage skills in slum communities and make information accessible to foster faster development, attain holistic development of children in underprivileged areas, create an informed and articulate community that makes responsible decisions for its own benefit and welfare, to raise the income levels and promote secure livelihoods for the slum community members (SIDAREC, 2014).

Haki Group is a non-profit, community based organization operating in the Kibera Slums, which is situated on the outskirts of Nairobi, Kenya. Within Kibera, Haki works within Langata District, Kibera Division, Raila, Soweto, Gatwekera, Makina and Kianda villages. Haki was founded in 1995 by a group of volunteers who pooled their financial resources and ideas to address community based issues in the areas of HIV/AIDS, poverty reduction, the rights of women and children, and the environment. The NGO seeks to join other like minded organizations in the fight against HIV/AIDS pandemic and facilitates a conductive environment towards this goal. The vision of the NGO is to have a society free from HIV/AIDS and to have a future generation in good health, educated and happy, normal and productive (Haki Group, 2014).

Uzima Foundation was registered in Kenya in 1995 as a charitable trust and is now also a registered NGO to work in Kenya, Africa and beyond. UZIMA Foundation recognizes and appreciates the potential and assets inherent in young people; among them innovative spirit, enthusiasm, energy, openness, fair play, courage and optimism. The NGO’s mission is to create social space and promote an enabling environment for Youth
Empowerment that facilitates access to decision-making opportunities for young women and men, for holistic improvement of the quality of their lives and that of their communities. The modality through which UZIMA Foundation addresses this mission is the UZIMA Youth group (Uzima, 2014). On the other hand, Centre for Rights Education and Awareness (CREAW) was founded by a group of women lawyers in 1998, CREAW works to promote women’s equality in Nairobi. Its programs seek to eradicate sexual and gender-based violence, transform Kenya into a society that respects, defends and actualizes women’s rights, increase women’s access to legal education and trauma counselling and sustain the national peace-building process. The purpose of the NGO is to build the advocacy capacity of adolescent girl-focused civil society organizations and facilitate a shared girl-focused advocacy agenda by leading a community of practice in Nairobi (CREAW, 2014).

The Kenya Girl Guides Association, KGGA, is the national Guiding organization of Kenya and serves about 130 000 members. KGGA provides opportunities for girls and young women to be challenged by new adventures and experiences and achieve a sense of pride in accomplishment. KGGA also teaches about the world, its people and cultures. Many of the women leaders of Kenya today have background from Kenya Girl Guides Association and are continuously giving support. Kenya Girl Guides Association, KGGA mandate is to empower Girls and young women as responsible citizens of the world. Through this mission statement, the association builds capacity of the girls in leadership, life skills and other value based training. All this is done through participatory methodology. KGGA through its patrol systems already has inbuilt democratic approach to issues at all levels. It is enshrined in our constitution and way of life (KGGA, 2014).

Zulu is a leading facilitator to economically and socially empower communities. The mission of the NGO is to respond to the Development needs of our greater community by facilitating Networks, Partnerships and Joint Ventures. The NGO also aims to build the capacity of the community to sustain themselves economically and to improve the quality of their lives. This is achieved by committing to serve the communities, being accountable to the stakeholders, exercise honesty and integrity, build mutually beneficial relationships, transparency, respect people and improve teamwork effectiveness (Zulu, 2014). On the other hand, Kibera Community Youth Programme (KCYP) is a unique, community- based organization (CBO) formed and run by young people in the Kibera
slum, Nairobi. It is registered under the office of Vice President and ministry of Gender, Sports and Department of Social Services. The mission of the NGO is to advancement the well-being of young people in Kibera with the aim to provide opportunities that promote proactive participation in community development (KCYP, 2014).

Many NGOs are under stress from resource constraints, a situation which generates particular challenges in motivating its workers. A range of studies indicate that there are major problems related to NGO workers motivation in low-income countries (McAuliffe et al., 2009; Dieleman and Harnmeijer, 2006). Some studies discuss NGO workers’ motivation in the Kenyan context (Haggstrom et al., 2008) and other studies link poor performance to low motivation (Stringhini et al., 2009). Similar observations have been made in other countries (Willis-Shattuck et al., 2009). It is therefore important to identify factors that impact motivation, and the relation between motivation and performance. A systematic review of NGO workers’ motivation in low-income countries concludes that financial rewards, career development, continuing education, resource availability, hospital management, and recognition are core contributing factors. NGO worker motivation thus emerges as a highly complex issue. It is recognized that motivation of the NGO workers is linked to their performance. Hence, this study aims to investigate the effect of performance appraisal system, training and pay as a tool for enhancing tool employee motivation.

Boice and Kleiner (2007) suggest that employee performance appraisal is crucial for the motivation of the employees. Performance appraisal refers to where a superior evaluates and judges the work performance of subordinates (Harter, Schmidt and Hayes, 2002). While the performance appraisal system refers to the methods based upon the following techniques: Graphic rating scales; behaviourally anchored rating scales (BARS), behavioural observation scales (BOS); mixed standard rating scales and management by objectives (MBO) (Francis and Kleiner, 2004). The rating system of the employees is necessary as it helps to identify the people for the leading positions in the organization. Boice and Kleiner, (2007) reports that effective appraisal system helps to produce committed and motivated employees. According to Pitts (2005), one key strategy for organization success is the ability to motivate, attract and maintain a motivated-valuable workforce in today’s marketplace.
1.2 Statement of the Problem
Dash, Drabman, Spitalnik and Spitalnik (2008) report that the factors of recognition for performing well, chances of promotion, professional growth, compensation and incentive schemes, are perceived as motivating factors by many employees. Dash et al. (2008) also pointed out that the development of an appraisal system is critical for the management effort to attract, retain and motivate workers. Little research has been carried out on the influence of performance appraisal system as a tool for motivating employees. In the NGO world, the performance appraisal system is not as effective as expected since very important procedures which affect the final results are always ignored in previous research. The lack of all important elements of the performance appraisal system is bound to affect the consistency of raters in their rating and this can affect the validity of the performance appraisal data.

The result of the performance appraisal system is also important as it can be used as the basis for training, pay and other benefits (Dash et al., 2008). When a performance management system is used for employee motivation, the appraisal information is used to guide the training that will lead to the development of employee capabilities (Pulakos, 2004). In addition, research has shown that the purpose of the rating affects the ratings that are observed. Ratings used for decision making tend to be lenient, with most employees receiving ratings on the high end of the scale (Greguras, Robie, Schleicher and Goff, 2003). However, the influence of the appraisal process, the appraiser and the challenges with the whole appraisal system may theoretically affect employee motivation that can be difficult to achieve in practice in which the current study aims to address. Therefore, the study aims to establish the effect of appraisal performance system, perceived training and pay as a tool for improving employee motivation using a survey of slum based Non-Governmental Organizations.

1.3 General Objective
The general objective of the study was to determine the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations in Nairobi.

1.4 Specific Objectives
The study was guided by the following specific objectives:
1.4.1 To establish the extent to which performance appraisal process affects employee motivation.

1.4.2 To determine the extent to which appraisers affect employee motivation.

1.4.3 To determine the challenges in appraising employee performance.

1.5 Significance of the Study

The study determines the effect of performance appraisal on employee motivation in slum based non-governmental organizations in Kenya. The benefits that can accrue from this study are numerous:

1.5.1 Non-Governmental Organization

The study aims to create awareness to the Non-Governmental Organization in Kenya on the appraisal performance system that are crucial to incorporate as a means of enhancing the employees’ performance in the organization as well as enhance motivation at the workplace.

1.5.2 Employees

The study also aims to be a source of motivation and inspiration to low productive workers in enhancing their motivation. In addition, the results from the study will also help the NGO sector cope with the central problem of motivating their workers to give their best.

1.5.3 Human Resource Management

A good human resource practice has a potential of releasing the immense untapped reservoirs of physical and mental capabilities of the employees. A number of studies have shown that motivation in any form plays a crucial role in determining the level of performance. By satisfying human needs through appraisal performance system in increasing their motivation, better utilization of resources and lowers the cost of business operations. Therefore, a good human resource practices will direct the employees towards the accomplishment of the organization goals.
1.5.4 Researchers and Academicians
This study will be useful to academicians and researchers who might be interested in pursuing research in the same area. The study will help them understand the effect of the appraisal performance system on employee motivation.

1.6 Scope of the Study
The study determined the effect of appraisal performance system in improving employee motivation. The study was limited to nine (9) slum based NGOs. Also, there are matters related to confidentiality of the respondent’s questionnaire. Only the researcher and the assistant had access to the survey data. Data was stored in a locked file cabinet to protect the identification of the respondent sampled and therefore destroyed by shredding at the end of the study. The survey was conducted for a period of three weeks beginning 25th June to 16th July 2014. The limitation of the project was providing the respondents’ confidentiality in filling the questionnaires and the problem was overcome by providing assurance on privacy of the collected data.

1.7 Definition of Terms
1.7.1 Motivation
Motivation is the psychological processes that cause the arousal, direction, and persistence of voluntary action that is goal oriented (Kreitner and Kinicki, 2007).

1.7.2 Motives
Motives provide direction to human behaviour as they are directed towards certain conscious or subconscious goals (Waters-Mash, 2008).

1.7.5 Performance Appraisal
Performance appraisal is where a superior evaluates and judges the work performance of subordinates (Harter, Schmidt and Hayes, 2002).

1.8 Chapter Summary
The first chapter is divided into various main sections. Section one gives the detailed background of the organization, section two describes the problem in the context of the organization. Section three provides the purpose of the study. Section four outlines the
research questions. Section five provides the significance of the study. Section six deals with the scope of the study and section seven provides the working definitions of the study. The next chapter presents an overview of the literature review according to the research objectives. Chapter three enlightens the research methodology of the study, the methods and procedures that were used to carry out the study. Chapter four presents the results and findings of the study. Chapter five is on the summary, discussion, conclusion and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter reviews literature on the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations. The first section of the study reviews the extent to which performance appraisal process affects employee motivation. The second section determines the extent to which appraisers affect staff motivation and the third section determine the challenges in appraising employee performance. The section ends with a chapter summary.

2.2 Effect of Performance Appraisal Process on Employee Motivation
According to Rue and Byars, (2005), performance appraisal is a process is described as a way of determining and communicating how the employees do their jobs and coming up with a plan for improving the process of carrying out work responsibilities. Performance appraisal process can also be referred to as a procedure for determining employee performance (Herbert et al., 2009). Performance appraisal is essential as it gives updates on the performance of the employees; it identifies training needs and come up with plans for employee development (Livy, 2007). Performance appraisal system is usually identified as a critical element for boosting employee motivation (Selvarajan and Cloninger, 2011).

