

Influence of Performance Appraisal Practices on Employee Performance in Kenya, A Case of Eldowas in Gishu County

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ABSTRACT: Representative execution is basic for a firm to support its monetary reasonability in the present business climate. Each association's prosperity is to a not set in stone by the efficiency of its representatives. Subsequently, expanding representative efficiency has arisen as a basic issue for the achievement and supportability of endeavors. The objectives of this study were: to determine the influence of evaluation to assess the influence of management by objective to establish the influence of performance appraisal and to evaluate the influence of 360 degree appraisal on employee performance at Eldoret Water and Sanitation Company. This study would be significant to the management of Eldoret Water and Sanitation Company as it will aid them in decision making and policy formulation, further, the findings also would be beneficial to both current and future researchers as it will act as reference point and literature review. The study was guided by goal setting, management by objective and expectancy theories. This study's target population was 405 workers. The sample size of the study was 121 workers who were picked by the use of random sampling technique. The gathered data was analyzed using descriptive statistics of mean, standard deviation, and percentages as well as inferential statistics which included multiple linear regression. Tables were used to present the analyzed data. The study found that evaluation methods had significant positive relationship with employee performance, as indicated by a coefficient of .474, similarly, management by objective was found to have a positive impact on employee performance, with a coefficient of .401. The study concluded that evaluation methods had positive perception among respondents towards performance evaluation. Lastly, the study recommended that ELDOWAS should continue in utilizing performance evaluation as a valuable tool for identifying areas of improvement and setting clear performance expectations.

BACKGROUND OF THE STUDY

The efficiency of a system or process is a major factor in determining how well employees perform. Several cultural norms around the world contribute to stifled productivity, which is shown in the worldwide decline in employee performance. In 2021, global employee performance averaged 63.72 percent, down 9.66 percent from the previous year's rate of 73.38 percent. Desk Time's research also found that Uruguay (94.32%), El Salvador (92.99%), and Argentina (84.01%) had the highest employee productivity in 2021. Employee performance was described by Ibeogu and Ozturen (2015) as the means by which organizational, team, and individual objectives are met. According to Jalal and Putri (2015), businesses in India place a premium on employee performance because it is a key factor in maintaining a competitive edge. Organizations can't afford to stop working to increase the worth of their employees. Employee performance is a measure of how well and efficiently they do their assigned tasks relative to established goals and objectives. As a result, every business has its own set of requirements when it comes to employee output.

The purpose of a performance appraisal, as defined by Anand, Negi, and Ganghwa (2020), is to formally and systematically evaluate an employee's actions and outputs on the job. Employees' performance is evaluated on a regular basis through a formal process known as performance appraisal, in which their managers use a variety of metrics, including key performance indicators, grades, and weighted scores of judgements, to form an overall assessment of their work. Feedback is given to workers based on the results of these assessments (DeNisi & Murphy, 2017). Accurately gauging an employee's present skills and performance level is the fundamental goal of performance appraisal.

The execution of human asset the board systems in the Unified Realm has altogether affected both the efficiency and confidence of the public area. Human asset the board involves different works on, enveloping the essential elements of human asset arranging, enlistment and choice, and ability the executives. Furthermore, it envelops information the executives, authoritative turn of events, resourcing, execution the board, learning and advancement, reward the board, representative relations, and worker

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prosperity. These diverse practices collectively contribute to effective management of human capital within organizations. According to Pandey (2017), the matter of employee performance is a substantial and expensive worry within the workplace, impacting both employers and employees. This problem is distinguished by its seeming unpredictability. According to the research conducted in African Development and Dynamics 2022, it is evident that the labor productivity ratio between Africa and Asia had a decrease from 67% in the year 2000 to 50% in 2019. The research also emphasized that a considerable proportion of labor markets in Africa remain characterized by the prevalence of low-paying informal employment. Moreover, the current state of the productivity revolution is not experiencing significant progress, especially in industries that strongly depend on workforce engagement, where its impact is most critical. The aforementioned issue has led to Africa experiencing a widening gap in comparison to the advancing markets in Asia (AUC/OECD, 2022).

