



**EFFECTS OF PERFORMANCE APPRAISAL ON EMPLOYEE PERFORMANCE**

**Menza, N. C., & Njoroge, J. G.**

## EFFECTS OF PERFORMANCE APPRAISAL ON EMPLOYEE PERFORMANCE

<sup>1</sup> Menza, N. C., & <sup>2</sup> Njoroge, J. G.

<sup>1</sup>MBA Candidate, Department of public policy and administration, Kenyatta University, Kenya

<sup>2</sup> Lecturer, Department of public policy and administration, Kenyatta University, Kenya

Accepted: April 11, 2023

### ABSTRACT

*The main objective of this study was to assess the influence of performance appraisal on employee performance in Kenya. This study examined the present condition of performance assessment on employee performance in Kenya, using Kilifii County as a case study. The impact of performance assessment on employee work performance was highlighted in this study. The target population consisted all the permanent workers in Kilifi County which included the doctors, nurses, support staffs, administrative and management representatives and the researchers (KEMRI staffs working in Kilifii County Hospital). The research adopted census technique in data collection and the researcher also used sampling for some groups of respondents. The study involved 94 respondents for the study which included 4 doctors, 39 nurses, 27 support staffs and 18 researchers and 6 administrative and management representatives. Data collection was done using a structured questionnaires and interview guide and the collected data was analyzed by descriptive statistics which uses Statistical Package for Social Sciences (SPSS). The instruments reliability was tested using correlation coefficient. The data was then analyzed using descriptive statistical analytical tools like frequency distribution and multiple regression. The qualitative data was transcribed and arranged into several topics based on the study's aims. Frequency tables were used to illustrate the data. The study results indicated that training had a positive and significant effect on employee performance ( $\beta=0.170$ ,  $p<0.05$ ), Feedback mechanisms had a positive and significant effect on employee performance ( $\beta=0.263$ ,  $p<0.05$ ), Leadership style had a positive and significant effect on employee performance ( $\beta=0.231$ ,  $p<0.05$ ) and compensation had a positive and significant effect on employee performance ( $\beta=0.213$ ,  $p<0.05$ ). The study concluded that relevance of the objectives enables the health workers to attain the required level of performance. Communication between staff and managers assists in tracking over all employee performance. Employees prefer remunerative rewards as good performance is observed and then rewarded, the chances of it being repeated are increased, while poor performance is discouraged or even punished to decrease the chance of it happening again. The study recommended that organizations should establish and adopt performance appraisal systems that would enable effectively appraisal of the employees and therefore providing opportunities to the management in identifying staff training needs, identify performance targets, improve employees performance and helping employees on time management through planning and setting of deadlines.*

**Key Words:** Training, Feedback Mechanisms, Leadership Styles, Compensation, Performance Appraisal

**CITATION:** Menza, N. C., & Njoroge, J. G. (2023). Effects of performance appraisal on employee performance. *The Strategic Journal of Business & Change Management*, 10 (2), 182 –197.

## INTRODUCTION

According to Veldkamp (2005), performance assessment is defined as the improvement of workers' efficacy in their task assignments, as well as the discovery of an individual employee's potential. The goal of performance appraisal is to increase productivity in public affairs management by encouraging openness and transparency. As a result, Kenya instituted performance appraisals in order to enhance public sector services and to shift public officials' mindsets toward achieving outcomes (Akoth, 2009). However, most firms prefer to use the phrase performance evaluation since it implies a review of how successfully individuals carry out their task tasks as outlined by the anticipated a collection of duties Performance evaluation is a critical and well-coordinated technique to assisting firms in achieving long-term success by increasing employee performance and strengthening team and individual contributor skills (Armstrong & Baron, 2005).

The inclusion of public sector performance criteria, according to the Government of Kenya (2007), is a significant step forward in the government's embrace of the performance contracting process. It goes on to say that, despite various challenges such as conflicting tactical plans with few links to national aspirations and goals and the supremacy of input as well as procedure performance pointers that fail to relate to expectations of citizens, the government has been powerfully committed to public sector improvements since the early 1990s. As a result, citizens have struggled to connect with performance ratings. Since independence, the government has made human resource development a top priority in its national development policy, as seen by the training and development initiatives in existence.

Furthermore, public service reforms in the 1990s acknowledged the importance of capacity building and training in boosting public service performance (GOK 2009).

On the basis of a Training Needs Assessment (TNA), the ministry provided resources for public sector training and capacity building, as well as conducted and co-ordinated needs of training. It also evaluated the efficacy of training packages (GOK 2009). It's unclear why there's a notion that the public sector's performance isn't up to par, despite the implementation of multiple significant reforms aimed at improving performance management. As a result, it is not only essential but also vital to revisit the Performance Appraisal System in order to establish its impact on work performance in the health-care sector. Staff training is a process that helps them obtain new information, develop new abilities, polish existing skills, and eventually increase their productivity (Nzuve, 2010). Each training session should be tailored to the organization's performance objectives. These training objectives should be described in depth and in words that can be measured. New workers aren't the only ones that need to be trained and developed. The changing nature of day-to-day life necessitates that all employees be effectively taught, taking into account technology and other changing circumstances. As a result, training must provide employees an opportunity to put their newly learned information into practice, resulting in a noticeable performance and improved production.

