



EFFECT OF PERFORMANCE APPRAISAL METHODS ON EMPLOYEE PERFORMANCE IN CONSTITUTIONAL COMMISSIONS IN KENYA; A CASE OF COMMISSION ON REVENUE ALLOCATION

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ABSTRACT

The study aimed to examine effect of performance appraisal methods on employee performance in Constitutional Commissions in Kenya, a case of Commission on Revenue Allocation of Kenya. The study adopted a descriptive research design and the researcher targeted a population of 65 staff members who formed the entire populations of the Commission. The researcher used census method of sampling which involves use of the entire population. Primary data was collected by use of structured. Both descriptive and inferential statistics were adopted for the study. The quantitative data was analyzed by using descriptive statistics. Data was analyzed by the use of a statistical software SPSS version 20. The results showed that Performance appraisal methods affected employee performance in Constitutional Commissions in Kenya. The study found 360 degree appraisal method enhanced self-appraisal performance feedback which helped employees' increases their performance at work. Management by objective performance appraisal method affected employee performance. The supervisors communicated the actions necessary for the employees to take to achieve organizational objectives. The ranking method of appraisal had an effect on employee performance. The employee held formal one on one performance discussion with their supervisors which helped them improve their performance. Rating scale appraisal method was found to have an effect on the performance of employees. The rating scale was related to the employees work and the traits assessed in the rating scale and the criterion was well structured. The organization management should ensure that the feedback providers were keenly selected to avoid biased feedback. The management should ensure that the subordinates were adequately involved in decision making and setting of the goals and objectives. The study recommended that ranking method of appraisal method should be implemented with care not to negatively affect or lower the morale of the low ranked employees. The rating scale appraisal method affects employees' performance hence to avoid ambiguity in the rating scale the study recommended that the scales should be based on behaviors where specific work related behaviors are assessed.

Key Words: 360 Degree Appraisal, Management by Objectives, Ranking, Rating Scale Appraisal, Employee Performance

INTRODUCTION

Performance Appraisal is a formal management system by which the job performance of an employee is examined and evaluated, with the intent of identifying their strengths and weaknesses for improvement in future. The Draft Performance Appraisal System Policy for the Public Service in Kenya (2008), views Performance Appraisal as a process of assessing and recording staff performance for the purpose of making management decisions on the staff. A systematic appraisal of employees make it possible to achieve various benefits like: encouraging quality performance by rewarding those who do well, improve current performance by giving workers feedback, identify the training needs, initiate fair disciplinary proceedings and provide a channel of communication between managers and their subordinates (Hannah, 2009).

The idea of performance appraisal dates back in the 1st world war and was then called "Merit Rating Program". Before the early 1980s, majority of the theoretical studies emphasized on revamping the rating system within the organization. The actions were a great thing to reduce the chaotic of employee's performance appraisal (Feldman 2001). The merit rating or efficiency rating in Federal Civil service has been in place, since at least 1887 (Petrie 2000) and perhaps as early as 1842 (Lopez, 2008) although this thought has gone through many modifications through the years. Indeed, a quick review of performance appraisal system historical roots shows that early research on performance appraisal has focused on such issues as scale development, scale formats reducing test and later bias and the like Villanova (2002), Edwards, (2007); Ginford, (2004) and Landy, (2000).

According to Reinke, (2006) one of the most basic assumptions is that employees differ in their contribution to the organization because of individual performance, and that supervisors are actually able

and willing to distinguish between employees. Performance appraisal is a complex process and there is scope for variation, particularly when the supervisor is required to make subjective judgments of employee performance; principles of work planning, setting of agreed performance targets, feedback and reporting. The process of performance appraisal is usually linked to other human resource management systems like career progression, recruitment and and placement, and reward management (Milkovich & Boudreau, 2004).

It is important that members of the organization know exactly what is expected of them, and the yard sticks by which their performance and results will be measured. Mullins, (2010) substantiated the necessity of an effective appraisal scheme by saying that it can identify an individual's strengths and weaknesses and indicate how such strengths may best be utilized and weaknesses overcome.

One impetus to the development of performance appraisal in U.S industry (Patten, 2007) can be traced to the work of industrial psychologists at Carnegie – Mellon University and their early work in salesman selection and "man-to-man" rating forms based on trait psychology (Scott, Clothier & Spriegel, 1941). By 1962, performance appraisal was conducted in 61% of the organizations (Spriegel, 1960) and typically top management was exempt from such ratings. Several surveys of business organizations have indicated that between 74% and 89% of those surveyed have a formal performance appraisal system (Bretz & Milkovich, 2009).