The measurement of employee performance involves quantifying the output of commodities or services generated by workers within a specific period (Bartash, 2020). Down (2019) suggests that there are various ways that may be employed to measure employee performance. These strategies include establishing baselines, defining and assessing tasks, setting explicit targets, conducting surveys, emphasizing job quality, and deploying employee monitoring systems.

In a scholarly investigation undertaken by Iqbal et al., in the year 2020, empirical evidence in Pakistan demonstrated that the assessment conducted by supervisors had a constructive impact on the overall job performance of employees. Moreover, a research investigation undertaken by Adegboyega et al. The study conducted in Nigeria in 2021 revealed that the implementation of management by objectives (MBO) exhibited a noteworthy and favorable impact on the performance of employees. A recent investigation conducted by Kasasa (2021) in Tanzania, situated in the region of East Africa, unveiled that the configuration of performance assessments exhibited a notable and constructive impact on employee performance.

The meaning of execution examination rehearses in Kenya has been generally perceived as a pivotal system for further developing worker execution. Kimani and Ondigi (2020) explain that the execution of execution examination frameworks inside the public area of Kenya well affects the capability of representatives. A review was directed by Mukindia and Wamalwa (2019) to inspect the connection between execution examination practices and worker work fulfillment and inspiration inside the confidential area of Kenya. The discoveries of the review demonstrated a positive relationship between these evaluations rehearses and the previously mentioned representative results. A lack of insightful writing exists relating to the effect of execution evaluation methods on worker execution inside water dispersion associations in Kenya, especially inside the unmistakable setting of ELDOWAS. The creation of the Eldoret Water and Sanitation Company (ELDOWAS) is congruent with the stipulations outlined in the Kenyan Water Act of 2016, underscoring its governance as a state-owned entity. The principal objective of this organization is to provide water and sanitation services in the Eldoret region of Kenya. The organization has faced challenges in achieving its objectives due to below-average staff performance, resulting in reduced productivity and customer dissatisfaction. The company has implemented performance appraisal policies and practices to evaluate employee contributions and pinpoint development opportunities. It is unclear; however, whether or not these policies have actually increased productivity at ELDOWAS. This study's overarching goal is to learn how performance appraisal procedures at ELDOWAS affect workers' productivity. The essential point of this exploration is to inspect the effect of different execution examination methodologies on worker execution inside the ELDOWAS system. These practices envelop staff assessment, the board by targets, plan of execution evaluation, and the execution of the 360-degree examination approach.

STATEMENT OF THE PROBLEM

The achievement of organizational goals is a crucial determinant of staff performance. In order to be deemed successful, employees are expected to attain their performance objectives. Performance management involves the strategic process of enhancing outcomes within a predetermined timeframe, while simultaneously adhering to established organizational benchmarks and proficiency levels. According to Torrington et al. (2011), performance appraisal, despite being implemented across various employee groups and organizational levels, is often perceived as primarily administrative, mechanistic, and lacking effectiveness in terms of enhancing employee performance. Critics argue that performance appraisal is an intrinsically precarious tool for evaluating the performance of both individuals and organizations. It is noteworthy to acknowledge that the performance appraisal system is commonly perceived as a potent instrument that has exhibited favorable outcomes for organizations (Dauda & Luki, 2021).

The performance appraisal is a crucial tool utilized within organizational settings to enhance employee performance and effectiveness. However, Onsomu et al. (2014) conducted a study on. In the year 2019, it was revealed that a dearth of agreement existed among researchers concerning the effectiveness of performance appraisal methodologies in regards to enhancing employee performance. Furthermore, certain studies suggest that the implementation of performance appraisal practices yields

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minimal or negligible impact on employee performance. In addition, it is worth noting that several organizations, such as the Eldoret Water and Sanitation Company, have not fully adopted performance appraisal practices, resulting in subpar employee performance (Onsomu et al., 2019). Therefore, there is a perceptible lack of information relating to the viability of execution evaluation rehearses and their impact on representative execution with regards to Eldoret Water and Sanitation Company. The presence of this information shortfall features the basic to embrace a review to assess the impact of execution evaluation rehearses on representative execution in the particular setting of the Eldoret Water and Disinfection Organization.