The government also pays for officers to take longer-term courses in and out of the nation, ranging from one month to three years. By utilizing informal influence, leadership may impact the political atmosphere in the workplace. When people

obey authority, it's difficult to tell whether they're behaving on their own free will or because they're afraid of punishment from their superior (Gadot 2007). (Ibid). According to Jurgens, participative leadership is a leadership style that helps employees feel empowered as well as respected, meaningful to the business, and a sense of belonging via their involvement in the organization's process (2011) According to Tandoh (2011), the focus of modern leadership theories has switched from individuals to situations, in which the leadership organizes the importance and need to interact to followers based on a certain scenario and setting. Despite the rise in leadership investigations, some scholars think there is still a gap in leadership knowledge (Klein & Salk, 2013). Researchers have looked into how different organizational leadership styles affect survival, but research on which approaches can enhance employee performance is lacking.

Many human resource experts feel that having a well-articulated purpose to influence an employee's work is critical. Employee supervision and coaching in conjunction with goals has been discovered to increase employee accountability and improve work performance in health care organizations. Employee performance is directly affected by feedback. Feedback is described as a management procedure for determining the degree of efficiency and productivity that an employee's work-related activities have achieved, as well as the types of results that these actions have produced. Even though the effect of feedback may vary greatly based on the personality, life experiences feedback receiver's culture, and the fundamental concept of receiving feedback is extremely beneficial (Bechtel, Mc Gee, Huitema & Dicknson, 2015).

Kilifi County Hospital is also called level five hospital. It is a referral hospital. Kilifi

County hospital is a government health Centre located in hospital sub- location, township location bahari division coast province. Kilifi County hospital offer different services which are under 15 departments, some of the major department in Kilifi County hospital include: maternity, female ward, male ward, amenity ward, new born unit ward, MCH, CCRC, lab among other small departments like: Antiretroviral treatment, Antenatal, Basic obstetric care in an emergency Curative in-patient and out-patient therapies are available. Growth, supervision, and promotion of the family, HIV testing and counseling Care at home, Immunization Management of childhood ailments as a whole, HIV transmission prevention from mother to kid X-rays, ultrasounds, and other radiology services are available. Tuberculosis diagnosis, treatment, and youth-friendly treatments are all available.

Over the past years performance appraisal in Kilifi County hospital was only seen in papers that is they never conducted performance appraisal to their employees assuming that everything was fine. Until the year 2012 after the introduction of the devolved government is when the implementation of performance appraisal among employee started. Since then although there is very less effort and support concerning the same. According to the policy the performance appraisal was to be conducted twice a year that is mid-year performance appraisal which is conducted on June and the end year performance appraisal which is conducted on the first week of December. The department that is concern with performance appraisal (human resource department) does not have good strategies on conducting performance appraisal system that why it's not conducted most of the time and if conducted they do

not follow the correct protocols and procedures. This is one of the biggest reasons that made the research to conduct this study.

### **Statement of the Problem**

One of the most common difficulties facing public sector companies is declining employee performance, which is a primary driver of public sector organizations' low performance as compared to their private counterparts (Shah et al., 2015). A poll of federal workers from various agencies in the United States to compare their performance to that of private-sector companies revealed that the performance of federal employees in the United States lags below that of the private sector (Braverman et al., 2010). Berman (2015) cites a lack of appropriate working practices, inadequate technology, lack of professional management, overstaffing, and political intervention as factors of poor performance in public sector enterprises. Academics have advised that public enterprises change their cultures, technology, service delivery methods, and leadership effectiveness in order to solve the issue of poor government employee performance (Risher, 2011; Budiarto & Mir, 2012). However, few studies have been undertaken to see how these changes affect employee performance in the public sector.

The impact of the performance appraisal system, obstacles faced, and implementation techniques have been the subject of previous research on performance appraisal (Ngoku, 2011). Other research has focused on what influences the performance assessment system, such as the elements impacting employee performance system. As a result, there is a scarcity of factual evidence on individual performance assessment procedures. With a five-year experience, the research discovered that no known researcher has reported on the

impact of performance assessment on staff performance in Kilifi County Hospital. However, the performance assessment system should have generated sufficient data to allow research into whether the system has had a beneficial or negative impact on the hospital's performance (Kilifi County). In light of this, the study set out to determine the impact of performance assessment as a management control tool on organizational performance. As a result, the purpose of this study was to determine and record the impact of the performance assessment method on employee performance in Kilifi County Hospital.