Performance appraisal system is an important drive that looks for better, more accurate, more cost-effective ways for of evaluating job performance and employee motivation. Performance appraisal system is a significant technique aimed at enhancing the performance of the employee in the organization (Vasset, Marnburg and Furunes, 2011). Performance appraisal is often considered one of the most important human resource management functions (Selvarajan and Cloninger 2008), and an effective performance appraisal and management system is an integral part of organization’s human resource management effectiveness (Guest 1997 cited in Selvarajan and Cloninger, 2011).

Hodgetts (2002) categorizes a four- step process of the performance appraisal system. Performance appraisal systems comprises of established performance standards, a method of determining individual performance, comparison against standards and an evaluation
of performance based on the comparison. The first step of establishing performance standards outlines the employees’ job responsibilities. The job standards are set against the worker performance. The second step involves pegging the worker performance (such as traits approach, behavioural approach, ranking methods, alternation ranking, and results methods, productivity measures, 360 degrees evaluation and Management by Objectives (MBO). Thirdly, there is comparison against standards. At some point, the individual work record it compared with the standards set for the job. Fourth, an evaluation of performance is made pegged on the comparison.

Selvarajan and Cloninger (2008) suggest that some organizations are dissatisfied with their performance appraisal process. This implies that the performance appraisal process is not an appropriate mechanism for addressing employee motivation. But performance appraisal is considered to be essential to create a positive effect work environment and improve the quality of service. Selvarajan and Cloninger (2011) argue that there are a number of issues associated with the performance appraisal process and these include poor design, lack of attention to the organizational culture, and unwillingness to confront issues of poor performance, as well as time pressure. The next section looks at the different performance review process and their effect on employee motivation while looking at the past oriented and future oriented methods.

2.2.1 Past-Oriented Methods

2.2.1.1 Rating Scales
The rating scale method provides a well structured performance appraisal. Each employee characteristic is rated against a scale with points that range from “poor” to “excellent” performance (Afriyie, 2009). The ratings are based on the ability of the employee to work as a team player, communication skills and technical competence (Khan, 2013). The scale is necessary for the appraisers’ job (Okeyo, Mathooko and Sitati, 2010). The biggest advantage for this technique is the comparison of the employee’s performance in the entire workforce (Ali, Mahdi and Malihe, 2012). This brings about fairness among all appraises and provides standards of performance measurement in all the departments in the organization. Rating scale technique can be used easily and this leads to the high adoption of the approach (Barringer, Jones and Neubaum, 2005). The disadvantage of this technique is the lack of applicability on all sorts of jobs. It is also not applicable in measuring the workers traits (Ali, Mahdi and Malihe, 2012).
2.2.1.2 Check-list Method
Under this method, checklist of “Statements of Traits” of employee in the form of YES or No based questions is prepared. Here, the rater only does the reporting or checking and HR department does the actual evaluation (Okeyo et al., 2010). The rater concerned has to tick appropriate answers relevant to the appraisers. When the check-list is completed, it is sent to HR department for further processing. Various questions in the check list may have either equal weight or more weight may be given to those questions which are more important (Afriyie, 2009). The HR department then calculates the total scores which show the appraisal result of an employee. The advantage of the check list methods is its economic nature, ease of administration, there is limited training which is required and is standardized. However, the disadvantage is the rater’s biases, use of improper weights by Human resource department that do not allow rater to give relative ratings (Caruth and Humphreys, 2008).

2.2.1.3 Force Choice Method
The first choice method is a series of statements arranged in the blocks of two or more are given are rater indicates which statement is true or false. The rater is forced to make a choice. HR department does actual assessment. The advantage of this technique is that it has no personal biases because of forced choice but the disadvantage is incorrectly framed statements (Denby, 2010). One of the problems faced in large organizations is relative assessment tendencies of raters. Some are too lenient and others too severe. This method overcomes that problem. It forces everyone to do a comparative rating of all the employees on a predetermined distribution pattern of good to bad (Ichniowski and Shaw, 2009). Say 10% employees in Excellent Grade, 20% in Good Grade, 40% in Average Grade 20% in Below Average Grade and 10% in unsatisfied grade. The real problem of this method occurs in organizations where there is a tendency to pack certain key departments with all good employees and some other discards and laggards. Relatively good employees of key departments get poor rating and relatively poor employees of laggards’ departments’ get good rating (Jayawarna et al., 2007).
2.2.2 Future-Oriented Methods

2.2.2.1 MBO (Appraisal by Results)

The use of management objectives was first widely advocated in the 1950s by the noted management theorist Peter Drucker. MBO (management by objectives) methods of performance appraisal are results-oriented. That is, seek to measure employee performance by examining the extent to which predetermined work objectives have been met (Newman, Thanacoody and Hui, 2012). Usually the objectives are established jointly by the supervisor and subordinate. Once an objective is agreed, the employee is usually expected to self-audit; that is, to identify the skills needed to achieve the objective. Typically they do not rely on others to locate and specify their strengths and weaknesses. They are expected to monitor their own development and progress (Porter, 2008).

The MBO approach overcomes some of the problems that arise as a result of assuming that the employee traits needed for job success can be reliably identified and measured. Instead of assuming traits, the MBO method concentrates on actual outcomes. If the employee meets or exceeds the set objectives, then he or she has demonstrated an acceptable level of job performance (Qureshi et al., 2007). Employees are judged according to real outcomes, and not on their potential for success, or on someone’s subjective opinion of their abilities. The guiding principle of the MBO approach is that direct results can be observed, whereas the traits and attributes of employees (which may or may not contribute to performance) must be guessed at or inferred (Scott, Clotheir and Spriegel, 2007). The MBO method recognizes the fact that it is difficult to neatly dissect all the complex and carried elements that go to make up employee performance. MBO advocates claim that the performance of employees cannot be broken up into so many constituent parts as one might take apart an engine to study it. But put all the parts together and the performance may be directly observed and measured (Shaw et al., 2008).

2.2.2.2 Assessment Center Methods

An assessment center refers a central location where the managers form a team to participate in job evaluation exercises invigilated by trained assessors. It is more focused on observation of behaviors across a series of select exercises or work samples (Porter, 2008). Assesses are requested to participate in in-basket exercises, work groups, computer simulations, role playing and other similar activities which require same attributes for successful performance in actual job (Qureshi et al., 2007). Well conducted
assessment centre can achieve better forecasts of future performance and progress than other methods of appraisals. Also reliability, content validity and predictive ability are said to be high in Assessment Centers (Scott, Clothey and Spriegel, 2007). The tests also make sure that the wrong people are not hired or promoted. Finally, it clearly defines the criteria for selection and promotion. However, as the method concentrates on future performance potential it ignores past performance. It is very costly as the employees have to travel and lodge plus the use of psychologists. The rating is strongly influenced by assessors’ interpersonal skills but employees with solid performers may feel suffocated in simulated situations (Porter, 2008).

2.2.2.3 360 degree Appraisal
It is a technique in which performance data/feedback/rating is collected form all sections of people employee interacts in the course of his job like immediate supervisors, team members, customers, peers, subordinates and self with different weight age to each group of raters (Ohabunwa, 2009). This technique has been found to be extremely useful and effective. It is especially useful to measure inter-personal skills, customer satisfaction and team building skills (Qureshi et al., 2007). One of the biggest advantages of this system is that assesses cannot afford to neglect any constituency and has to show all-round performance. However, on the negative side, receiving feedback from multiple sources can be intimidating, threatening, and expensive and time consuming (Shaw et al., 2008).

2.2.2.4 Psychological Appraisals
These appraisals are more directed to assess employee’s potential for future performance rather than the past one. It is done in the form of in-depth interviews, psychological tests, and discussion with supervisors and review of other evaluations. It is more focused on employees emotional, intellectual, and motivational and other personal characteristics affecting his performance (Ohabunwa, 2009). This approach is slow and costly and may be useful for bright young members who may have considerable potential. However quality of these appraisals largely depends upon the skills of psychologists who perform the evaluation (Shaw et al., 2008).

With all these methods of ratings, the employees may be de-motivated if the appraisal process is not based on accurate and current job descriptions. But ensuring that appraisers have adequate knowledge and direct experience of the employee’s performance can
motivate the employees to give their best (Jayawarna et al., 2007). Offering adequate support and assistance to employees such as professional development opportunities can improve their motivation and performance of the staff. Failure to conduct appraisers on a regular basis due to the limitation of resources may affect the performance of the staff but regular supervisor ratings may have a positive impact on the motivation of the employees (Ali, Mahdi and Malihe, 2012).

2.3 Effect of Appraisers on Staff Motivation
There are a number of different options concerning who should evaluate the individual employee, and the decision needs to be based on a series of factors. Traditionally, it has been the sole responsibility of managers or supervisors to assess performance (Afriyie, 2009). However, other organizational members (such as clients, co-workers and subordinates) can be valuable source of information as they are likely to have exposure to different aspects of an employee’s performance (Afriyie, 2009). Collecting information from multiple sources can increase the accuracy of performance evaluation (can reduce bias) and increase employee’s perceptions of fairness (Vasset, Marnburg and Furunes, 2011).

2.3.1 Supervisors
The supervisors are known to evaluate the performance of employees. The supervisors evaluate employees on their performance however there are a number of problems. Sometimes the supervisors are not there to find time to evaluate the employees. Many times supervisors may be in a different building or even a different city than the individuals they supervise (Vasset, Marnburg and Furunes, 2011). Virtual teams, Internet-linked offices, telecommuting, and other factors cause supervisors to not be in constant touch with their employees, unlike the situation 20 or 30 years ago. There are other problems as well such as personality conflicts or they may just not relate well to some of their employees. This may cause a personal bias for, or against, certain employees that may invalidate the appraisal process if it’s significant enough (Selvarajan and Cloninger, 2011).

In today’s work environment, with the amount of information necessary to do the complex tasks that organizations must accomplish in order to compete, nobody can know every job which includes the supervisors (Ohabunwa, 2009). There’s just too much
information for any one individual to learn. So jobs have been segmented down into smaller and smaller areas, and the supervisor may not know each of those jobs in great detail (Shaw et al., 2008). So there are certainly problems that can occur in the case of a supervisor being responsible for a subordinate employee’s evaluation process. To overcome the supervisor problems, multiple measures can be used to make performance assessment more accurate (Qureshi et al., 2007). For example, using other evaluators can help overcome personal bias and provide information that supervisors don’t always know about.