OBJECTIVES OF THE STUDY

The study was guided by the following objectives:

- i. To assess the influence of management by objective on employee performance at Eldoret Water and Sanitation Company.
- ii. To evaluate the influence of 360 degree appraisal on employee performance at Eldoret Water and Sanitation Company.

EMPIRICAL LITERATURE

Management by Objectives and Employee Performance

Hoffmann-Burdzinska and Flak (2016) conducted a study that delineated a sequence of procedural stages entailed in the aforementioned process. The process begins with the formulation of clear and specific goals and objectives, which are then followed by the active participation of employees in both the planning and implementation phases. Furthermore, the research underscores the significance of implementing remedial measures in instances where there is a divergence from the pre-established aims and objectives. The discoveries of the review uncovered that the execution of the Administration by Targets (MBO) approach well affected representative execution, as confirmed by genuinely huge outcomes. In an examination try embraced by Mulolli, Islami, and Skenderi in the year 2015, imperative outcomes were divulged, complementing the vital meaning of worker commitment in the development of an association's objectives and goals. It was exhibited that these factors applied an immediate impact on the getting through reasonability of the endeavor, yielding a great and genuinely significant impact on the presentation of representatives. Fulk, Chime, and Bodie (2011) highlighted the meaning of aggregate independent direction and representative commitment inside associations.

Zayum and Hangeior (2017) embraced an exploration try pointed toward evaluating the connection between staff examination cycles and worker efficiency inside the Inner Income Administration of Level State, Nigeria. The essential focal point of the review was to examine the invalid speculation connected with two indicated targets, alongside investigating two affiliations not set in stone to be genuinely immaterial. The examination used a review technique. The review's chosen populace comprised of a sum of 1580 people, while the examination test size utilized for investigation was 319. The discoveries of the review proposed that the exhibition evaluation process is helpless to significant politicization. By and by, when executed with ability, it has the ability to increase worker execution and productivity, while likewise developing representative inspiration.

An experimental examination was done by Ugoani (2020) to assess the impacts of execution evaluation on the exhibition of workers inside magnanimous associations arranged in Nigeria. The review utilized a blended strategies approach, joining both subjective and quantitative examination systems. The example size of 109 members was resolved utilizing judgment testing and the utilization of the example proportion idea. Polls were appropriated to secure essential and auxiliary information. The current review uncovers a powerful relationship between the act of execution examination and the resulting execution showed by workers. The discoveries of this concentrate further highlight the significance of coordinating execution evaluation into the stockpile of instruments used for planning worker preparing methodologies.

360 Degrees Appraisal Method on Employee Performance

In a recent investigation conducted by Adeyeye (2021), the objective was to assess the influence of performance appraisal on both organizational efficiency and individual performance within insurance businesses situated in Lagos. The study employed Yamane Taro's sampling technique to execute a process of sample selection, yielding a sample size of 105 persons. The study focused on a population consisting of six insurance organisations. Questionnaires were utilised as the primary data collection tool in this research study. The findings of the study revealed a statistically significant and favourable correlation between performance evaluation and organisational productivity. However, a weak association has been observed between the financial performance of an organisation and the individual performance of its employees. Additionally, the study uncovered that several factors outside the purview of performance evaluations exert an impact on employee job performance.

In a study conducted by Ndago (2020), the objective was to examine the impact of performance appraisal on employee performance

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within the Kwale County department of correctional services in Kenya. The primary objective of this study was to evaluate the impact of self- evaluation, task-based assessment, and 360-degree feedback on employees' performance. The present study further investigated the influence of gender as a moderating determinant on employee productivity, in conjunction with evaluating the association between employee performance evaluations and productivity. The research outcomes substantiated that the implementation of performance appraisal systems yielded advantageous outcomes on employees' overall job effectiveness in a conclusive manner.