In Kenya, the appraisal system is used in the civil service and was introduced in 2006 due to Ministerial rationalization. The process was a government initiative with the aim to enhance efficiency and effectiveness in public service delivery through review of systems, processes and structures in the ministries and departments (Guidelines on deepening rationalization, 2002). One of the guidelines of

rationalization was the inception of performance appraisal system which would involve participation, work planning, performance discussions and performance evaluation. In addition, the vision 2030 goals include improved performance, quality service delivery and promotion of transformative leadership in the government of Kenya (GOK) to meet the expectations of the citizens among other clients (Kenya Vision 2030, 2008).

According to Hannah (2009), Performance Appraisal is a formal management system by which the job performance of an employee is examined and evaluated, with the intent of identifying their strength and weaknesses for improvement in future. She further recommends that it is the usual practice in most places that managers conduct appraisal just to justify pay increase or decrease, forgetting that the sole purpose of performance appraisal is not salary increase or decrease, but the development of employee skills and the improvement of work in the office.

The Commission on Revenue Allocation (CRA) is an independent Commission setup under Article 215 of the Constitution of Kenya 2010. The principal function of the Commission on Revenue Allocation is to make recommendations concerning the basis for the equitable sharing of revenue raised by the national government between national and county governments; and among county governments. The Commission further makes recommendations on matters concerning the financing of and financial management by county governments, among other recommendations (Akech, 2014).

The Commission on Revenue Allocation is mandated in Article 216 (2) to make recommendations on matters concerning the financing of, and financial management by county governments as required by the Constitution and national legislation. The role of the Commission on Revenue Allocation towards the achievement of the aspirations of Vision 20130 and to

promote equity in society through equitable sharing of revenue. The Commission also plays a vital role in enactment and enforcement of supportive legislations, creation of strong governance institution and enhance of human and technical capacity in all county (Akech, 2014).

Statement of the Problem

Employee performance appraisals experience some shortfalls in the process which can result to the exercise adding little or no value to HRM activities. The purpose of employee performance appraisal has been misunderstood by some workers, everyone yearns to be rated as an excellent performer. It is misunderstood that being rated poor can point out to training needs in the area of challenge or better still lead to placement to rightful roles. Additionally the appraisals have even been used as punitive measures by colleague workers (Mondy & Noel, 2005). For example if the relationship between the appraisee and the appraiser is sour, the performance appraisal will not be objective but rather subjective. On the other hand if the relationship of the appraiser and the appraisee is cordial the appraiser will seek to please the appraisee and even go to an extent of revealing the details.

Latham and Wexley, (2001) asserted that the effectiveness of an organization's performance appraisal system is a prerequisite for ensuring the success of its selection, training, and employee motivation practices. According to O'Donnell and Shields (2002), the need for rapid and effective organizational change in today's changing social, economic and political environment requires that employees are continually appraised to re-align their performance with the set goals and objectives.

Various scholars have asserted on the findings surrounding performance appraisal Ouko (2008) assessed the extent of adoption of 360-degree employee performance appraisal process in private secondary schools in Nairobi. The research findings

revealed that 360-degree employee performance appraisal has been widely adopted in private secondary schools in Nairobi. The study also showed that employee job satisfaction is influenced positively by this appraisal method that allows for an all-round gauge of an employee's performance. 360-degree performance appraisal is used in the private schools to enhance individual teachers' work performance thus bringing about improvement in quality and accuracy of work, job knowledge, ability to work as team members and quantity in output. Ochoti et al. (2012) investigated the multifaceted factors influencing employee Performance Appraisal System in the Ministry of State for Provincial Administration, Nyamira District. They found that implementation process, interpersonal relationships, rater accuracy, informational factors, and employee attitudes have a significant positive relationship with the performance appraisal system.

Nzuve and Ng'ang'a (2010), assessed employee perception of performance appraisal in the Department of Immigration in the Nairobi Region and found that though performance appraisal was built on solid principles, its implementation was related to the scope of application, highlights of the old performance appraisal system, implementation of the new system, training as a direct result of performance appraisal, advantages and shortcomings of appraisal in the department, appraisal interviews, feedback process and quality and the relationship between appraisal and performance, motivation, reward and sanction. Their study concluded that management to a large extent fell short of full implementation of performance appraisal system.