2.3.2 Peers
Peers or co-workers can be involved in the appraisal of individual employees. Peer evaluation is valuable where the supervisors are absent or has infrequent contact with the employees (Ali, Mahdi and Malihe, 2012). Also, all employees have multiple co-workers who they interact with on a frequent basis, peer evaluations may be valuable. Peers or co-workers also often know the job of the individual employee better than the supervisor does and they are more directly affected by the employee’s actions, either positive or negative (Jayawarna et al., 2007). In addition, peers can evaluate the ability of the individual to interact with others successfully in a group or team setting. This may be very difficult for supervisors to see unless they are intimately involved with the group.

There are certainly issues that can come up in peer evaluations that can cause the process to become less objective (Ohabunwa, 2009). In fact, research evidence regarding the validity of peer evaluations is really unclear. Personality conflicts and personal biases can affect how individual employees rate their peers (Vasset, Marnburg and Furunes, 2011). Individuals within a group or team may just have significantly different personality types and these differences can cause friction within the work group that may spill over when it comes time to evaluate those with whom they are in conflict. This leads to personal biases which can affect the working relationships and employee motivation that may show up in peer evaluations (Shaw et al., 2008).
2.3.3 Subordinates

Typically, subordinates can evaluate their seniors in the organization. Subordinate evaluations can give good insight into the managerial practices and potential missteps of people who control other employees in the organization. As a result, subordinate evaluations may give valuable information that one would be unable to find out using any other means (Khan, 2013). The problems with this kind of an evaluation is the potential for bias especially from the subordinates who have been disciplined by the supervisor. The subordinates may try to get back at their supervisor for giving them tasks that they did not want to perform, or for disciplining them for failure in their jobs (Afriyie, 2009).

There may also be a personality conflict as some subordinates certainly may be biased against their supervisor or manager. This results to negative evaluation by the subordinates (Khan, 2013). On the other end of the scale, the subordinates may inflate the capabilities of the manager, at least partly because of a lack of understanding of all the tasks and duties required of the manager. In fact, it is common to find the employees rating their managers higher than the managers’ self-ratings. In all of these problem areas, there are potential problem that must be guarded. If there are outliers that provide either very high or very low marks for the supervisor, the outliers should be thrown out of the calculation when determining overall marks for the supervisor (Kumbhar, 2011).

Another significant issue in the case of subordinate evaluations is confidentiality. Subordinate evaluations must be confidential in nature, or it is unlikely that the subordinates will provide an honest evaluation of their supervisor. If the evaluation is not confidential, the supervisor can and may take retribution on subordinates who provide unflattering evaluations (Jayawarna, Wilson and Macpherson, 2007). So, if the evaluation is not anonymous, many of the subordinates will likely inflate the capabilities of the supervisor, which minimizes the value of the evaluation process itself. So, even though subordinate evaluations have the potential for biases and other problems, it is important to provide valuable information about the supervisor’s capabilities (Lowe and Vodanovich, 2005).

2.3.4 Self

Self-assessment is also an option in the performance appraisal process. Virtually all employees do a self-assessment whether they are actually formally asked to do so as part
of the assessment or not which is required with MBO (Ichniowski and Shaw, 2009). Even when not asked to do a self-assessment, employees will still walk into the review discussion with some informal self-assessment that they compare to the supervisor’s rating. Most of the research evidence shows that self-assessments tend to overestimate the individual’s ability to do a job (Jayawarna, Wilson and Macpherson, 2007). However, some of the research says that employees either underestimate or accurately estimate their job performance over time. A significant portion of the evidence seems to show that individuals with lower levels of knowledge and skills within their field tend to inflate their self-assessment of their abilities (Holzer, 2007). Conversely, as individuals become more knowledgeable and more skilled, the evidence tends to show that they will either accurately estimate or even underestimate their capabilities in their jobs (Lowe and Vodanovich, 2005).

Most of the evidence shows that employees overestimate their ability to do their job but this indicates that the performance appraisers still have measurement concerns (Holzer, 2007). The measure may have validity concerns, if self-evaluations are skewed as it is common with this type of appraisal. In addition, receiving information from individuals concerning their perception of skill set is extremely valuable in a number of management processes, including plans for training and development opportunities, providing work assignments, counselling and disciplinary measures, among others (Ichniowski and Shaw, 2009). A big step in overcoming self-assessment problems, as well as other assessment problems, is the Blanchard test (Denby, 2010).

### 2.3.5 Customers

Customers may be asked to evaluate individuals within the company. Customers can include people outside the organization, including customers for products and services and suppliers to the firm. Customers can also be internal including people in other departments of the firm for example, the print shop that makes copies for other departments or the mail room that receives and delivers communications and products to the rest of the firm. Customer evaluation process is important when employees interact routinely with internal or external customers (Ichniowski and Shaw, 2009). It is important to know how customers feel about their interactions with the employees because obviously external customers are the ones who ultimately pay the bills. If external customers are upset about their interactions with the employees, they have the ability to
go elsewhere with their business (Jayawarna et al., 2007). Even internal customers can create significant problems within the firm due to conflict between departments or divisions. So the customers are asked to evaluate the individual employees with whom they come into contact (Lowe and Vodanovich, 2005).

However, there are a number of major problems with customer-based evaluations. One problem is that customer assessments commonly use simple rating scales, which are very subjective. Also, customers are usually not trained to do an accurate assessment. So bias is a problem. For these reasons, the popular opinion is that customer evaluations are almost always skewed to the negative (Jayawarna et al., 2007). However, research shows that this is not necessarily the case. In some situations, customer evaluations actually exceed evaluations of the individual that are internal to the firm or department. Despite the problems with the evaluations, customers can provide valuable information concerning employees who have direct customer contact (Ichniowski and Shaw, 2009). Another solution is adjusting the customer evaluation process to compare the individuals being evaluated and identify the ratios of negative and positive comments to allow the organization identify more successful and less successful employees. Although this is an imperfect measure, it still provides value to the organization in the fact that customers’ perception is critical to customer relationships (Jones and Wright, 2007).

To ensure that the performance criteria are relevant to work practice and acceptable to appraisers and employees, the performance evaluation criteria should have an up-to-date job description in consultation with the appraisers and employees (Ichniowski and Shaw, 2009). Clear and explicit links between performance appraisal and a job description will ensure the relevance of the appraisal. If a detailed job description is not available or is out-of-date, it is strongly recommended that an accurate job description be developed prior to conducting a performance appraisal. Linking performance appraisals with job descriptions can help to focus the appraisal process on the key competencies, behaviours and outcomes associated with a particular role or position (Jayawarna, Wilson and Macpherson, 2007).

It can also be useful to consult with employee to ensure that key aspects of a role or position are represented in the job description (Okeyo, Mathooko and Sitati, 2010). For example, conducting assessments, planning interventions, managing cases, liaising with
other providers, keeping up-to-date service records and case notes, writing reports, developing a clear understanding of the relative importance of various competencies, behaviours and outcomes, identifying how these key competencies, behaviours and outcomes can be fairly and accurately assessed (Ichniowski and Shaw, 2009). Employees are more likely to accept and be satisfied and motivated with the appraisal system if they participate in the development of appraisal criteria and measures, and in the process of conducting appraisals (Holzer, 2007). Strategies for facilitating employee’s participation can also include engagement in formal meetings or informal discussions with supervisors to seek input and feedback on appraisal measures and criteria, representation on groups or committees involved in the design and implementation of performance appraisals and inclusion of self appraisals in the appraisal process (Jones and Wright, 2007).

2.4 Challenges in Appraising Employee Performance

Performance appraisals are often retrospective. A typical traditional appraisal usually occurs once or twice a year. There would be extended time gaps of months between establishing goals and reviewing them, and objectives that were set upon in the beginning of the year are usually only dragged out during appraisal time (Afriyie, 2009). While performance appraisals provide the perfect opportunity for managers and staff to have a one-on-one discussion, it is unfortunately open to biased ratings (Khan, 2013). For example, some managers tend to be liberal or strict in their rating of staff. Managers may also fall into the trap of the “recent performance effect” where they generally only recall the recent actions of employees at the time of the appraisal and award points based on recent favourable or unfavourable events rather than whole year’s worth of activities (Jones and Wright, 2007).

There is also a tendency to focus on the weaknesses instead of strengths, which creates conflicts between manager and staff as well as a negative work environment Okeyo, Mathooko and Sitati, 2010). What organisations do not realise is that skills gaps need to be addressed quickly as it would impact the bottom line (Afriyie, 2009). During the performance appraisal process, there are common problems that emerge and they include: bias, stereotyping, halo error, distributional errors, similarity error, the appraisal conflicts, proximity error, recency error, contrast error and attribution error.
2.4.1 Bias
Bias is simply a personality-based tendency, either toward or against something. In the case of performance assessment, bias is toward or against an individual employee. All human beings have biases, but supervisors especially cannot afford to allow their biases to enter into their evaluation of subordinates in the firm (Kumbhar, 2011). This is very easy to say, but very difficult to do. Biases make the evaluation process subjective rather than objective, and certainly provide the opportunity for a lack of consistency in effect on different groups of employees (Ali, Mahdi and Malihe, 2012). So to overcome the bias problem, the appraiser needs to be objective and not let their feelings of liking or disliking the individual influence their assessment (Caruth and Humphreys, 2008).

2.4.2 Stereotyping
Stereotyping is mentally classifying a person into an affinity group, and then identifying the person as having the same assumed characteristics as the group (Afriyie, 2009). Though stereotyping is almost always assumed to be negative, there are many incidents of positive stereotypes. However, regardless of whether the stereotype is positive or negative, making membership in a group, rather than explicitly identifying the characteristics of the individuals, creates the potential for significant error in evaluations (Holzer, 2007). Stereotyping can be avoided by getting to know each employee as an individual and objectively evaluating individual employees based on their actual performance (Denby, 2010).

2.4.3 Halo Error
This error occurs when the evaluator has a generally positive or negative (negative halo error is sometimes called “horns error”) impression of an individual, and the evaluator then artificially extends that general impression to many individual categories of performance to create an overall evaluation of the individual that is either positive or negative (Jones and Wright, 2007). In other words, if employees are judged by their supervisor to be generally “good” employees, and the supervisor then evaluates each of the areas of their performance as good, regardless of any behaviours or results to the contrary, the supervisor is guilty of halo error (Ngo et al., 2008). The halo error can be avoided by remembering that employees are often strong in some areas and weaker in others that should objectively evaluate individual employees based on their actual performance for each and every item of assessment (Mamoria, 2005).
Decenzo and Robbins (2003) also notes that the halo effect or error is a tendency to rate high or low on all factors due to the impression of a high or low rating on some specific factor. According to them, if an employee tends to be conscientious and dependable, the rater might become biased toward that individual to the extent that he will rate him or her positively on many desirable attributes. Also as per their observation in an institution, students tend to rate a faculty member as outstanding on all criteria when they are particularly appreciative of a few things he or she does in the classroom as compared to a few bad habits which might result in students evaluating the instructor as lousy across the board. Cleaveland, Murphy and Williams (2009) also postulate that the halo error is perhaps the most pervasive error in performance appraisal as raters who commit this error assign their ratings on the basis of global impressions of ratees. According to them, an employee is rated either high or low on many aspects of job performance because the rater knows (or thinks he or she knows) that the employee is high or low on some specific aspects.