### **Objectives of the Study**

This study was guided by the following objectives:

- To establish how training influences employee performance of Kilifi County hospital.
- To establish how feedback mechanism influences the performance of Kilifi County hospital employees.
- To determine the influence of leadership styles on performance of Kilifi County hospital employees.
- To establish how compensation influences the performance of Kilifi County hospital employees.

### **LITERATURE REVIEW**

#### **Employee Performance:**

Employee performance, according to Sarmiento and Beale (2007), is the result of two factors: the ability and workers' ability and skills (natural or acquired) to use their skills and abilities to do a better task, and employees' ability and skills (natural or acquired) to utilize their skills and abilities to do a better task. Employee performance, according to Ahmadi's research, is the consequence of two factors: workers' ability and talents (natural or learned) to put their

skills and abilities to greater use. (2009), Although there is no significant association between employee age and education, there is a positive correlation between education and employee performance. Individual-related variables, organizational-level issues, and organizational environmental factors, according to Ahmed (2009), can all impact employee work performance.

Employee performance is measured by how well they do their assigned tasks and fulfill deadlines and objectives. Anwar, Iqbal, and Haider (2015). McKinsey conducted a survey of government employees from several agencies in the United States to find the factors that most influence organizational performance and compared the results to private-sector standards. According to the report, the federal government in the United States lags below the private sector in a number of key organizational-performance indicators, including employee engagement, talent management, and accountability. Braverman, Aaron and Schaninger, (2010). These findings were in line with those of Madan, Jasleen, and Bajwa (2016) in India, who discovered that organizational change management had a substantial impact on employee performance.

### **Staff Training and Employee Performance**

Training has a positive impact on an employee's performance. Training is a motivational factor that increases an employee's understanding of their job, helping them to become more effective at their tasks and provide better results. Training has been a crucial role in increasing organizational efficiency. The majority of researchers, including Colombo and Stanca (2008), Sepulveda (2005), and Kinings and Vanormelingen (2009), concluded that training is a critical and effective tool in achieving a company's aims and

outcomes, resulting in increased performance and productivity.

Managers should maintain an appropriate supply of workers that are technically and socially competent and capable of career advancement into specialized areas or management roles, according to Afshan, Sobia, Kamran, and Nasir (2012). In the workplace, training is a must. Managers, according to Farroq and Aslam (2011), are doing their best to improve the skills of their employees and, as a result, create a positive working environment inside the firm through training and development.. An effective training program assists employees in becoming familiar with desirable new technology advancements, as well as obtaining complete command of the competencies and abilities necessary to do a certain task and avoiding task blunders and mistakes (Robert, 2016). Training also refers to the process of bridging the gap between present performance and the intended level.

### **Feedback mechanism and employee performance.**

According to Huston & Marquis, (2006), Feedback is a method of assessing how employees react to a new change or system by soliciting their ideas and reactions. At the organizational setting, response boosts profits and productivity while also encouraging vigorous rivalry, dedication, and assisting workers in making vital connections between their current objectives and those for the future. Although supervisor-to-employee feedback is the most significant type of employee feedback, According to Boudreau and III (2012), such a technique is even more successful if the worker may also submit response to the overseer. An efficient worker response instrument must be able to recompense employees with recognition and praise while also keeping a careful eye on any outgoing or incoming

pain signs that need to be addressed (Harwood, 2014). A good feedback method may help you handle problems before they get out of hand, which is beneficial to both the company and the individual. When the processes are effectively implemented, the employees' opinions are likewise accurately measured (Ruck, 2010).

Although previous investigations have focused on the impacts of feedback on employee work performance, few have looked explicitly at the impact of developmental feedback on employee performance. In a study published in June 2014 in China, researchers discovered that developmental feedback had a considerable favorable impact on work performance as well as intrinsic motivation. Furthermore, they claimed that intrinsic motivation had a substantial positive association with work performance and developmental feedback. Performance evaluations nowadays aren't nearly as effective as they may be. In fact, according to Fast Company, 74% of younger workers leave performance appraisals unclear of what their superiors think of their task. According to the (2017) employee engagement survey, 79 percent of employees don't think their company's review/ evaluation process is all that excellent to begin with communication, which includes both sending and receiving messages.

#### **Leadership styles and employee performance.**

According to Cole and Kelly (2011), leadership is defined as the process of directing or guiding a group of people. The manner by which a leader provides the plans and directives required to achieve the intended objectives and goals is referred to as leadership style. Mr. Mbogo (2012). According to Schmidt (2014), different leadership styles differ on numerous characteristics, ranging from authoritarian to

democratic to participatory, indicating the degree of authority and decision-making power held by leaders and employees. Both democratic, autocratic, and participatory leadership styles, according to worldwide journals of accounting research (2014), contribute to the execution of set tasks, meeting deadlines, and attaining departmental goals. Anderson and Brown (2010) found that the autocratic approach may provide great achievements in a short amount of time, but that more powerful authority reduces productivity. People's creativity is stifled, and they are motivated to labor against their will. The manager should be explicit, positive, and actively listen throughout the assessment interview, while also encouraging subordinate involvement (Cole & Kelly, 2011).