Previous studies in the area of performance appraisal include Choke (2007), who focused on the effectiveness of performance appraisal in relation to work performance in private higher learning institutions within Nairobi. The findings of the study were that top management really plays a leading role in ensuring implementation of an effective

performance appraisal that influence employees' work performance, all the supervisors had a high positive perception of performance appraisal than the employees being appraised.

Matunge (2013), studied the employee perception on the effectiveness of performance appraisal systems at the Teachers Service Commission. Her findings were that most of the human resource specialist interviewed had a low opinion in performance appraisal effectiveness at the Teachers Service Commission. She cited deficiency in leadership development, coaching, development planning and lack of support from top management as greatest difficulty experienced in the implementation and evaluation process of performance appraisal. Also to note is a study by Cheboi, (2011) who focused on perception of management of the importance of performance appraisal system at Kabarak University. She established that performance appraisal helps in clarifying vision and mission of the organization. Performance appraisal has enabled organizations have a reasonable sense of direction, meet their performance goals and has also helped organizations keep in place with the emerging trends.

Kimani (2008), looked at the impacts of performance appraisal in higher learning institutions with specific references to Kabarak University. The findings of the study were that, all departments were involved in the setting and negotiation for the appraisal targets. However the team involved in the negotiation was not adequate and therefore recommended that most stakeholders should be involved at the negotiation stage. Further, the study found that performance appraisal accelerated corporate governance and helped reduce employees' grievances. There was however resistance and lack of commitment in the process of performance appraisal because employees were not involved in the development of performance appraisal indicators, attributes and classification.

As observed in the previous studies stated above, the studies conducted on performance appraisal did not consider the effects of performance appraisal methods on performance. This research therefore sought to fill the gap and establish the effect of performance appraisal methods on employee performance at Commission on Revenue Allocation.

Objectives of the Study

The general objective of the study was to examine effect of performance appraisal methods on employee performance in Constitutional Commissions in Kenya. A case of Commission on Revenue Allocation in Kenya. The specific Objectives were:-

- To determine the effect of 360 degree appraisal method on employees performance in Constitutional Commissions in Kenya
- To evaluate the effect of management by objectives (MBO) appraisal method on employees performance in Constitutional Commissions in Kenya
- To evaluate the effect of ranking method of appraisal on employee performance in Constitutional Commissions in Kenya
- To establish the effect of rating scale appraisal method on employees performance in Constitutional Commissions in Kenya

LITERATURE REVIEW

Theoretical Framework

Goal Setting Theory of Motivation (Locke and Latham, 1979)

This theory states that, motivation and performance are higher when individuals are given specific goals, when goals are difficult but accepted and when there is feedback on performance. Motivation and performance will improve if people have challenging

but agreed goals and receive feedback (Armstrong, 2003). The theory of Emotional Intelligence deals with how individuals respond to felt emotions with behavioral responses like those emotions evoked by receiving corrective feedback, it describes how a trigger or situation can evoke an emotional response, which leads to a behavioral response.

Victor Vroom's Expectancy Theory (Kreitner and Kinicki 2007)

Expectancy theory is an idea that was introduced by Victor Vroom. The theory as explained by Kreitner and Kinicki, (2007) is based on the assumption that people are motivated to act in ways that will be followed by valued and desired outcomes. The theory says that an employee might be motivated when there is a belief that a better performance will result in a good performance appraisal which will help in the realization of personal goals. The theory focuses on motivation as the combination of valence, instrumentality and expectancy. Valence is the value of the alleged result. Instrumentality is the point of view of an individual whether he or she will really obtain what they want. It shows that successful act will eventually lead to the desired result. Expectancy refers to the different level of expectations as well as confidence regarding one's capability. Employees believe that these create a motivational force and this force can be represented by the formula: Motivation = Valence x Expectancy. The theory focuses on three things namely, efforts and performance relationship, Performance and reward relationship and rewards and personal goal relationship.