2.4.4 Distributional Errors
The distribution error is often based on the ranking method of evaluation and forced distribution. These errors occur in three forms: severity or strictness, central tendency, and leniency (Porter, 2008). They are based on a standard normal distribution, or the bell curve. In severity or strictness error, the rater evaluates everyone, or nearly everyone, as below average. Central tendency error occurs when raters evaluate everyone under their control as average where nobody is either really good or really bad (Scott, Clotheir and Spriegel, 2007). Finally, leniency error occurs when the rater evaluates all others as above average. Leniency error, therefore, is basically a form of grade inflation. Distributional errors can be avoided by giving a range of evaluations (Shaw et al., 2008).

2.4.5 Similarity Error
This error occurs when raters evaluate subordinates that they consider more similar to themselves as better employees, and subordinates that they consider different from themselves as poorer employees (Skarlicki and Folger, 2007). People have a tendency to feel more comfortable with people who feel the same way which can allow this feeling of comfort with similar individuals to be reflected in the performance appraisal process (Teseema and Soeters, 2006). To avoid similarity error, it is important to embrace diversity and objectively evaluate individual employees based on their actual
performance, even if they are different from the appraisers and don’t do things the same way (Tassema and Soeters, 2006).

2.4.6 Proximity Error
This error states that similar marks may be given to items that are near (proximate to) each other on the performance appraisal form, regardless of differences in performance on those measures (Newman, Thanacoody and Hui, 2012). This error can be avoided by objectively evaluating employees’ actual performance on each and every item on the assessment form (Teseema and Soeters, 2006).

2.4.7 The Appraisal Conflicts
Conflict of interest constantly happens in an organisation. One of the reasons is because of the practice of performance appraisal activities. Conflict probably occurs because of disagreement of the ratees regarding the implementation of the performance appraisal process (Porter, 2008). It can be categorised into several categories such as conflicting intra-individual goals, which is the desire for honest feedback versus desire for self-concept affirming feedback and recognition. Besides that, there is a conflict on individual workers with their colleagues’ goals, which means that a person’s desire for rewards contradicts with other colleague’s desire (Skarlicki and Folger, 2007).

2.4.8 Recency error
This error occurs when raters use only the last few weeks or month of a rating period as evidence of their ratings of others (Qureshi et al., 2007). For instance, if a warehouse worker has been a strong performer for most of the appraisal period, but right before his annual evaluation he knocks over a stack of high-cost electronic equipment while driving a forklift, he may be rated poorly due to recency error (Shaw et al., 2008). Recency error can be avoided by evaluating the employee based on the entire assessment period, commonly 6–12 months. Using the critical incidents method really helps recall and provide an assessment of the entire period more objectively (Tassema and Soeters, 2006).

2.4.8 Contrast Error
In contrast error, the rater compares and contrasts performance between two employees, rather than using absolute measures of performance to measure each employee (Scott, Clothey and Spriegel, 2007). For example, the rater may contrast a good performer with
an outstanding performer, and as a result of the significant contrast, the good performer may seem to be “below average.” This would be a contrast error (Qureshi et al., 2007). Contrast error can be avoided by objectively evaluating individual employees based on their actual performance. The ranking method can be used correctly by assessing each individual based on the items on the assessment form then rank the individuals based on their assessments (Shaw et al., 2008).

2.4.9 Attribution Error

In simplified terms, attribution is a process where an individual assumes reasons or motivations (such as attitudes, values, or beliefs) for an observed behaviour. So, attribution error in performance appraisal might occur when the rater observes an employee action such as an argumentative answer to a question and assumes that the individual has a negative attitude toward the job and is a poor performer (Scott, Clotheir and Spriegel, 2007). This may not be true, and in such a case the rater would be guilty of an attribution error. There is need to avoid attribution error because it is based on subjective conclusion (Skarlicki and Folger, 2007). When in doubt, the rater shouldn’t assume they know why the employee did or didn’t do something. The rater should talk to employees to find out so that they can objectively evaluate employees based on their actual performance (Shaw et al., 2008).

A successful performance appraisal system must fit the organisation. Organisations need to assess the suitability of performance appraisal systems to their own workforce before implementing one that meets their needs (Skarlicki and Folger, 2007). The primary purpose of an appraisal system is to sieve out those who cannot or would not do the job. It has to be communicated to all involved parties and appropriate support and training should be provided especially to managers conducting such sessions with their staff (Shaw et al., 2008). Employers should also take note that performance evaluation is a continuous process and not one that happens only once a year. The best appraisals are a two-way discussion and focus on the employee assessing his own performance and setting goals for improvement. And as best practice, organisations should ensure Key Performance Indicators (KPIs) are well communicated to and clarified with staff, and there are proper benchmarks in place against which staff are assessed. Data collected from appraisals should be used to track the success of recruitment and induction practices (Qureshi et al., 2007).
2.5 Chapter Summary
This chapter reviewed literature on the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations. The first section of the study reviewed the extent to which performance appraisal process affects employee motivation. The second section determined the extent to which appraisers affect staff motivation and the third section determined the challenges in appraising employee performance. The next chapter deals with the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the research method and procedures that was followed in conducting the research. The first part of this section discussed the research type, followed by an explanation of the research design. The second part explained the population of the study. The third section of the research methodology discussed the sample technique and the sample size used in this research. The fourth part explained the data collection instrument used around the questionnaire, followed by the research procedure was used to gather the data and the end this chapter discusses the data analysis used in this study.

3.2 Research Design
The research design is the plan to be followed in order to realise the research objectives or hypotheses. It represents the master plan that specifies the methods and procedures for collecting and analysing the required information. A framework is developed to address a specific research problem or opportunity (Tustin, Ligthelm, Martins and Van Wyk, 2005). The study used a quantitative research design method since it wanted to solicit responses from a large number of respondents. Using a quantitative method of research the study came up with responses from the sample. The study adopted a descriptive research design. This is because the researcher attempts to determine the impact of the variables in relation to each other so as to present the bigger picture of the variables in a particular situation as recommended by Churchill and Iacobucci (2002).

The phenomenon studied, the influence of performance appraisal system on employee motivation, the influence of performance appraisal process, the appraisers and the challenges of performance appraisal system in slum based Non Governmental Organization is a new in the field of Kenyan academic research and thereby the study aimed at increasing the understanding on the effect of performance appraisal process on employee motivation, the effect of appraisers on staff motivation and the challenges in appraising employee performance. The descriptive research design enabled the researcher to reduce biases associated with qualitative research. This design was appropriate because it gave conclusive results among the research variables. The independent variables...
included: the performance appraisal process, appraisers affect and the challenges in appraising. The dependent variable was on the employee motivation.

3.3 Population and Sampling Design

3.3.1 Population
Cooper and Schilndler (2006) define population as the total group of people or entities from which information is required. The population of interest consists of all 300 employees of slum based NGOs which comprise of Allavida Kenya, Slums Information Development and Resource Centres (SIDAREC), Haki Selp Help Group, Kibera women Network (KWN), Uzima Foundation, Centre for Rights Education and Awareness (CREAW), Kenya Girls Guides Association (KGGA), Zulu and Kibera Youth. The target population respondents were full time and volunteer employees employed by the organization and are in a good position to answer all the research objectives.

Table 3.1: Total Population Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Population</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Allavida Kenya</td>
<td>54</td>
<td>18</td>
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<tr>
<td>SIDAREC</td>
<td>49</td>
<td>16</td>
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<tr>
<td>Haki Selp Help Group</td>
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<td>6</td>
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<tr>
<td>Kibera Women Network (KWN)</td>
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<td>Uzima Foundation</td>
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<td>CREA W</td>
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<tr>
<td>Kenya Girls Guides Association (KGGA)</td>
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<tr>
<td>Kibera Youth</td>
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<td>9</td>
</tr>
<tr>
<td>Zulu</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sampling Frame
A sampling frame is a complete list in which each unit of analysis in a research study is mentioned only once (Welman and Krugler, 2001). The lists of the details were obtained from the NGO human resources offices.

3.3.2.2 Sampling Technique
Stratified and Systematic random sampling will be used in this study. With stratified sampling, the population is divided into groups, based on some characteristic. Then, within each group, a probability sample (often a simple random sample) is selected. In
stratified sampling, the groups are called strata (Cooper and Schindler, 2006). On the other hand, Beri (2007) describes systematic sampling as a statistical method involving the selection of elements from an ordered sampling frame. The most common form of systematic sampling is an equal-probability method, in which every element in the frame is selected and the sampling interval is calculated. Using this procedure each element in the population has a known and equal probability of selection. For this case, the employees will be stratified into 10 different slum based NGOs.

The researcher relied on the human resources manager to obtain access to the samples based on different NGOs. The human resources manager has direct contact with the population and therefore has more influence in terms of creating a sense of urgency to complete the questionnaires. Persons who are interested in participating in the survey were included whereas non-contributors were not considered into the survey and subsequent analysis. Therefore, the researcher requested all the persons eligible for the study to participate. All the participants who met the criteria were assigned a number and each individual was chosen by chance using a simple random sampling technique. A simple random sample is defined as a subset of individuals (a sample) chosen from a larger set of a population (Cooper and Schindler, 2006). This technique ensured that the selection of respondents was equal and unbiased.

3.3.2.3 Sample Size
The sample size is a smaller set of the larger population (Cooper and Schindler, 2006). Determining sample size is a very important issue for collecting an accurate result within a quantitative survey design. One of the real advantages of quantitative methods is their ability to use smaller groups of people to make inferences about larger groups that would be prohibitively expensive to study (Fisher, 2007). Mugenda and Mugenda (2003) argue that the sample must be carefully selected to be representative of the population and that there need for the researcher to ensure that the subdivisions entailed in the analysis are accurately catered for. According to Hussey and Hussey (1997) no survey can ever be deemed to be free from error or provide 100% surety and error limits of less than 5% and confidence levels of higher than 95% can be regarded as acceptable. Bearing this in mind, at a confidence level of 95%, the margin of error would be 0.5%. To obtain the minimum population sample for this study, the researcher adopted stratified sampling as a technique using Yamane’s formula (cited in Israel, 1992) as follows:
\[ n = \frac{N}{1 + N(e)^2} \]

Where \( n \) is the sample size, \( N \) is the population size and \( e \) is the margin of error.

\[ n = \frac{300}{1 + 300 (0.05)^2} \]

\[ n = 171 \]

Therefore a sample size of 171 was selected from a total population of 200 employees. The selection of the sample is sufficient and representative enough of the entire population limiting the influence of outliers or extreme observations. The sample size was sufficiently large enough to produce results among variables that are significantly different and it broadens the range of possible data and forms a better picture for analysis. The sample population distribution is indicated in Table 3.2.