Armstrong (2005) defines performance as "team management, work team assignments, organizational goals, and missions." Leading is the process of persuading people to achieve certain goals, according to Tannenbaum, Zerpa, and Ramirez (2013), who defined it as interpersonal influence exerted in a situation and directed toward a certain objective through the communication process. They emphasized that leadership is always about a person's (leader's) attempts to alter or influence the behaviour of the followers in a scenario.

#### **Compensation and employee performance:**

Human resources, according to Abdulwahab (2016), are the backbone of every company or organization. The organization's responsibility should be to satisfy its employees by providing good working conditions, motivation, financial incentives, and a friendly connection between superiors and subordinates. Even though employee performance appraisals are not continuous, they are influenced by a variety of circumstances. To overcome challenges, the

organization should develop a strong and positive relationship with its employees, guiding them toward task completion and assuring task satisfaction (Fisher, 2012). Compensation, according to Martocchio (2011), stems primarily from the fact that it provides revenue to employees and is a significant expense item for the company. According to INUWA (2015), employee performance refers to an employee's total performance, which includes achieving the anticipated quality and completing tasks within the organization's policy and time constraints.

Indirect compensation or employee perks, according to Armstrong (2009), are components of remuneration given to different types of monetary pay, and can also include items such as yearly holidays. Tsai, Kensey, William, Sharma, Mukesh, Wen-Bin, Wu, Wen-Jun (2005) argue that compensation aids in the recruitment and retention of high-quality employees who are viewed as strategic resources, allowing businesses to gain a competitive edge. As a consequence of the benefit offers, one may anticipate the organization's overall attractiveness to increase, and those workers affected to experience more loyalty and contentment. As a result, there was an increase in effort and production. Compensation has a beneficial impact on employee productivity. In addition to their regular income, remuneration in the form of overtime, allowances, and achievement benefits helps employees enhance their employee performance. Indirect pay, such as social security, workers' compensation, retirement programs, and paid vacations, also has a substantial impact on employee performance.

## **Theoretical Framework**

### **The institutional theory**

The institutional theory of groups locations establishments on the center of the exam of an company's structure and behavior. Agencies, in this attitude, are small manifestations of large establishments. institutions, described as typically held thoughts, regulations, and conventions, have an impact on the improvement and dissemination of organizational systems, design characteristics, and practices. Following statutory prescriptions is visible as a way to reap legitimacy, reduce ambiguity, and improve the intelligibility of an organization's moves and operations. Institutional reasons have previously been linked to the concept of resource reliance. Businesses, for example, require sales, venture capital, or investments; schools, on the other hand, require students and state support; NGOs, on the other hand, require fundraising and media attention; unions, on the other hand, require members and their dues, non-governmental businesses, or trade unions. from this angle, efficiency is vulnerable to continual, collaborative redefinition.

Institutional reasons have previously been linked to the concept of resource reliance. Businesses, for example, require sales, venture capital, or investments; schools, on the other hand, require students and state support; NGOs, on the other hand, require fundraising and media attention; unions, on the other hand, require members and their dues. this technique is now and again called "new" institutionalism, because it differs from previous methods to enterprises as entities, which centered greater on questions of strength, politics, and change. contemporary works, alternatively, have harmonized each perspectives. establishments, in general, are the ones beliefs, norms, roles, and symbolic additives capable of



influencing organizational structures no matter useful resource flows or technological constraints (scott 1991: 165). Institutional reasons have previously been linked to the concept of resource reliance. Businesses, for example, require sales, venture capital, or investments; schools, on the other hand, require students and state support; NGOs, on the other hand, require fundraising and media attention; unions, on the other hand, require members and their dues, as it's far the case with maximum routinized behavior in companies). organizational researchers and political scientists be given cultural norms and brought-for-granted ideas as drivers of organizational behaviour, whereas economists consciousness on regulatory structures.

Relying on institutions provides organizations with more than just access to resources; it also allows them to decrease uncertainty and enhance the predictability and intelligibility of their activities to their audiences. As a result, institutions both restrain and facilitate organizational activities and choices (Barley and Tolbert, 1997). The diffusion and consistency of organizational practices throughout whole sectors and coverage arenas may be defined by means of the relationship emphasis among groups and audiences. institutional principle of companies refers back to the formation of "organizational fields" on this state of affairs. the notion of "fields" has evolved into a way of debating and shaping long-held, agreed understandings of organizational designs and practices through time. The assumption that "organizations are sort of goofy, and people are never reasonable" was a popular misperception (DiMaggio, 1995: 395). This misperception was debunked through empirical investigations. Feinstein (1985), for example, looked at the causes of the multidivisional organizational form's development among big corporations between

1919 and 1979. He discovered that businesses were aware of the growth of the multidivisional form in their surroundings and reacted accordingly. Fields occur once establishments (or their agents) convene to debate significant themes and affect current and/or embryonic institutions, according to Hoffman (1999).