Equity Approach Theory (Adams 1965)

Adams (1965) formulated the equity approach as an appropriate way to effective supervision. Equity simply means fairness. Employees are motivated when they discover that they are treated fairly in compensation, promotion and that there is transparency in their evaluations. Workers reduce their efforts if they feel that they are treated

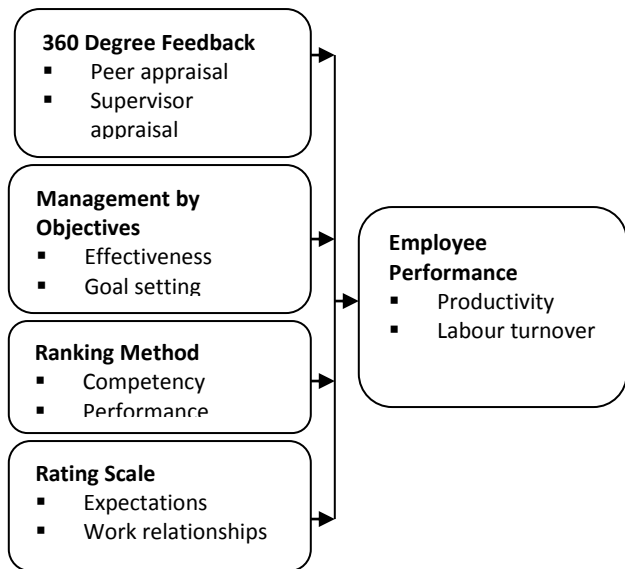
inequitably (Fulk et al. 1985; Hyde, 2005). According to equity theory, an employee's perception of the fairness of his work's input and outcome influences his motivation (Guerrero et al., 2007). Effective performance management systems enable a manager to clarify job responsibilities and expectations, develop an employee's capabilities, and align an employee's behavior to the company's strategic goals and values. An employee typically feels satisfied with the outcome of his effort, including his pay, when the compensation matches what he feels he puts into the job. If an employee perceives that others get more for doing less, he typically becomes less motivated to work hard. Managers create a productive work environment by communicating job requirements clearly and establishing fair and consistent performance objectives for all employees.

Behavioral change theory (Prochaska 1992)

The Theoretical Model of Behavioral Change, developed by Prochaska et al (1992), point out the criticality of understanding and identifying the stage an individual is in before successful change intervention can be designed and applied. One of the model's major contributions is the recognition that behavioral change unfolds in a series of stages (Prochaska et al., 1992). Prior to the 360 degree process, employees are usually in what Prochaska et al (1992) term the Pre-contemplation stage, at which there is no intention to change behavior in the foreseeable future. This is when employees are unaware of problems or that there is a need for change. Once the 360 degree process is adopted and implemented and the employee begins to receive feedback, they move into the Contemplation stage, in which individuals have identified a problem. It is during this stage that employees are deciding whether or not there is a need to take action to correct the problem. An employee enters the Preparation stage once that individual decides there is a need to take some action. In the 360 degree process, the employee discusses the trends of the

feedback with their supervisor's and identifies common themes. Specific plans of action are developed as the employee chooses among potential solutions.

Conceptual Framework



Independent Variables Dependent Variable

Figure 1: Conceptual Framework

Empirical Review

360 degree feedback

Sigei, (2013) carried out a study to establish the extent of adoption of 360 degree feedback performance appraisal by Commercial banks in Kenya. The study adopted a cross sectorial design. The target population was all the 43 Commercial Banks operating in Kenya which are headquartered within Nairobi. The study used a census of the banks in Nairobi Kenya because the population was small. The researcher dropped the questionnaires personally and later picked them. Data was analyzed by use of descriptive statistics with the aid of Statistical Package for Social Scientists (SPSS V2.0). From the findings, the study showed that most banks embraced use of 360 degree feedback appraisal method which impacted positively on the employees' performance. The study exhibited self-evaluation

and supervisor appraisals as the most used in appraising employees in the banks. From the findings, the study recommended the importance of understanding the effectiveness of 360 degree feedback appraisal and endeavor to use subordinates and peer appraisals as well in order to make the process all round.

Management by Objectives

Mwangi, (2013) carried out a study to determine performance appraisal practices among Commercial Banks in Kenya. The study applied descriptive research design in order to get quantitative data. The target population of the study included forty two Commercial Banks operating in Nairobi. All the banks were involved in the study hence the use of census method of selection. The study used primary data that was collected by administering questionnaires to the respondents. The study targeted human resource managers or their acquaintances operating in all the Commercial Banks in Kenya. The findings of the study established performance appraisal has a motivational effect on employee's performance and is also used in assessing employee's commitment to the organizational goals and objectives. The study also found out and agrees that MBO is a performance appraisal that includes mutual objectives and goal setting for evaluation. Another finding of the study showed that employees were well informed about the purpose of the appraisal and were given objectives upon which appraisal practices were conducted. From the findings, the study recommended adoption of employee participation in the appraisal process in order to reduce biasness.