**Table 3.2: Sample Population Distribution**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Population</th>
<th>Sample Size</th>
<th>Percentage</th>
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<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>171</strong></td>
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</table>

**3.4 Data Collection Methods**

A survey data collection method was employed to collect primary data. A survey is defined by Balnaves and Caputi (2001) as a method of collecting data from people about who they are, how they think (motivations and beliefs) and what they do (behaviour). The subjects in the sample in the survey were questioned by means of a standardized procedure for the answers to be compared and analyzed statistically (Corbetta, 2003).
Questionnaires were the most effective way of data collection tool for the survey of this study. Standardised questionnaires helped to investigate a widely distributed population. The advantage of this approach was that the researcher can collect data from a controlled number of variables or unlimited number of variables.

The respondents were expected to provide answers to the open ended questions. In the case of closed ended questions provide a greater uniformity of responses and were easily processed than open ended ones (Babbie, 2008). The questionnaire was split into two sections. The initial section asked questions concerning the general responded information. The second section established the effect of the performance appraisal process on employee motivation. The third section determined the extent to which appraisers affect staff motivation. The fourth section examined the challenges in appraising employee performance. A five-point Likert-type scale and rankings was used (ranging from strongly agree to strongly disagree) to reflect the appropriate levels of measurement necessary for statistical analysis.

3.5 Research Procedures
Pilot questionnaire were prepared and administered to 5 respondents to ensure the objectivity and clarity of the items. The questionnaires were pre-tested and any suggestions for improvement encountered during the piloting process were incorporated in the final questionnaire. Final questionnaire were distributed to the respondents physically. This enhanced the speed of data collection. To improve the response rate, there was a cover letter explaining the reasons for the research, why the research is important, why the subjects was selected and a guarantee of the respondents’ confidentiality was provided. The questionnaire had clear instructions and an attractive layout. Each completed questionnaire was treated as a unique case and a sequential number given to each. The researcher administered the questionnaires with the help of research assistants who were selected on the basis of their experience and knowledge of the human resource management issues. The research assistants were also trained on how to administer questionnaires to the respondents and record the findings. This enhanced the speed of data collection and record of appropriate responses from the research field.
3.6 Data Analysis Methods

The collected data were coded and entered into the Statistical Package for Social Sciences (SPSS) program according to each variable of the study for analysis. This study used descriptive statistics. According to Mugenda and Mugenda (2009), descriptive analysis involves a process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. In this study, the descriptive statistics such as percentages and frequency distribution were used to analyze the demographic profile of the participants. The mean described each variable under performance appraisal system, appraisers and the challenges of the appraisal system. Pearson Correlation was used to determine the relationship between independent and dependent variable. The data was presented using tables and figures to give a clear picture of the research findings at a glance.

3.7 Chapter Summary

This chapter described the research method and procedures that was used in conducting the research. The section discussed the research type, followed by an explanation of the research design. The population of the study was explained. The research methodology discussed the sample technique and the sample size used in this research. The data collection instrument used was explained, followed by the research procedure used to gather the data and discussed the data analysis used in this study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the findings of the primary data collected from the field using the questionnaire as the tool. The general objective of the study was to determine the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations. The study was guided by the following specific objectives: The study will be guided by the following specific objectives: To establish the extent to which performance appraisal process affects employee motivation, to determine the extent to which appraisers affect staff motivation and to examine the challenges in appraising employee performance.

The chapter presents an analysis of the information designed to respond to the research objectives as outlined in the study. There are five subsections presented in the questionnaire. The first is a general section which addresses the respondents’ demographic characteristics. The following four subsections address specific research objectives and they include the general information, the extent to which performance appraisal process affects employee motivation, the extent to which appraisers affect staff motivation and the challenges in appraising employee performance.

One hundred and seventy one questionnaires were distributed to the respondents but the response rate was 60% from one hundred and two questionnaires collected from the field. The response rate was adequate enough to comprehensively answer the research objectives. The results are indicated in the following Table 4.1.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Respondents</th>
<th>Response</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allavida Kenya</td>
<td>31</td>
<td>18</td>
<td>58</td>
</tr>
<tr>
<td>SIDAREC</td>
<td>28</td>
<td>12</td>
<td>43</td>
</tr>
<tr>
<td>Haki Selp Help Group</td>
<td>11</td>
<td>6</td>
<td>55</td>
</tr>
<tr>
<td>Kibera Women Network (KWN )</td>
<td>12</td>
<td>6</td>
<td>50</td>
</tr>
<tr>
<td>Uzima Foundation</td>
<td>19</td>
<td>15</td>
<td>79</td>
</tr>
<tr>
<td>CREAWE</td>
<td>18</td>
<td>13</td>
<td>72</td>
</tr>
<tr>
<td>Kenya Girls Guides Association (KGGA)</td>
<td>31</td>
<td>19</td>
<td>61</td>
</tr>
<tr>
<td>Kibera Youth</td>
<td>15</td>
<td>11</td>
<td>73</td>
</tr>
<tr>
<td>Zulu</td>
<td>6</td>
<td>2</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>171</strong></td>
<td><strong>102</strong></td>
<td><strong>60</strong></td>
</tr>
</tbody>
</table>
4.2 General Information

The general information for the study comprised of the respondents’ gender, age, work experience in the organization, category of employment, years of experience in the current position and education level.

4.2.1 Gender

The researcher sought to find out the gender of the target respondents involved in the study. The findings on Figure 4.1 established that 56% of the respondents were male as compared to 44% who were females. Thus, the findings indicate that majority of the respondents were male.

![Figure 4.1: Gender](image)

4.2.2 Age Bracket

The study intended to determine the age of the target respondents involved in the study. The findings on Figure 4.2 illustrates that 38% of the respondents were between 20-30 years, 52% between 31 to 45 years, 7% were between 46 to 60 years and 3% of the respondents were over 61 years. Thus, the findings indicate that majority of the respondents are above 31 years old.
4.2.3 Work Experience

The researcher sought to find out the years of experience among the target respondents involved in the study. The findings on Table 4.3 illustrates that 16% of the respondents had worked for less than 1 year, another 16% worked between 1 to 2 years, 30% between 3 to 5 years, 25% between 6 to 10 years and 14% above 10 years of experience. Thus, the findings indicate that majority of the respondents are relatively experienced.
4.2.4 Educational Level
The study sought to determine the education level of the respondents from those involved in the study. Table 4.4 indicated that 31% of the respondents had primary school education, 46% secondary school, 17% college level and 6% university education. The findings indicated that majority of the respondents had secondary education and were somehow relatively educated to provide responses on performance appraisal system.

![Figure 4.4: Educational Level](image)

4.2.5 Satisfaction with the Current Performance Appraisal Process
The research aimed to determine whether the employees were satisfied with the current performance appraisal process in enhancing their motivation from the respondents involved in the study. Table 4.5 indicated that majority of the respondents (58%) were dissatisfied, 23% were neutral and 14% were satisfied with the current performance appraisal system. Thus, the findings indicated that majority of the view came from production operations respondents who were dissatisfied with the current appraisal systems.
4.2.6 Satisfaction with the Current Appraisers

The research aimed to investigate whether the respondents were satisfied with the current appraisers in enhancing their motivation from the respondents involved in the study. Table 4.6 indicated that majority of the respondents (43%) disagreed, 21% were neutral, 14% agreed, another 14% strongly agreed and 7% of the respondents strongly disagreed that the management had an interest in improving the current utilized performance appraisal system. Thus, the findings indicated that majority of the respondents disagreed with the management interest to improve the performance appraisal system.

Figure 4.5: Satisfaction with the Current Performance Appraisal Process

Figure 4.6: Satisfaction with the Current Appraisers
4.2.7 Satisfaction with the Solutions Provided for Performance Appraisal Problems

The research aimed to determine whether the employees were satisfied with the solutions put in place to deal with performance appraisal problems that would enhance their motivation from the respondents involved in the study. Figure 4.7 indicated that majority of the respondents (58%) were dissatisfied, 23% were neutral and 14% were satisfied with the current performance appraisal system. Thus, the findings indicated that majority of the view came from production operations respondents who were dissatisfied with the current appraisal systems.

![Figure 4.7: Satisfaction with the Solutions for Performance Appraisal Problems](image)

4.3 Effect of Performance Appraisal Process on Employee Motivation

The study intended to investigate the effect of performance appraisal process on employee motivation from the respondents involved in the study. The findings indicate that a substantial proportion of the respondents suggested that the performance appraisal system has helped improve job performance at work (m=3.20). This means that performance appraisal system is often considered one of the most important factors for employee motivation. This was followed by a large number of respondents who suggested that there are set standards for their job (m=3.17). The performance standards specify what the worker is supposed to be doing. These standards are quantified and pegged against an individual evaluation which is essential for employee motivation.
Third, a number of the respondents suggested that their performance rating was based on how well they were doing (m=3.16). The rating scale method offers a high degree of structure for appraisal and motivation. The greatest advantage of rating scales is that they are structured and standardized. Fourth, the respondents mentioned that the performance appraisal identifies performance problems to improve employee productivity and motivation at (m=3.10). Fifth, a number of the respondents suggested that they were satisfied and motivated with the way appraisal system is used to evaluate my performance (m=3.05). This means that the appraisal process is accurate according to the current job description and experience which may have a direct impact on the employee’s motivation to give their best.

Quite a few number of the respondents claimed that they were satisfied with the way the performance appraisal system is used to set my performance goals for each rating period (m=2.91). Typically the employees identify the skills needed for them to achieve the organization objective. They do not rely on others to locate and specify their strengths and weaknesses. Also, fewer respondents mentioned that the performance is above average ratings (m=2.77) and very few respondents agreed that they clearly understand the purpose of performance appraisal process at a mean of 2.75. The findings are presented in Table 4.2.