### **Resource Based View Theory**

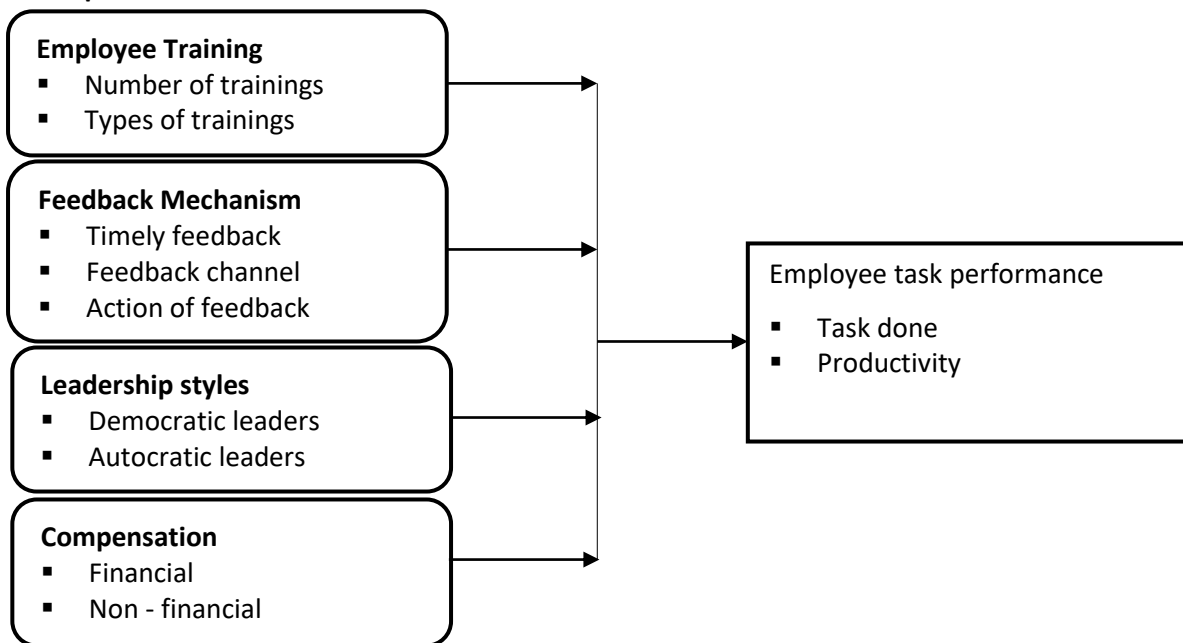
The resource-based approach is a growing and influential field of strategy literature that examines an Corporation's identification and is broadly speaking concerned with the supply and nature of strategic capabilities. The resource-based totally technique claims that effectiveness is an end result of organisation resources and competencies, with an intra-organizational recognition (Barney, 1991; Wernerfelt, 1984). The resource-based totally approach assumes that a hit corporations will find their destiny competitiveness within the improvement of one kind and particular talents, which might be sometimes implicit or intangible (see Teece et al.1991). As a result, the middle of strategy is determined through the firm's specific sources and talents, or must be (Rumelt, 1984). Furthermore, method's capacity to create cost, i.e., the firm's capacity to broaden and hold a a hit market role, is distinctly dependent on the lease-producing functionality of its essential sources and abilities (Conner, 1991). According to Barney (1991), if all corporations had the identical assets, there would be no disparities in profitability when you consider that any method could be carried out by using any company within the equal enterprise.

However, a major flaw within the useful resource-based totally approach is the lack of a entire framework that demonstrates how numerous additives of the enterprise engage with one another via time to supply

something new and awesome (Nonaka and Takeuchi, 1995). In step with the aid-primarily based view (RBV), competitive advantage and overall performance consequences are the end result of firm-unique assets and abilities. That are tough for competitors to replicate (Barney, 1986a, 1986b, 1991; Wernerfelt, 1984, Rumelt 1987). If those assets and capabilities have

particular characteristics, they can be crucial factors in achieving long-term aggressive advantage and stepped forward commercial enterprise performance. They should be useful, enhancing first-rate and productivity, rare, imperfectly imitable, and non-substitutable (VRIN), and uncommon, inimitability, and non-substitutable (VRIN) (Barney, 1991).

**Conceptual Framework**



**Independent Variables**

**Dependent Variables**

**Figure 1: Conceptual framework**

**METHODOLOGY**

The researcher used a descriptive survey study methodology. According to Coope and Schindler (2008), descriptive design unearths and quantifies the purpose and impact of relations among variables. The study targeted a group of 290 respondents from all the fifteen departments. They include 4 doctors, 130 nurses, 90 support staffs and 60 kemri staffs (researchers) and 6 administration and management representatives. The researcher adopted a purposive sampling to select the first group of population which included the doctors and administration and management representatives. In the second, third and the fourth representative, the research adopted stratified

random sampling to determine sample proportion. A sample of 30% for the nurses, the support staffs and the kemri staffs (researchers) was used. Questionnaires and interview questions were employed to gather primary data.