Ranking method

A study by Incomes Data Services comments that competency frameworks should not become 'unwieldy and consequently fall out of use. Competency frameworks need to be flexible so they can be adapted easily in line with organisational changes and remain fit for purpose' (IDS, 2008, p.1)

and 'whatever form competencies take, their overriding purpose is to add business benefit' (IDS, 2008). Competencies and behaviours have become key to performance management to establish how goals should be achieved and to contribute to development planning (IDS, 2008).

Rosen and & Hochwarter (2017), conducted a study on the impact of the ranking appraisal method on employee performance in organizations in Wales. The 2004 WERS data was analyzed in order to test the impact of performance management system on employee performance by using a package STATA for windows. The Kruskal-Wallis test and Ordered logit regression were used to test the relationship and the results show the activities: continuous communication within organization and personnel development impact significantly and positively on employee performance. However, the results show that the performance management system has a positive but insignificant relationship with employee performance.

Rating Scale method

Mwema and Gachuga (2014) carried out a study to establish the influence of performance appraisal on employee productivity in organizations a case of selected WHO offices in East Africa. The study found that performance appraisal system influence employee's performance and that performance appraisal systems act as a, motivation tool that enhances employee's performance and ultimately organizational performance. The study found that graphic rating scale (GRS), behaviorally anchored, management by objective and 360-degree feedback were various performance appraisal systems that when adopted would influence employees performance. Further, the study found that there existed a positive relationship between appraisal systems and employee's performance and that competently selection of appraisal systems would lead to effective appraisal of the employees for

the purpose of enhancing employee productivity and ultimately organizational performance. From the findings, the study established that graphic rating scale was used by the organization appraisal influencing the work performance largely. However the study found that Graphic rating scales fail to provide a good mechanism for providing specific, non-threatening feedback and those accurate ratings are not likely to be achieved because the points on the rating scale are not clearly defined.

Employee Performance

Nyaoga (2010) conducted a research study on the effectiveness of performance appraisal systems in private Universities in Kenya, Kabarak University in particular. His study showed that performance appraisal system is the only tangible metric way by which an organisation can know the level of performance of its diverse employees. Although most employees were aware of the type of performance appraisal system used in the private universities, such systems were not based on any serious formal purpose for which they were designed. The effectiveness of performance appraisal systems in the private universities were only based on training to the employees involved in the rating/appraising process and are multi-rating systems.

METHODOLOGY

Primarily a descriptive study is concerned with determining the frequency with which something occurs or the relationship between variables. The study adopted a descriptive research design. The study targeted employees in the commission of Resource allocation and more specifically the employees in the various department of the Organization. The regression model took the following form:

$$Y = \beta_0 + \beta_1 \chi_1 + \beta_2 \chi_2 + \beta_3 \chi_3 + \beta_4 \chi_4 + \epsilon$$

Where: Y = Employee Productivity

χ_1 = 360 Degree Feedback

χ_2 = Management by Objectives

χ_3 = Ranking Method

χ_4 = Rating Scale

β_0 = the constant

β_{1-n} = the regression coefficient or change included in Y by each χ

ϵ = error term

RESULTS

Effect of 360 Degree Appraisal Method on Employees Performance

The study sought to determine the effect of 360 degree appraisal method on employees' performance in Constitutional Commissions in Kenya. Respondents were requested to indicate their level of agreement with each of the following statements relating to 360 degree appraisal method and employees' performance.

From the findings, majority of the respondents agreed that self-appraisal performance feedback helped them increases their performance at work as illustrated with a mean of 4.11 and a standard deviation of 0.248, supervisor performance appraisal feedback helps them increases their performance at work as shown by a mean of 4.04 and a standard deviation of 0.136.

The respondents also agreed that feedback from colleagues enabled them identify their weaknesses and strengths as demonstrated by a mean of 4.01 and a standard deviation of 0.345, peer appraisal performance feedback helped them increases their performance at work as illustrated by a mean of 3.93 and a standard deviation of 0.147 and that subordinates performance appraisal feedback helps them increase the performance at work as shown by

a mean of 3.92 and a standard deviation of 0.250. Consistent to the findings, Sigei, (2013) found that most organizations embraced use of 360 degree feedback appraisal method which impacted positively on the employees' performance.