Table 4.2: Effect of Performance Appraisal Process on Employee Motivation

<table>
<thead>
<tr>
<th>Effect of Performance Appraisal Process on Employee Motivation</th>
<th>Mean</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>My performance rating is based on how well am doing</td>
<td>3.16</td>
<td>3</td>
</tr>
<tr>
<td>I am satisfied and motivated with the way appraisal system is used to evaluate my performance</td>
<td>3.05</td>
<td>5</td>
</tr>
<tr>
<td>There are set standards for my job</td>
<td>3.17</td>
<td>2</td>
</tr>
<tr>
<td>Employee performance is easy to measure.</td>
<td>2.96</td>
<td>7</td>
</tr>
<tr>
<td>The most recent ratings I received are based on many activities I am responsible for at work.</td>
<td>2.97</td>
<td>6</td>
</tr>
<tr>
<td>My performance is above average ratings.</td>
<td>2.77</td>
<td>10</td>
</tr>
<tr>
<td>I clearly understand the purpose of performance appraisal process</td>
<td>2.75</td>
<td>11</td>
</tr>
<tr>
<td>Performance appraisal identifies performance problems to improve employee productivity and motivation.</td>
<td>3.10</td>
<td>4</td>
</tr>
<tr>
<td>Performance appraisal process encourages co-operation</td>
<td>2.94</td>
<td>8</td>
</tr>
<tr>
<td>The performance appraisal system has helped improve job performance</td>
<td>3.20</td>
<td>1</td>
</tr>
<tr>
<td>I am satisfied with the way the performance appraisal system is used to set my performance goals for each rating period</td>
<td>2.91</td>
<td>9</td>
</tr>
</tbody>
</table>
4.3.1 Correlation between the Appraisal System and Employee Motivation

This section intended to determine the correlation between the satisfaction with appraisal system and employee motivation. The findings in Table 4.3 suggested that there was a strong correlation between the satisfaction with the current performance appraisal system and having a set of set standards for the job at \( r=0.346, \ p<0.01 \).

Table 4.3: Correlation between the Appraisal System and Employee Motivation

<table>
<thead>
<tr>
<th>Satisfaction with the current performance appraisal system</th>
<th>My performance rating is based on how well am doing</th>
<th>I am satisfied and motivated with the way appraisal system is used to evaluate my performance</th>
<th>There are set standards for my job</th>
<th>I am satisfied with the way the performance appraisal system is used to set my performance goals for each rating period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with the current performance appraisal system</td>
<td>Pearson Correlation</td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.244</td>
<td>.013</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.052</td>
<td>.605</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td></td>
<td>.346**</td>
<td>.000</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-.205*</td>
<td>.043</td>
<td>98</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

4.4 Effect of Performance Appraisers on Employee Motivation

The study intended to investigate the effect of performance appraisers on employee motivation from the respondents involved in the study. The findings indicate that a substantial proportion of the respondents claimed that the rater helps them understand what they need to do to improve their performance \( (m=3.44) \). Raters are known to evaluate the performance of employees. However, other organizational members (such as clients, co-workers and subordinates) can be valuable source of information as they are likely to have exposure to different aspects of an employee’s performance. This was followed by a number of respondents who mentioned that the customers recognizes the employees when they do a good job \( (m=3.34) \). This means that the customers may be asked to evaluate individuals within the company. Third, a number of the respondents
mentioned that the subordinates recognizes the employees when they do a good job (m=3.26). Subordinate evaluations may give valuable information to improve on the employee’s motivation. Fourth, the respondents agreed that they doubt whether they get a good appraisal at a mean of (m=3.15). Fifth, the respondents agreed that the managers are highly capable as manager in evaluating their performance (m=3.14). This indicates that the managers may not be capable of evaluating employee performance which is likely to affect their motivation.

Quite a few number of the respondents agreed the manager discuss regularly the employee job performance with the employees (m=3.10). There are certain problems that can occur when mangers are responsible for employee’s evaluation process. A few other respondents mentioned that their work colleagues recognizes the employees when they do a good job (m=3.08). Peers or co-workers often know the job of the individual employee better than the supervisor does and they are more directly affected by the employee’s actions, either positive or negative. A less number of the respondents agreed that their manager have reasonable expectations from the employee work (m=3.04) and very few proportion of the respondents agreed that the manager recognizes them when they do a good job (m=2.96). The findings are presented in Table 4.3.

<table>
<thead>
<tr>
<th>Effect of Performance Appraisers on Employee Motivation</th>
<th>Mean</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers know enough to appraise me.</td>
<td>3.13</td>
<td>6</td>
</tr>
<tr>
<td>Managers set targets more clearly</td>
<td>3.12</td>
<td>7</td>
</tr>
<tr>
<td>I doubt whether I get a good appraisal.</td>
<td>3.15</td>
<td>4</td>
</tr>
<tr>
<td>The rater helps me understand what I need to do to improve my performance</td>
<td>3.44</td>
<td>1</td>
</tr>
<tr>
<td>My manager discuss regularly my job performance with me</td>
<td>3.10</td>
<td>9</td>
</tr>
<tr>
<td>My work colleagues recognizes me when I do a good job</td>
<td>3.08</td>
<td>10</td>
</tr>
<tr>
<td>My manager recognizes me when I do a good job</td>
<td>2.96</td>
<td>12</td>
</tr>
<tr>
<td>My manager plays a significant role in my career development</td>
<td>1.70</td>
<td>13</td>
</tr>
<tr>
<td>The customers recognizes me when I do a good job</td>
<td>3.34</td>
<td>2</td>
</tr>
<tr>
<td>My subordinates recognizes me when I do a good job</td>
<td>3.26</td>
<td>3</td>
</tr>
<tr>
<td>My manager/supervisor is highly capable as manager</td>
<td>3.14</td>
<td>5</td>
</tr>
<tr>
<td>My manager gives me fair feedback</td>
<td>3.11</td>
<td>8</td>
</tr>
<tr>
<td>My manager/supervisor has reasonable expectations from my work</td>
<td>3.04</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 4.4: Effect of Performance Appraisers on Employee Motivation
4.4.1 Correlation between Current Appraisers and Employee Motivation

This section intended to determine the correlation between satisfaction with current appraisers and employee motivation. The findings in Table 4.5 suggested that there was a strong correlation between the satisfaction with current appraisers and the customers being recognized for the good job that they do at \( r=0.292, p<0.01 \).

Table 4.5: Correlation between Current Appraisers and Employee Motivation

<table>
<thead>
<tr>
<th>Satisfaction with the current appraisers</th>
<th>Managers know enough to appraise me.</th>
<th>Managers set targets more clearly</th>
<th>My work colleagues recognizes me when I do a good job</th>
<th>The customers recognizes me when I do a good job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>-.045</td>
<td>-.226*</td>
<td>-.216*</td>
<td>-.292**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.651</td>
<td>.022</td>
<td>.029</td>
<td>.004</td>
</tr>
<tr>
<td>N</td>
<td>102</td>
<td>102</td>
<td>102</td>
<td>97</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

4.5 Challenges in Appraising Employee Performance

The study intended to investigate the challenges in appraising employee performance from the respondents involved in the study. The findings indicate that a substantial proportion of the respondents claimed that they agreed that they were satisfied with their relationship with managers (m=3.34). In this case, the managers quickly address the skills gaps which have a significant impact on the employee’s motivation. This was followed by a number of respondents who agreed that the managers are highly incapable to rate their performance (m=3.28). The error may occur when the managers use only the last few weeks or month of a rating period as evidence of their ratings of others which may affect the performance and motivation of the employees. Third, a number of the respondents mentioned that the appraisal system does not manage them better (m= 3.19). It seems that the performance appraisal system does not determine how well the employees perform their jobs and motivation. Fourth, a proportion of the respondents of the agreed that ratings are based on reasonable expectations from their work (m= 2.99). Conflict in ratings can occurs when there are disagreements between the rater and the ratees regarding the expectations of the performance appraisal process.
On the other hand, quite a few number of the respondents agreed that the raters are biased about the employee job performance (m=2.86). This means that the ratings may not be objective in evaluating the employee’s actual performance. Also, fewer respondents agreed that the rater recognizes the employees when they do a good job (m=2.85). A small number of the respondents agreed that the managers have reasonable expectations from the respondent work (m=2.11) and very few respondents agreed that the rater plays a significant role in employees motivation (m=1.76). Teseema and Soeters (2006) suggest that this error can be avoided by objectively evaluating employees’ actual performance on each and every item on the assessment form. The findings are indicated on Table 4.6.

### Table 4.6: Challenges in Appraising Employee Performance

<table>
<thead>
<tr>
<th>Challenges of Performance Appraisal on Employee Performance</th>
<th>Mean</th>
<th>Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>My manager provides me with fair feedback.</td>
<td>3.10</td>
<td>4</td>
</tr>
<tr>
<td>My ratings are based on reasonable expectations from my work.</td>
<td>2.99</td>
<td>5</td>
</tr>
<tr>
<td>The ratings adequately reflect my performance.</td>
<td>2.96</td>
<td>6</td>
</tr>
<tr>
<td>My rater is biased about my job performance.</td>
<td>2.86</td>
<td>9</td>
</tr>
<tr>
<td>My rater recognizes me when I do a good job.</td>
<td>2.85</td>
<td>10</td>
</tr>
<tr>
<td>My rater plays a significant role in my motivation.</td>
<td>1.76</td>
<td>12</td>
</tr>
<tr>
<td>I am satisfied with my relationship with manager/supervisor.</td>
<td>3.34</td>
<td>1</td>
</tr>
<tr>
<td>My manager/supervisor is highly incapable to rate my performance.</td>
<td>3.28</td>
<td>2</td>
</tr>
<tr>
<td>The appraisal system does not manage me better.</td>
<td>3.19</td>
<td>3</td>
</tr>
<tr>
<td>Performance appraisal reflects objectively my performance</td>
<td>2.94</td>
<td>7</td>
</tr>
<tr>
<td>I receive erroneous feedback on my performance.</td>
<td>2.92</td>
<td>8</td>
</tr>
<tr>
<td>The managers have reasonable expectations from my work.</td>
<td>2.11</td>
<td>11</td>
</tr>
</tbody>
</table>

### 4.5.1 Correlation between Solution and Performance Appraisal Problems

This section intended to determine the correlation between solution and performance appraisal problems. The findings in Table 4.7 suggested that there was a strong correlation between satisfaction with the solutions for performance appraisal problems and the appraisal system not managing employees better at (r=0.315, p<0.01).
**Table 4.7: Correlation between Solution and Performance Appraisal Problems**

<table>
<thead>
<tr>
<th>Satisfaction with the solutions for performance appraisal problems</th>
<th>My ratings are based on reasonable expectations from my work.</th>
<th>My rater plays a significant role in my motivation.</th>
<th>The appraisal system does not manage me better.</th>
<th>I am satisfied with the performance appraisal system that is used to set my performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>-.208*</td>
<td>-.376**</td>
<td>.315**</td>
<td>.169</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.036</td>
<td>.000</td>
<td>.001</td>
<td>.090</td>
</tr>
<tr>
<td>N</td>
<td>102</td>
<td>96</td>
<td>102</td>
<td>102</td>
</tr>
</tbody>
</table>

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

**. Correlation is significant at the 0.05 level (2-tailed).**

### 4.6 Chapter Summary

This section presented the findings of the study in relation to the extent to which performance appraisal process affects employee motivation, the findings on the extent to which appraisers affect staff motivation as well as the challenges in appraising employee performance. The next chapter is on the discussion, conclusion and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
In this section, the researcher provides a discussion on the findings of the research in relation to the literature review. The summary, conclusion and recommendations in regards to the effect of performance appraisal on employee motivation are comprehensively discussed with the specific research objectives in mind.