**FINDINGS**

**Training and Employee Performance**

The study sought to establish the effect of employees’ perception towards training and employee performance. The study results were tabulated in table 1;

**Table 1: Training and Employee Performance**

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Setting targets specify the areas for improvement towards attaining optimum employee performance	F %	8 8.2	5 5.1	12 12.2	37 37.8	36 36.7	88 100	3.90 78.0	1.165
Setting targets motivate managers and staff to achieve specific performance milestones towards improving the health services	F %	13 13.3	14 14.3	38 38.8	26 26.5	7 7.1	88 100	3.00 60.0	0.450
Setting targets makes managers and staff to be involved in achieving overall performance in health services delivery	F %	5 5.1	17 17.3	50 51	25 25.5	1 1	88 100	3.00 60.0	0.236
Performance targets encourages all health workers to improve their work performance	F %	21 21.4	14 14.3	23 23.5	34 34.7	6 6.1	88 100	2.90 58.0	1.165
Revision of targets determine the level of performance of each health worker in the hospital	F %	17 17.3	18 18.4	18 18.4	33 33.7	12 12.2	88 100	3.05 61.0	0.450
The relevance of the objectives enables the health workers to attain the required level of performance	F %	0 0	0 0	9 9.2	33 33.7	56 57.1	88 100	4.48 89.6	0.236

Source: Field Data (2022)

The study findings revealed that 78.0% were of the view that setting targets specify the areas for improvement towards attaining optimum employee performance; 60.0% were of the view that setting targets motivate managers and staff to achieve specific performance milestones towards improving the health services; 60.0% were of the view that setting targets makes managers and staff to be involved in achieving overall performance in health services delivery; 58.0% were of the view that performance

targets encourages all health workers to improve their work performance; 61.0% were of the view that revision of targets determine the level of performance of each health worker in the hospital and 89.6% were of the view that the relevance of the objectives enables the health workers to attain the required level of performance.

#### **Leadership style and Employee Performance**

The study sought to establish the effect of leadership style and employee performance. The study results were presented in table 2;

**Table 2: Leadership style and Employee Performance**

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Comparing objectives and performance enables keep employees on track to achieve high performance levels	F %	4 4.9	9 9.8	12 13.1	38 39.3	32 32.8	88 100	3.85 77.0	1.047
Outcome based method, performance of all employees is based on the number of patients served in the hospital	F %	4 4.9	7 8.2	11 11.5	38 39.3	35 36.1	88 100	3.93 78.6	0.342
Appraising potentials of employees motivates them to achieve better performance in the future.	F %	0 0	5 4.9	15 14.8	61 60.7	20 19.7	88 100	3.95 79.0	0.591
In performance tests and observations, appraising knowledge and skills improves the competence of employees hence perform better	F %	4 4.9	7 8.2	12 13.1	31 31.1	42 42.6	88 100	3.88 79.6	0.577
Using critical incident method, evaluating employee behaviors enable identify difference in their performance at work	F %	1 1.6	0 0	15 14.8	43 42.6	42 41	88 100	4.21 84.2	1.047
The hospital uses confidential reports methods in evaluating the performance of its employees and staff	F %	5 4.9	5 4.9	12 11.5	39 39.3	39 39.3	88 100	4.03 80.6	0.342

Source: Field Data (2022)

The study results indicated that 77.0% were of the view that comparing objectives and performance enables keep employees on track to achieve high performance levels; 78.6% were of the view that outcome based method, performance of all employees is based on the number of patients served in the hospital; 79.0% were of the view that appraising potentials of employees motivates them to achieve better performance in the future; 79.6% were of the view that in performance tests and

observations, appraising knowledge and skills improves the competence of employees hence perform better while 84.2% were of the view that using critical incident method, evaluating employee behaviors enable identify difference in their performance at work.

#### **Feedback mechanisms and Employee Performance**

The study sought to establish the effect of employees' perception towards feedback mechanisms and employee performance. The study results were analyzed as in table 3;

**Table 3: Feedback mechanisms and Employee Performance**

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Communication between the staff and managers assists in tracking overall employee performance	F	0	0	16	67	16	88	4.00	1.187
	%	0	0	16.4	67.2	16.4	100	80.0	
Incorporating employees in appraisal reports ensures that their performance is guaranteed	F	4	9	15	62	12	88	3.70	0.764
	%	3.3	8.2	14.8	62.3	11.5	100	74.0	
Staff and managers always attend meetings aimed at reviewing performance	F	4	8	15	62	12	88	3.71	1.446
	%	3.3	8.2	14.8	62.3	11.5	100	74.2	
Discussion of the needs of the hospital by managers and employees enable achieve specific performance outcomes	F	8	19	24	46	5	88	3.21	0.936
	%	8.2	18	23	45.9	4.9	100	64.2	
Formal performance reviews are conducted regularly to track employee performance	F	8	0	24	20	49	88	3.10	0.969
	%	8.2	0	23	19.7	49.2	100	60.2	

Source: Field Data (2022)

The study results revealed that 80.0% were of the view that communication between the staff and managers assists in tracking overall employee performance; 74.0% were of the view that incorporating employees in appraisal reports ensures that their performance is guaranteed; 74.2% were of the view that staff and managers always attend meetings aimed at reviewing performance whereas 64.2% were of the

view that discussion of the needs of the hospital by managers and employees enable achieve specific performance outcomes.