The study further sought how else the use of 360 degree feedback performance appraisal affected employee performance in the commission. The respondents noted that 360 degree feedback performance helped identify areas of weaknesses for corrective action which enabled employee to improve

their performance. It helps employees to improve their self-awareness, enhances competitiveness, enhances team work and improves productivity since goals are well stipulated. Consistently a study by Ouko, (2008) also found that that 360-degree performance appraisal has been widely adopted by organizations and influences employee performance by allowing an all-round gauge of an employee's performance. This implies that many other organizations, the commission has as well acknowledged the importance of 360 feedback in the performance of employees.

Table 1: Effect of 360 degree appraisal method on employees' performance

Statement	Mean	Standard deviation
Self-appraisal performance feedback helps me increases my performance at work	4.11	0.248
Peer appraisal performance feedback helps me increases my performance at work	3.93	0.147
Supervisor performance appraisal feedback helps me increases my performance at work	4.04	0.136
Subordinates performance appraisal feedback helps me increases my performance at work	3.92	0.250
Feedback from colleagues enables me identify my weaknesses and strengths	4.01	0.345

Effect of Management by Objectives (MBO) Appraisal Method on Employees Performance

The study provided the respondents with a likert scale where they were required to indicate their level of agreement with some attributes of management by objectives and employee performance.

Majority of the respondents agreed that individual performance should be aligned to organizational mission and objectives as shown by a mean of 4.43 and a standard deviation of 0.132, their supervisor communicates the actions necessary for them to take to achieve organizational objectives as illustrate by a mean of 4.27 and a standard deviation of 0.160, they are able to maintain and focus on their targets and organization objectives as demonstrated

by a mean of 4.2 and a standard deviation of 0.217, performance reviews provide them with the opportunity to set personal goals as shown by a mean of 4.14 and a standard deviation of 0.219 and that performance goals are clearly defined in the appraisal process as shown by a mean of 3.56 and a standard deviation of 0.543. The findings were consistent to those of Mwangi, (2013) who found that performance appraisal has a motivational effect on employee's performance and is also used in assessing employee's commitment to the organizational goals and objectives. He further established that employees were well informed about the purpose of the appraisal and were given objectives upon which appraisal practices were conducted.

Table 2: Attributes of management by objectives and employee performance

Statement	Mean	Standard deviation
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Performance Reviews provide me with the opportunity to set personal goals	4.14	0.219
My supervisor communicates the actions necessary for me to take to achieve organizational objectives	4.27	0.160
Individual performance should be aligned to organizational mission and objectives	4.43	0.132
Performance Goals are clearly defined in the appraisal process.	3.56	0.543
I am able to maintain and focus on my targets and organization objectives	4.20	0.217

The respondents were further requested to point out other ways in which management by objectives performance appraisal method affect employee's performance in the commission. The respondents pointed out that it enables the alignment of employee roles and responsibilities to the organizations strategic objectives. They also explained management by objectives gives employees a clear focus towards the set goals.

Effect of Ranking Method of Appraisal on Employee Performance

The study pursued to evaluate the effect of ranking method of appraisal on employee performance in Constitutional Commissions in Kenya.

Majority of the respondents agreed that having a formal one on one performance discussion with their supervisor helps them improve their performance as shown by a mean of 3.99, ranking employee based on their performance enables poor performers to put more efforts as shown by a mean of 3.86, employee

are equipped with all the necessary tools for their job as demonstrated by a mean of 3.83 and that receiving specific and accurate feedback from their supervisor on their past performance helps them improve on their performance as shown by a mean of 3.81. The respondents disagreed that performance incentives are clearly linked to standards and goals as shown by a mean of 2.39 and a standard deviation of 0.455.

The respondents further indicated that ranking of employees affect their performance. The stipulated that ranking provides employees with opportunity to identify their weak areas and hence work towards their improvement. Better performing employees are motivated to work even better while low ranked employees are either challenged to perform or feel demotivated to perform due to their low ranks. Similarly Dessler et al (2011) established that ranking method enable the employees and the seniors to have a one on one discussions which aims at improving their performance.