5.2 Summary
The general objective of the study was to determine the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations in Nairobi. The study was guided by the following specific objectives: to establish the extent to which performance appraisal process affects employee motivation, to determine the extent to which appraisers affect staff motivation and to determine the challenges in appraising employee performance.

The study adopted a descriptive research design. The population of interest consists of all 300 employees of slum based NGOs. A sample size of 171 was selected using stratified sampling method. Data was collection using structured questionnaires. The data was analyzed using the Statistical Package for Social Sciences (SPSS) into frequency distribution, percentages and Pearson correlations. The data was presented using tables and charts.

On the effect of performance appraisal process on employee motivation established that the system is important for employee motivation. Performance appraisal system has helped improve job performance at work. The regular assessment of performance leads to employee motivation. The performance standards are quantified and pegged against an individual evaluation which is essential for employee motivation. Performance appraisal rating can be considered as a technique that has a positive effect on work performance and employee motivation. The employees may be motivated if the appraisal process is based on accurate and current job descriptions. The performance appraisal identifies performance problems to improve employee productivity and motivation.
On the effect of performance appraisers on employee motivation established that the different raters can increase the accuracy of performance evaluation (can reduce bias) and increase employee’s perceptions of fairness. Customers can recognize the employees when they do a good job evaluation process that are important for employee’s motivation. Subordinate evaluations may give valuable information to improve on the employee’s motivation. Peers or co-workers often know the job of the individual employee better than the supervisor does and they are more directly affected by the employee’s actions, either positive or negative.

On the challenges of performance appraisal on employee performance established that some managers tend to be liberal or strict in their rating of staff which may affect the employees’ motivation. The manager’s ability to address the skills gaps can have a significant impact on the employee’s motivation. Regular ratings may affect the performance and motivation of the employees. Fair assessment of the employee’s performance may enhance their motivation. Employers should also note that performance evaluation is a continuous process and not one that happens only once a year. The reasonable expectations of the ratings can lead to honest feedback for employee motivation.

5.3 Discussion

5.3.1 Effect of Performance Appraisal Process on Employee Motivation
Performance appraisal system is often considered one of the most important factors for employee motivation (Selvarajan and Cloninger, 2011). The findings indicate that a substantial proportion of the respondents suggested that the performance appraisal system has helped improve job performance at work. The regular assessment of performance leads to employee motivation. Similarly, Selvarajan and Cloninger (2011) suggest that performance appraisal system is essential for measuring job performance and employee motivation.

The performance appraisal cycle consists of established performance standards, a method of determining individual performance, comparison against standards and an evaluation of performance based on the comparison (Hodgetts, 2002). The study revealed that a large number of respondents who suggested that there are set standards for their jobs. The performance standards specify what the worker is supposed to be doing. These standards
are quantified and pegged against an individual evaluation which is essential for employee motivation. Selvarajan and Cloninger (2008) indicate that some organizations experience dissatisfaction with their performance appraisal procedures. This dissatisfaction may signal that performance appraisal is not fully successful as a mechanism for developing and motivating employees.

Performance appraisal rating can be considered as a technique that has a positive effect on work performance and employee motivation. The study established that a number of the respondents suggested that their performance rating was based on how well they were doing. The rating scale method offers a high degree of structure for appraisal and motivation. The greatest advantage of rating scales is that they are structured and standardized. Ali, Mahdi and Malihe (2012) advices that a low appraisal rating may not mean that an employee lacks initiative; it may reflect that fact that an employee has few opportunities to use and display that particular trait.

The employees may be motivated if the appraisal process is based on accurate and current job descriptions. The study revealed that a number of the respondents suggested that they were satisfied and motivated with the way appraisal system is used to evaluate their performance. This means that the appraisal process is accurate according to the current job description and experience which may have a direct impact on the employee’s motivation to give their best. Similarly, Shaw et al. (2008) argues that a well implemented performance appraisal system cannot afford to neglect any constituency and has to show all-round performance. However, on the negative side, receiving feedback from multiple sources can be intimidating, threatening, and expensive and time consuming (Shaw et al., 2008).

Actual performance is more a function of attitude of person than potential. The study established that a few number of the respondents claimed that they were satisfied with the way the performance appraisal system is used to set performance goals for each rating period. In addition, it was revealed that the respondents mentioned that the performance appraisal identifies performance problems to improve employee productivity and motivation. Typically the employees identify the skills needed for them to achieve the organization objective. They do not rely on others to locate and specify their strengths and weaknesses. Similarly, Porter (2008) argues that the employees are expected to
monitor their own development and progress. Clearly, Ohabunwa (2009) also suggests that the performance appraisal system is highly prone to biases and regency effect and ratings can be manipulated because the evaluations are linked to future rewards like promotions and good postings.

5.3.2 Effect of Performance Appraisers on Employee Motivation
Raters are known to evaluate the performance of employees. The findings indicate that a substantial proportion of the respondents claimed that the rater helps them understand what they need to do to improve their performance. Traditionally, it has been the sole responsibility of managers or supervisors to assess performance (Afriyie, 2009). However, other organizational members (such as clients, co-workers and subordinates) can be valuable source of information as they are likely to have exposure to different aspects of an employee’s performance (Afriyie, 2009). Vasset, Marnburg and Furunes (2011) suggests that different raters can increase the accuracy of performance evaluation (can reduce bias) and increase employee’s perceptions of fairness.

Customers may be asked to evaluate individuals within the company. The study established that a number of respondents who mentioned that the customers recognizes the employees when they do a good job. Customer evaluation process is important for employee’s motivation. However, Ichniowski and Shaw (2009) points out one problem is that customer assessments commonly use simple rating scales, which are very subjective. Despite the problems with the evaluations, customers can provide valuable information concerning employees who have direct customer contact. Another solution is adjusting the customer evaluation process to compare the individuals being evaluated and identify the ratios of negative and positive comments to allow the organization identify more successful and less successful employees. Although this is an imperfect measure, it still provides value to the organization which is critical for employee motivation (Jones and Wright, 2007).

Subordinates can evaluate their seniors in the organization. The study revealed that a number of the respondents mentioned that the subordinates recognize the employees when they do a good job. Subordinate evaluations may give valuable information to improve on the employee’s motivation. Khan (2013) argues that the problems with this kind of an evaluation is the potential for bias especially from the subordinates who have
been disciplined by the supervisor. The subordinates may try to get back at their supervisor for giving them tasks that they did not want to perform, or for disciplining them for failure in their jobs (Afriyie, 2009). This may result to negative evaluation by the subordinates and employee dissatisfaction with the appraiser (Khan, 2013).

Ohabunwa (2009) suggests that it is difficult for anyone to be capable in evaluating everything that entails a job. The study established that the respondents agreed that the managers are highly capable as manager in evaluating their performance. This indicates that the managers may not be capable of evaluating employee performance which is likely to affect their motivation. The findings also indicated that quite a few number of the respondents agreed the manager discuss regularly the employee job performance with the employees. There are certain problems that can occur when mangers are responsible for employee’s evaluation process. Shaw et al. (2008) explains that the problem may involve the manager not knowing the job details. Qureshi et al. (2007) suggests that to overcome this problem, different evaluators can be used to make performance assessment more accurate.

Peers or co-workers can be involved in the appraisal of individual employees. The study established that a few other respondents mentioned that their work colleagues recognize the employees when they do a good job. Peers or co-workers often know the job of the individual employee better than the supervisor does and they are more directly affected by the employee’s actions, either positive or negative. Peers play an important role in employee motivation as they intimately involved with each other (Jayawarna et al., 2007). However, Ohabunwa (2009) points out that there are several issues that can come up in peer evaluations that can cause the process to become less objective and cause employee motivation. Vasset, Marnburg and Furunes (2011) argue that personality conflicts and personal biases can affect how individual employees rate their peers

5.3.3 Challenges in Appraising Employee Performance
Some managers tend to be liberal or strict in their rating of staff which may affect the employees’ motivation. The findings indicate that a substantial proportion of the respondents claimed that they agreed that they were satisfied with their relationship with managers. These findings contradict Afriyie (2009) argument that managers and staff performance appraisal may be open to biased ratings. Its seems that the managers of the
not for profit organizations may not fall into the trap of recent performance appraisals and award points based on recent favourable or unfavourable events rather than whole year’s worth of activities (Jones and Wright, 2007). In this case, the managers quickly address the skills gaps which have a significant impact on the employee’s motivation.

Manager can be victims of recency errors. The study established that a number of respondents agreed that the managers are highly incapable to rate their performance. The error may occur when the managers use only the last few weeks or month of a rating period as evidence of their ratings of others which may affect the performance and motivation of the employees. Shaw et al. (2008) suggests that the recency error can be avoided by evaluating the employee based on the entire assessment period, commonly 6–12 months. Using the critical incidents method really helps recall and provide an assessment of the entire period more objectively (Tassem and Soeters, 2006). Fair assessment of the employee’s performance may enhance their motivation.

The primary purpose of an appraisal system is to sieve out those who cannot or would not do the job. The study revealed that a number of the respondents mentioned that the appraisal system does not manage them better. It seems that the performance appraisal system does not determine how well the employees perform their jobs and motivation. Qureshi et al. (2007) advices that employers should also take note that performance evaluation is a continuous process and not one that happens only once a year. The best appraisals are a two-way discussion and focus on the employee assessing his own performance and setting goals for improvement. Shaw et al. (2008) suggests that the best appraisals are a two-way discussion and focus on the employee assessing his own performance and setting goals for improvement. For the best practice, organisations should ensure Key Performance Indicators (KPIs) are well communicated to and clarified with staff, and there are proper benchmarks in place against which staff are assessed.