Munguti and Kanyanjua (2017), conducted a research investigation at Savannah Cement Ltd, aiming to analyze how the implementation of the 360-degree appraisal method influenced employee performance. This study employed a descriptive approach that encompassed the entire workforce of the organization. Its primary goal was to evaluate the effects of this approach on several aspects, such as quality of work, job knowledge, work accuracy, and teamwork across different dimensions.

Research Methodology Research Design

The study employed a quantitative methodology and a descriptive research design to evaluate the characteristics indicated in the research inquiry. Siedlecki (2020) asserts that the descriptive design is specifically designed to examine individuals' attitudes, perceptions, behaviors, and values in response to established phenomena. The present design was well-suited for the current investigation since it facilitated the collection of data from a substantial population. According to Bloomfield and Fisher (2019), the descriptive design is a valuable approach for testing hypotheses and assessing the present condition of the subjects under investigation. The design aligns with Rahi's (2017) perspective, which focuses on the examination of social and psychological factors within a sizable sample. Furthermore, the utilization of a descriptive study design allowed the researcher to gather data at a particular moment in time, as highlighted by Herbst, Harper, Kalfa, and the ESPU Research Committee (2018). Creswell and Creswell (2017) emphasized the adequacy of the descriptive design in generating a comprehensive overview of variables and facilitating a thorough comprehension of the problem by utilizing pertinent sources. Consequently, this approach aids in the identification of research subjects.

Data Collection Methods and Procedures

Smith-Hall et al. (2018) claimed that the data collection procedure pertains to the steps taken in gathering data for a specific purpose. The researcher used questionnaire to collect data, and obtained permission to conduct research from Mount Kenya University and the NACOSTI. The researcher also sought permission from ELDOWAS employees through the company's management and human resource office. To prevent collusion and improve response rates, the researcher collected the completed questionnaires directly from the respondents using the drop-and-pick approach, which is recommended by Smith and Kim (2015) for busy respondents. The researcher gave the questionnaire to each respondent and collect it after a mutually agreed-upon period of no more than two weeks. All questionnaires were administered individually, and care was taken to ensure that all issued questionnaires are accounted for by keeping a register of them.

Data Analysis

The data analysis was performed through the utilization of Statistical Package for Social Science (SPSS) version 29.0 as well as computer spreadsheets. The software application SPSS can be employed to generate frequency tables, charts, and graphs with the intention of conducting descriptive statistics. The multiple linear regression was done with an aid of the following model.

$$Y = 1 X_1 + 2 X_2 + e.$$

Employee Performance is Y. X₁ = Management by objective

X₂ = 360-degree appraisal approach

E= error term

ANALYSIS AND RESULTS

Management by Objective and Employee Performance

Table 1: Management by Objective and Employee Performance

	N	Min	Max	Mean	Std. Deviation
MBO helps to clarify employee roles and responsibilities, leading to better performance.	112	1	5	3.79	1.181
MBO motivates employees to achieve their goals and	112	1	5	3.74	1.221

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objectives, resulting in improved performance

MBO provides a clear direction and focus for 111 1 5 3.76 1.245

employees, leading to better performance

MBO provides feedback and performance measures 112 1 5 3.64 1.237

that help employees identify areas for improvement.

MBO helps to align individual employee goals with the overall goals 112 1 5 3.87 1.166

of the organization, leading to

improved performance

MBO encourages communication and collaboration among 112 1 5 3.50 1.301

employees, resulting in improved

performance

Valid N (listwise) 111

Source (Researcher (2024))

The findings in table 1 indicated that the respondents were in agreement that MBO helps to clarify employee roles and responsibilities, leading to better performance (Mean: 3.79, Std.