Table 3: Statements on ranking method of appraisal on employee performance

Statement	Mean	Standard deviation
Am equipped will all the necessary tools for my job	3.83	0.147
Having a formal one on one performance discussion with my supervisor helps me improve my performance	3.99	0.128
Performance incentives are clearly linked to standards and goals	2.39	0.455
Receiving specific and accurate feedback from my supervisor on my past performance helps me improve on my performance	3.81	0.128
Ranking employee based on their performance enables poor performers to put more efforts	3.86	0.203

Effect of Rating Scale Appraisal Method on Employees Performance

From the study findings, majority of the respondents agreed that the rating scale is related to their work as shown by a mean of 3.90 and a standard deviation of 0.514, the traits assessed in the rating scale and the criteria is well structured as illustrated by a mean of 3.83 and a standard deviation of 0.496, the basic scores of the ratings are well set as shown by mean of 3.82 and a standard deviation of 0.651, the rating

scale is geared towards performance improvement and training as shown by a mean of 3.74 and a standard deviation of 0.504, work processes involved in their work are well defined as illustrated by a mean of 3.73 and a standard deviation of 0.442. Similarly Hacket (2006) found that rating scale performance appraisal method ratings provide a more structure for judgment and enable for comparison against the scale. The findings imply that for the employees to perform to their level best, rating scale method should be adequately implemented.

Table 4: statement on the effect of rating scale appraisal method on employees' performance

Statement	Mean	Standard deviation
Work processes involved in my work are well defined	3.73	0.442
The basic scores of the ratings are well set	3.82	0.651
The rating scale is geared towards performance improvement and training	3.74	0.504
The rating scale is related to my work	3.90	0.514
The traits assessed in the rating scale and the criteria is well structured	3.83	0.496

Employee Performance

The study requested the respondents to show their level of agreement with statements on employee performance.

The respondents agreed that performance appraisal helps them understand weak areas and improve on them hence improving on their performance as demonstrated by a mean of 4.22 and a standard deviation of 0.419, their employer is in a position to guide them for a better performance through performance appraisal systems as shown by a mean of 3.981 and a standard deviation of 0.454, discussions and feedback from their supervisor enables them improve on their performance as shown by a mean of 3.92 and a standard deviation of 0.631. The respondents agreed that clearly defined work process and appraisal systems enables them to accomplish their duties effectively and efficiently as shown by a mean of 3.89 and a standard deviation of 0.387, they continue to work for the organization because their goals are well set as illustrated by a

mean of 3.74 and a standard deviation of 0.443. The study findings were consistent to Ali (2008), who established that performance appraisal helps to identify areas of strong performance across all employees.

Majority of the respondents were of the opinion that that the most appropriate performance appraisal method to be used by the commission in appraising employees is management by objectives. They indicated that management by objective provide a clear line of objectives and will enable employees focus on their work within the set time lines. The method is applicable since the goals and objectives of the commission are well articulated and cascading them to different levels will be easy where employees will have their targets. Consistently, Kogo (2011) acknowledged that management by objective motivate and involve employees in the whole process of goal setting and increasing employee empowerment increases employee job satisfaction for their performance.

Table 5: Statements on employee performance

Statement	Mean	Standard deviation
Performance appraisal helps me understand weak areas and improve on them hence improving on my performance	4.22	0.419
Clearly defined work process and appraisal systems enables me to accomplish my duties effectively and efficiently	3.89	0.387
Discussions and feedback from my supervisor enables me improve on my performance	3.92	0.631
I continue to work for the organization because my goals are well set	3.74	0.443
My employer is in a position to guide me for a better performance through performance appraisal systems	3.981	0.454

Regression Analysis

Model Summary

From the findings presented in Table 6, R is the correlation coefficient which illustrates the relationship between the study variables, from the findings shown in the table 6 there was a strong positive relationship between the study variables as shown by 0.847.

The adjusted R squared is coefficient of determination which shows the disparity in the dependent variable attributed to variations in the independent variables. The value of adjusted R

squared was 0.684 an indication that there was variation of 68.4% on performance of employees in Constitutional Commissions in Kenya due to changes in 360 degree appraisal, management by objectives (MBO) appraisal, ranking method of appraisal, rating scale appraisal method at 95 percent confidence interval. Consistently, Latham and Wexley (2001), in their study on the effectiveness of an organization’s performance appraisal system, found that performance appraisal method have a positive significant relationship with employee performance.