Conflict in ratings can occurs when there are disagreements between the rater and the ratees regarding the expectations of the performance appraisal process. The study established that a proportion of the respondents of the agreed that ratings are based on reasonable expectations from their work. In addition, a small number of the respondents agreed that the managers have reasonable expectations from the respondent work. The reasonable expectations comprises of the desire for honest feedback for self recognition
and motivation. The findings also revealed that fewer respondents agreed that the rater recognizes the employees when they do a good job. Besides that, Skarlicki and Folger (2007) confirm that there is a conflict on individual workers with their colleagues’ goals, which means that a person’s desire for rewards contradicts with other colleague’s desire.

Error may occur where similar marks are given to items closer to each other on the performance appraisal form, regardless of differences in performance on those measures. The rater should talk to employees to find out so that they can objectively evaluate employees based on their actual performance (Shaw et al., 2008). This means that the ratings may not be objective in evaluating the employee’s actual performance. But the findings indicated that quite a few number of the respondents agreed that the raters are biased about the employee job performance. Teseema and Soeters (2006) suggest that this error can be avoided by objectively evaluating employees’ actual performance on each and every item on the assessment form.

5.4 Conclusions

5.4.1 Effect of Performance Appraisal Process on Employee Motivation
Performance appraisal system is often considered one of the most important factors for employee motivation. A substantial proportion of the respondents suggested that the performance appraisal system has helped improve job performance at work. The regular assessment of performance leads to employee motivation. Performance appraisal system is essential for measuring job performance and employee motivation. The performance standards are quantified and pegged against an individual evaluation which is essential for employee motivation. Performance appraisal rating can be considered as a technique that has a positive effect on work performance and employee motivation. The employees may be motivated if the appraisal process is based on accurate and current job descriptions. The performance appraisal identifies performance problems to improve employee productivity and motivation.

5.3.2 Effect of Performance Appraisers on Employee Motivation
The rater helps employees understand what they need to do to improve their performance but different raters can increase the accuracy of performance evaluation (can reduce bias) and increase employee’s perceptions of fairness. Customers may be asked to evaluate
individuals within the company. Customers can recognize the employees when they do a good job evaluation process that are important for employee’s motivation. Despite the problems with the evaluations, customers can provide valuable information concerning employees who have direct customer contact. Subordinates can evaluate their seniors in the organization. Subordinate evaluations may give valuable information to improve on the employee’s motivation. It is difficult for anyone to be capable in evaluating everything that entails a job. The managers may not be capable of evaluating employee performance which is likely to affect their motivation. Peers or co-workers often know the job of the individual employee better than the supervisor does and they are more directly affected by the employee’s actions, either positive or negative. Peers play an important role in employee motivation as they intimately involved with each other.

5.3.3 Challenges in Appraising Employee Performance
Some managers tend to be liberal or strict in their rating of staff which may affect the employees’ motivation. Its seems that the managers of the not for profit organizations may not fall into the trap of recent performance appraisals and award points based on recent favourable or unfavourable events rather than whole year’s worth of activities. In this case, the managers quickly address the skills gaps which have a significant impact on the employee’s motivation. Manager can be victims of recency errors. The error may occur when the managers use only the last few weeks or month of a rating period as evidence of their ratings of others which may affect the performance and motivation of the employees. Fair assessment of the employee’s performance may enhance their motivation. The primary purpose of an appraisal system is to sieve out those who cannot or would not do the job. Employers should also take note that performance evaluation is a continuous process and not one that happens only once a year. Conflict in ratings can occurs when there are disagreements between the rater and the ratees regarding the expectations of the performance appraisal process. The reasonable expectations comprises of the desire for honest feedback for self recognition and motivation. The raters are biased about the employee job performance.
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Effect of Performance Appraisal Process on Employee Motivation

The study recommends that the performance appraisal system is an important factor for employee motivation. Performance appraisal system helps improve employee job performance and motivation at work. There should be regular assessment of performance to enhance their motivation. Performance appraisal system should be essential for measuring job performance and employee motivation. The performance standards should be pegged against an individual actual performance which is essential for employee motivation. The appraisal process should be accurate and consider the current job descriptions to boost the employee productivity and motivation.

5.5.1.2 Effect of Performance Appraisers on Employee Motivation

The study recommends that the rater should help employees understand what they need to do to improve their performance and motivation. The study recommends that different raters can be used to increase the accuracy of performance evaluation and increase employee’s perceptions of fairness that can increase staff motivation. Different raters are capable of evaluating everything that entails a job where the managers may not succeed. Customers’ evaluation of the individuals working within the company can be essential in boosting their performance and providing valuable information concerning employee motivation. Subordinate evaluations should be used to give valuable information on improving the employee’s motivation. Peers or co-workers are also in a better to evaluate the individual employee performance than the supervisor which can have a positive impact on work motivation.

5.5.1.3 Challenges in Appraising Employee Performance

The study recommends that the managers should be to some extent liberal or strict in evaluating employees’ job performance and motivation. The managers should quickly address the skills gaps which have a significant impact on the employee’s motivation. There should be regular evaluations based on recent favourable or unfavourable events rather than whole year’s worth of activities. In this case, the manager can be accurate and fair in evaluating the employees. Fair assessment of the employee’s performance may enhance their motivation. Employers should also take note that performance evaluation is
a continuous process to reduce conflicts of expectations of the performance appraisal process, raters and ratees.

5.5.2 Recommendations for Further Studies
The current study investigated on the effect of performance appraisal on employee motivation in slum based Non-Governmental Organizations in Nairobi. The researcher recommends that future can apply the same research objectives to determine the effect of performance appraisal on employee motivation in government institutions in Kenya.
REFERENCES


Dear Sir/Madam,

**RE: REQUEST TO PARTICIPATE IN A RESEARCH STUDY**

I am a student at United States International University at Nairobi undertaking a degree in Executive Masters in Organizational Development (EMOD). I am carrying out a research as part of the requirement in fulfilling my course degree on the effect of performance appraisal on employee motivation using a survey of slum based Non-Governmental Organizations.

Given your unique position and experience as an employee, you have chosen you as one of the respondents. Your role in this study will only involve completing a questionnaire. The questions to be asked will relate to your experience and opinions in your area of specialization. It is important that you understand that there is no correct or wrong answer. This research is aimed at allowing you to provide details about what you honestly think.

In this regard I am sending you a questionnaire which will take less than 10 minutes of your time but its results in my research. I undertake to observe anonymity and I can assure you that individual responses will not be divulged. I will drop and collect the questionnaires at your business premises on the same day.

Thank you for your indulgence.

Natalie Chimwemwe
Section I: General information
Kindly tick (✓) where applicable and do not indicate your names or personnel number.

1. Gender
   Male [ ]    Female [ ]

2. Age bracket
   20 – 30 [ ]  31 – 45 [ ]  46 – 60 [ ] above 61 [ ]

3. Department: ___________________

4. Work experience
   Less than 1 year [ ]  2 – 5 years [ ]  6 – 10 years [ ]
   11 – 15 years [ ]  16 – 20 years [ ]  Above 21 years [ ]

5. Educational Level
   Primary school [ ]  Secondary school [ ]
   College level [ ]  University level [ ]

6. Are you satisfied with the current performance appraisal process in enhancing your motivation?
   Highly satisfied [ ]  Satisfied [ ]  Neutral [ ]
   Dissatisfied [ ]  Highly Dissatisfied [ ]

7. Are you satisfied with the current appraisers in enhancing your motivation?
   Highly satisfied [ ]  Satisfied [ ]  Neutral [ ]
   Dissatisfied [ ]  Highly Dissatisfied [ ]

8. Are you satisfied with the solutions put in place to deal with performance appraisal problems that would enhance your motivation?
   Highly satisfied [ ]  Satisfied [ ]  Neutral [ ]
   Dissatisfied [ ]  Highly Dissatisfied [ ]
Section II: Effect of Performance Appraisal Process on Employee Motivation

The study aims to investigate effect of performance appraisal process on employee motivation. Indicate the extent to which you agree with the following statements by using a scale of 1 to 4 where 1 = strongly disagree and 4 = strongly agree. Circle (O) which best describes your opinion of the statement.

<table>
<thead>
<tr>
<th>Effect of Performance Appraisal Process on Employee Motivation.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. My performance rating is based on how well am doing</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am satisfied and motivated with the way appraisal system is used to evaluate my performance</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. There are set standards for my job</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Employee performance is easy to measure.</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. The most recent ratings I received are based on many activities I am responsible for at work.</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. My performance is above average ratings.</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. I clearly understand the purpose of performance appraisal process</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Performance appraisal identifies performance problems to improve employee productivity and motivation.</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Performance appraisal process encourages co-operation</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. The performance appraisal system has helped improve my job performance</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. I am satisfied with the way the performance appraisal system is used to set my performance goals for each rating period</td>
<td>1 2 3 4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section II: Effect of Performance Appraisers on Employee Motivation

The study aims to investigate the effect of performance appraisal process on employee motivation. Indicate the extent to which you agree with the following statements by using a scale of 1 to 4 where 1 = strongly disagree and 4 = strongly agree. Circle (O) which best describes your opinion of the statement.

<table>
<thead>
<tr>
<th>Effect of Performance Appraisers on Employee Motivation</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Managers know enough to appraise me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>13. Managers set targets more clearly</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>14. I doubt whether I get a good appraisal.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>15. The rater helps me understand what I need to do to improve my performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>16. My manager discuss regularly my job performance with me</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>17. My work colleagues recognizes me when I do a good job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>18. My manager recognizes me when I do a good job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>19. My manager plays a significant role in my career development</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>20. The customers recognizes me when I do a good job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>21. My subordinates recognizes me when I do a good job</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>22. My manager/supervisor is highly capable as manager</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>23. My manager gives me fair feedback</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>24. My manager/supervisor has reasonable expectations from my work</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
Section III: Challenges of Performance Appraisal on Employee Motivation

The study aims to investigate the challenges of performance appraisal on employee motivation. Indicate the extent to which you agree with the following statements by using a scale of 1 to 4 where 1 = strongly disagree and 4 = strongly agree. Circle (O) which best describes your opinion of the statement.

<table>
<thead>
<tr>
<th>Challenges of Performance Appraisal on Employee Motivation</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>25. My manager provides me with fair feedback.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>26. My ratings are based on reasonable expectations from my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>27. The ratings adequately reflect my performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>28. My rater is biased about my job performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>29. My rater recognizes me when I do a good job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>30. My rater plays a significant role in my motivation.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>31. I am satisfied with my relationship with manager/supervisor.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>32. My manager/supervisor is highly incapable to rate my performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>33. The appraisal system does not manage me better.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>34. Performance appraisal reflects objectively my performance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>35. I receive erroneous feedback on my performance.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>36. My manager has reasonable expectations from my work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

THANK YOU FOR YOUR PARTICIPATION