#### Compensation and Employee Performance

The study sought to examine the effect of employees' perception towards compensation and employee performance. The study results were as tabulated in table 4.

**Table 4: Compensation and Employee Performance**

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Creation of individualized employee development plan enhances employee performance in the long run	F	12	8	14	27	35	88	3.66	0.764
	%	13.1	8.2	14.8	27.9	36.1	100	73.2	
Having annual developments plans guarantees all year employee performance	F	12	18	41	23	1	88	2.83	1.446
	%	13.1	18	42.6	24.6	1.6	100	56.6	
Compensation improves employee commitment to the institution which leads to enhanced performance	F	6	16	51	22	1	88	2.96	0.764
	%	6.6	16.4	52.5	23	1.6	100	59.2	
Relying on standard appraisal forms the keystone of the review process leading enhanced customer satisfaction	F	25	16	22	26	5	88	2.72	1.446
	%	26.2	16.4	23	27.9	6.6	100	54.4	

Source: Field Data (2022)

The study results revealed that 73.2% were of the opinion that creation of individualized employee development plan enhances employee performance in the long run; 58.6% were of the opinion that having annual developments plans guarantees all year employee performance; 59.2% were of the opinion that compensation improves employee commitment to the institution which leads to enhanced performance and 54.4% were of the opinion that relying on

standard appraisal forms the keystone of the review process leading enhanced customer satisfaction.

### Multiple Regression Model

The study used multiple linear regression analysis to determine the combine linear relationship between the dependent variable (Employee performance) and the independent variables (Training, feedback mechanisms, Leadership style, and Compensation). The study results were as tabulated.

**Table 5. Multiple Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.921 <sup>a</sup>	0.891	0.812	0.0812

a. Predictors (Training, Feedback mechanisms, Leadership style , Compensation)

The model indicated the simple correlation was 0.921 which indicates a degree of correlation. The total variation (the adjusted R<sup>2</sup> of the study model is 0.812 with the R<sup>2</sup> = 0.891) in the employee performance were 89.1% explained by Performance appraisal (R Square=0.891, Standard Error=0.0812). This means that the linear regression explains 89.1% of the variance in the data. This implies that there was no first-order linear auto-correlation in the multiple linear regression data. This further implies that

89.1% of the variation in employee performance is accounted for by performance appraisal (Training, feedback mechanisms, leadership style, and Compensation) in the study while 10.9% of the employee performance is accounted for by other factors out of the study.

### Assessing Fit of Multiple Regression Model

Analysis of variance was used to determine if the multiple regression model was fit for the data. The results were shown in Table 6.

**Table 6. ANOVA Model**

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.338	4	3.835	66.503	.000 <sup>a</sup>
	Residual	4.302	84	0.057		
	Total	19.64	88			

a Predictors: (Constant), Training, Feedback mechanisms, Leadership style, Compensation

b Dependent Variable: Employee performance

The next output table is the F-test. The linear regression's F-test has the null hypothesis that the model explains zero variance in employee performance (F=66.503,

p=0.000<sup>a</sup>). The F-test is highly significant; thus, it is assumed that the model explained a significant amount of the variance in employee performance. This

implies that the multiple regression model was fit for the data and hence training, feedback mechanisms, leadership style, and compensation affects employee performance.

ANOVA model predicted the employee performance significantly well ( $p=0.000^a$ ). This indicated the statistical significance of the regression model that was run and that overall, the regression model statistically significantly predicted the employee

performance (it was a good fit for the data).

### Regression Analysis

T-test of the statistical significance of each regression coefficient was conducted in order to determine the beta which indicates how strongly each independent variable affects the dependent variable. Table 7. shows the results.

**Table 7. Performance appraisal and Employee performance**

Model	Coefficients <sup>a</sup>				T	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
(Constant)	0.369	0.224			1.648	0.207
Training	0.170	0.026	0.304		6.604	0.000
Feedback mechanisms	0.263	0.024	0.450		10.744	0.000
Leadership style	0.231	0.034	0.507		9.876	0.000
Compensation	0.213	0.046	0.231		7.350	0.004

a. Dependent Variable: Employee performance

The multiple regression equation generated for the study was as follows.