Table 6: Regression analysis Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.847 ^a	.717	.684	.34221

a. Predictors: (Constant), 360 degree appraisal, management by objectives (MBO) appraisal, ranking method of appraisal, rating scale appraisal method

ANOVA Analysis

Based on the findings as shown in table 6 the population parameters, had a significance level of 1.1% which shows that the data is perfect for making inferences on the population’s parameter as the value of significance (p-value) is less than 5%. The F

critical at 5% level of significance, 4 d.f, 50 d.f was 2.557 while F calculated was 14.765, since F calculated is greater than the F critical (F cal 14.765> F cri = 2.557), this shows that there was a goodness of fit of the model.

Table 7: ANOVA Analysis

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.14	4	8.785	14.765	.011b
	Residual	29.75	50	0.595		
	Total	64.89	54			

Coefficients

$$Y = 4.011 + 0.754X_1 + 0.772X_2 + 0.661X_3 + 0.642X_4 + \epsilon$$

From the regression findings presented in table 7 the predicted value of employee performance in Constitutional Commissions in Kenya holding 360 degree feedback, management by objectives (MBO) appraisal, ranking method of appraisal, rating scale appraisal method to a constant zero would be 4.011. 360 degree feedback has a significance effect on employee performance as indicated by $\beta_1 = 0.754$, $p = 0.013 < 0.05$. This implies that a unit increase in 360 degree feedback would lead to an increase in employee performance by 0.772 units.

Management by Objective had a significance effect on employee performance as indicated by $\beta_1 = 0.772$, $p = 0.013 < 0.05$. This implies that a unit increase in

Management by Objective would lead to an increase in employee performance by 0.772 units.

Ranking method had a significance effect on employee performance as shown by $\beta_1 = 0.661$, $p = 0.014 < 0.05$. This implied that a unit increase in ranking method would lead to an increase in employee performance by 0.661 units.

Rating scale has a significance effect on employee performance as indicated by $\beta_1 = 0.642$, $p = 0.015 < 0.05$. This implied that a unit increase in rating scale method would lead to an increase in employee performance by 0.642 units. At 5% level of significance and 95% level of confidence, all the variables were significant ($p < 0.05$). Therefore it can be deduced that performance appraisal methods significantly influence employee performance.

Table 8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	4.011	0.691		5.805	0.012
360 Degree feedback	0.754	0.175	0.697	4.309	0.013
Management by Objective	0.772	0.167	0.711	4.623	0.013
Ranking method	0.661	0.167	0.616	3.958	0.014
Rating scale method	0.642	0.172	0.537	3.733	0.015

Conclusion

Performance appraisal methods affect employee performance in Constitutional Commissions in Kenya. The 360 degree appraisal method enhances self-appraisal performance feedback which helps employees' increases their performance at work. Supervisor performance appraisal feedback, feedback from colleagues, peer and colleagues helps the employees increase their performance at work.

Management by objective performance appraisal method affects employee performance. The supervisors communicate the actions necessary for the employees to take to achieve organizational objectives. The employees are able to maintain and focus on their targets and organization objectives

since performance goals are clearly defined in the appraisal process.

The ranking method of appraisal has an effect on employee performance. The employee hold formal one on one performance discussion with their supervisors which helps them improve their performance. More so Ranking employee based on their performance enables poor performers to put more efforts.

Rating scale appraisal method was found to have an effect on the performance of employees. The rating scale is related to the employees work and the traits assessed in the rating scale and the criterion is well structured. The basic scores of the ratings are well set

and geared towards performance improvement and training.

RECOMMENDATIONS

The 360 degree feedback performance appraisal was found to have an effect on employee performance; the organization management should ensure that the feedback providers are keenly selected to avoid biased feedback. The selection should this be a shred process involving the employees as well.

Management by objectives was found to be the most appropriate performance appraisal method to be used by the commission in appraising thus the management should ensure that the subordinates are adequately involved in decision making and setting of the goals and objectives.

The study recommends that ranking method of appraisal method should be implemented with care not to negatively affect or lower the morale of the low ranked employees.

The rating scale appraisal method affects employees' performance hence to avoid ambiguity in the rating scale the study recommends that the scales should be based on behaviors where specific work related behaviors are assessed.

Areas for further Research

Having focused on the effect of performance appraisal methods on employee performance in Constitutional Commissions in Kenya, further study should be conducted to assess the challenges faced in the implementation of performance appraisal methods in the Constitutional Commissions in Kenya.

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