Deviation: 1.181). Additionally, they perceived MBO as motivating employees to achieve their goals and objectives, resulting in improved performance (Mean: 3.74, Std. Deviation: 1.221). Moreover, MBO was seen to provide a clear direction and focus for employees, leading to better performance (Mean: 3.76, Std. Deviation: 1.245), and offering feedback and performance measures that help employees identify areas for improvement (Mean: 3.64, Std. Deviation: 1.237). Furthermore, respondents agreed that MBO helps to align individual employee goals with the overall goals of the organization, leading to improved performance (Mean: 3.87, Std. Deviation: 1.166), and encourages communication and collaboration among employees, resulting in improved performance (Mean: 3.50, Std. Deviation: 1.301). These findings collectively suggest a positive perception of Management by Objectives (MBO) among employees, indicating its potential effectiveness in enhancing performance at the organization.

360-Degree Evaluation and Employee Performance

Table 2: 360-Degree Evaluation and Employee Performance

	N	Min	Max	Mean	Std. Deviation
The 360-degree appraisal method provides a more comprehensive evaluation of employee performance than traditional appraisal methods	112	1	5	3.64	1.258
Employees are more likely to accept feedback and take corrective action when they receive it from multiple sources through 360-degree appraisal.	112	1	5	3.60	1.255
The 360-degree appraisal method promotes a culture of open and continuous feedback, which helps to improve employee performance.	112	1	5	3.53	1.342
The use of 360-degree appraisal method fosters a sense of ownership and responsibility among employees for their own performance improvement	112	1	5	3.60	1.270
The use of 360-degree appraisal method fosters a sense of ownership and responsibility among employees for their own performance improvement.	112	1	5	3.62	1.288
The 360-degree appraisal method contributes to a fair and unbiased evaluation of employee performance, as multiple perspectives are considered	112	1	5	3.84	1.167
Valid N (listwise)	112				

Source (Researcher (2024))

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The descriptive statistics in table 2 revealed that respondents agreed that the 360-degree appraisal method provides a more comprehensive evaluation of employee performance than traditional appraisal methods (Mean: 3.64, Std. Deviation: 1.258). Moreover, employees were seen as more likely to accept feedback and take corrective action when they receive it from multiple sources through 360-degree appraisal (Mean: 3.60, Std. Deviation: 1.255), promoting a culture of open and continuous feedback that helps to improve performance (Mean: 3.53, Std. Deviation: 1.342). Furthermore, the use of the 360-degree appraisal method was perceived to foster a sense of ownership and responsibility among employees for their own performance improvement (Mean: 3.60, Std. Deviation: 1.270), contributing to a fair and unbiased evaluation of employee performance due to the consideration of multiple perspectives (Mean: 3.84, Std. Deviation: 1.167). These findings collectively suggest a positive perception of both MBO and the 360-degree appraisal method among respondents, highlighting their potential effectiveness in improving employee performance and fostering a culture of continuous improvement in the organization.

Inferential Statistics

Table 3: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	11.066	.459		.731	.000
Management by objective	.401	.396	.431	70.940	.000
360-degree evaluation	.437	.423	.458	92.104	.000

a. Dependent Variable: Employee performance

Source (Researcher (2024))

The coefficients analysis provided a comprehensive understanding of how individual performance appraisal practices influenced employee performance. Firstly, the intercept (Constant) indicated the estimated mean employee performance when all other predictors were zero, with a value of 11.066. Management by objective was found to have a positive impact on employee performance, with a coefficient of .401 and a significant t-value of 70.940 ($p < .001$), meaning that for every one-unit increase in Management by objective, employee performance increased by .401 standard deviations. Furthermore, 360-degree evaluation showed a significant positive association with employee performance, characterized by a coefficient of .437 and a significant t-value of 92.104 ($p < .001$), signifying that a one-unit increase in 360-degree evaluation led to a .437 standard deviation increase in employee performance.

CONCLUSIONS

Management by Objectives (MBO) was perceived favorably, with respondents acknowledging its role in clarifying roles, providing direction, and aligning individual goals with organizational objectives. Also, the research highlighted the effectiveness of the 360-degree appraisal method in providing a comprehensive evaluation of employee performance. Respondents agreed that this method fosters open feedback, promotes employee ownership of performance improvement, and ensures fair evaluations by considering multiple perspectives.

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