$Y$  (Employee performance) = 0.369 (Constant) + 0.170 (Training) + 0.263 (Feedback mechanisms) + 0.231 (Leadership style) + 0.213 (Compensation)

**$Y=0.369 + 0.170X_1+ 0.263X_2 + 0.231X_3 + 0.213X_4$**

From the regression equation, feedback mechanisms was the most important variable to the employee performance contributing 26.3% to the employee performance while training contributed 17.0%, leadership style 23.1% and that compensation contributed 21.3% to the employee performance respectively. The constant value of 0.369 implies that at zero training, feedback mechanisms, leadership style, and compensation affects employee performance of the constituencies.

### CONCLUSIONS AND RECOMMENDATIONS

The study concluded that relevance of the objectives enables the health workers to attain the required level of performance. Management performance can be expressed as the approximation of individual objectives and organizational objectives provided that employees support the culture of the organization. The achievement, goals and objectives translate also in better performance in the hospital. Using critical incident method in evaluating employee behaviors enables identify difference in employee performance at work. The supervisor continuously records the critical incidents of employee performance or behavior in a specially designed. The supervisor rates the performance of his subordinates on the basis of notes taken by him.

Communication between the staff and managers assists in tracking overall employee performance. Communication within the hospital enables the health workers to understand objectives and the expectations of their work. Enhancement of communication among hospital staff makes them aware of the overall plan, goals and therefore can work as a team towards improving institutional overall performance.

Employees prefer remunerative rewards as good performance is observed and then rewarded, the chances of it being repeated are increased, while poor performance is discouraged or even punished to decrease the chance of it happening again. Important issues that help ensure a successful reward process are: rewards can be used effectively to enhance interest and performance; rewards do not undermine performance and interest; verbal rewards lead to greater task interest and performance; tangible rewards enhance motivation when they are offered to people for completing work or for attaining or exceeding specified performance standards; rewards given for creativity encourage generalized creativity in other tasks.

Managers of the hospital should set goals that are challenging but attainable, specific rather than vague, goals should be measurable and clearly understood and employees should be involved in the process of setting their own goals in order to realize the required performance level. There is the need to develop a good feedback system, appropriate and adequately filing, discussing appraisal results, participatory appraisal rating system and design procedure to make employees aware of the appeal process.

Rewarding employees tangibly has to be improved as competitive salary should be

paid to workers so as to retain workers in the sugar firms. Salary administration should not stagnate for a long time but it should be reviewed regularly so as to gain worker satisfaction and motivation. Employers should widen the net of benefits to include more awards such as giving bonuses to workers, improved house allowances and widen medical cover.

From the findings, the study recommend that organizations should establish and adopt performance appraisal systems that would enable effectively appraisal of the employees and therefore providing opportunities to the management in identifying staff training needs, identify performance targets, improve employees performance and helping employees on time management through planning and setting of deadlines. From the findings the study recommends that firms should adopt behavioral performance appraisal system and management by objectives as the appraisal systems were found to be statistically significant in influencing employee's relationship and improving employee's productivity.

#### **Recommendations for further research**

The duration of the study and data resources were very few if the researcher had proper resources and time, the study could do much deeply and could analyses each and every aspect that affect the appraisal system of employees and the motivation of employees toward better performance. Finally, these findings were a beginning and as the analysis goes deeper, they may change and become more aware. Further studies can look at other variables like empowerment, leadership styles, job design and managerial standers to improve the employee's performance.



## REFERENCES

- Berman, E. (2015). Performance and productivity in public and nonprofit organizations. Routledge.
- Budiarso, A., & Mir, M. (2012). The Role of Leadership in Sustainable Public Sector Performance Outcome. *ACRN Journal of Entrepreneurship Perspectives* Vol, 1, 123.
- Iqbal, N., Anwar, S., & Haider, N. (2015). Effect of leadership style on employee performance. *Arabian Journal of Business and Management Review*, 5(5).
- Madan, D. P., & Bajwa, J. K. (2016). Human Resource Management Practices and their Impact on the Employee performance of Employees with Special Reference to Banking Sector. *International Journal of Engineering Technology, Management and Applied Sciences*, 4(4).
- Risher, H. (2011). Getting performance management on track. *Compensation & Benefits Review*, 0886368711418030.
- Scott, W. R., & Davis, G. F. (2015). Organizations and organizing: Rational, natural and open systems perspectives. Routledge.
- Shah, Syed, K. A., Ali, N., & Ali, Z. (2015). Declining Employee Performance in Public Sector Organizations. *Journal for Investigations in Management and Planning*, 1(5), 55-64.
- Shahzad, F., Luqman, R. A., Khan, A. R., & Shabbir, L. (2012). Impact of organizational culture on organizational performance: an overview. *Interdisciplinary Journal Of Contemporary Research in Business*, 3(9), 975.
- Tsai, Y. (2011). Relationship between organizational culture, leadership behavior and task satisfaction. *BMC Health Services Research*, 11(1), 1.
- Wachira, E. W. (2013). The effect of technological innovation on the financial performance of commercial banks in Kenya (Doctoral dissertation, School Of Business, University Of Nairobi).