

Effect of Appraisal System on Employee Performance of Public universities in Kenya

Dr. Gideon Changamu Ondari¹ and Philip Kibwage Ondiba²

¹(University of Eldoret)

²(Maasai Mara University)

Abstract: Employee appraisal systems are an inseparable part of efficient Human Resource management system within a given organization. Based on this concern, the purpose of the proposed study is to establish the effects of appraisal systems on employee performance in public Universities in Kenya. Specifically, the study sought to: determine the main purpose of performance appraisal in public universities, evaluate the level of awareness of the performance appraisal system used at Narok University College, assess the awareness of Performance appraisal among the employees of Narok University College and examine strategies that can be used to improve the effectiveness of the performance appraisal system at the university. The study adopted a case study design to solicit information from the respondents sampled for the population of the study. The study targeted employees in grade 11 and 12 at Narok University College main campus where a sample of 100 respondents was selected from various schools at the university. Simple random sampling procedures were used to raise the sample size. Data from respondents was collected using a structured questionnaire. The questionnaire was supplemented with the interview schedule which was administered on managers at each level of an organization. The collected data was analyzed through descriptive statistics and inferential statistics, making use of the mode, mean standard deviation, variance and correlations. It was noted that study came up with a number of important findings that should be taken up by the public university in the design or overhaul of their performance appraisal systems. First, the research established that the employees were aware of the performance appraisal system used at Public universities. Secondly, the study also established that the two major factors that contribute to an effective performance appraisal system in public universities were, the provision of training to the employees involved in the appraising and effective performance appraisal system should multi-rating, and that is, there should be input from all the supervisors on the employee's performance. Most of the employees were aware of the performance the performance appraisal system which is currently used to appraise them. The study concluded that Performance appraisal system is the only tangible measure by which an organization can know the level of performance of its diverse employees. It is recommended that performance appraisal systems should be based on the following important purpose: They should be the tool used to evaluate employees' performance and a decision support system used for renewing the employees' contract. This will ensure that the right employees are retained for the right jobs.

Keywords: Appraisal Systems, Employee Performance, public universities

I. INTRODUCTION

General Background

Armstrong (2001) notes that issues of accuracy and fairness in performance appraisal are one of the key research interests in the field of human resource management. Performance appraisal may be used as a means of measuring performance. Performance appraisal aims at assessing and summarizing past performance, and developing future work performance goals and expectations. It is a process of systematically evaluating performance and providing feedback on which performance adjustments can be made.

Cash (1993) indicated that performance appraisal is an important human resources function, which provides management with a systematic basis for effectively recognizing and evaluating the present and potential capabilities of human resource. Performance appraisal should be a continuous function. Employees should be appraised at least once a year, as this will contribute to increased employee efficiency, productivity and morale.

Universities in Kenya have in place performance appraisal system designed to provide documented, constructive feedback regarding performance expectations, spur growth and development as well as provide a fair and equitable means to determine rewards for contributions to the university. The appraisal process therefore offers a valuable opportunity to focus on work activities and goals as well as identify and correct existing problems, and to encourage better future performance. Davis (1995) defined performance Management as a joint process that involves both the supervisor and the employee, who identify common goals, which

correlate to the higher goals of the university. If employees are effectively appraised, then the organizations will experience increased productivity and improved quality of output.

Davis further noted that performance appraisal plays a key role in effective development and utilization of the human talent, since it enables an organization to identify objectively the employee's strengths and weaknesses. Performance management is a joint process that involves both the supervisor and the employee, who identify common goals, which correlate to a higher goal of the university. Levinson (1902) stresses the importance of the processes of identification of the employee with manager. Ghorpade (1995) indicates that performance appraisals in Japan are so integrated into organizational life that it is difficult to isolate and talk about appraisal systems and mechanisms. The appraisal of individual performance is undeveloped in Japanese organizations and team work and organizational identity are promoted. Performance feedback is smooth and indirect. It is also used for linking training, development, performance planning, and a tool to encourage employees.

In order to review the purposes and practices of performance appraisal, Conger (1998), carried out an exploratory study in which it was noted that the trend in US revealed a high focus on documentation, development and linking performance appraisals with pay and promotion. Similar results were obtained in other countries such as; in Korea, where performance appraisal is used for development and promotion purposes. In Australia performance appraisal is used for development and promotion purposes. At the University of Minnesota, performance appraisal policy statement indicates that, employees performance appraisal is done on an annual basis. Organizations do utilize performance appraisal systems that suit their organizational strategies; therefore appraisal systems vary from university to university.

Employees' performance appraisal will greatly contribute towards the attainment of the university objectives. Thus the employee's performance measurements will be inline with the universities objectives.

Clinton (1992) notes that formal performance appraisal programs sometimes yield disappointing results. If the support of top management is lacking, the appraisal program will not be successful. The content of performance evaluation influences employee performance and satisfaction specifically, performance and employees satisfaction are increased when the evaluation is based on behavioral, result oriented criteria when career issues are discussed and when the employee has the opportunity to participate in evaluation .

The content of performance evaluation influences employee performance and satisfaction specifically, performance and employees satisfaction are increased when the evaluation is based on behavioral, result oriented criteria when career issues are discussed and when the employee has the opportunity to participate in evaluation.

Statement of the Problem

Although a lot of research has been conducted in the area of performance appraisal. Most studies discusses performance appraisal that allows employees to develop their skills and to meet business goal. A number of the empirical studies on performance appraisal (PA) systems have focused on the search for the perfect form in which subjective traits are replaced by objective and job-relevant measurable behaviours. Organizations using a performance appraisal system to evaluate their employees, struggle with issues of implementation, adoption and linkage with other human resource systems. It is noted that to make a performance appraisal system a viable management tool, from a broader perspective, organizations and researchers must invest time in training managers in performance appraisal skills, in developing systems evaluations which take into account reliability, validity and managerial goals and designing systems to meet specific organizational conditions and expectations. This study notes that the success of every university depends on the quality and commitment of its human resources. In order to ensure continued efficiency and effectiveness of members of staff each organization has to carry out employee performance appraisal from time to time so as to keep them in check and replace, motivate, retrain or take any other appropriate action.

Although most Public Universities are assumed to have a comprehensive performance appraisal system. It is not yet very clear how the system is used to evaluate the employee. There is a general dissatisfaction by staff members with the manner in which they are evaluated or appraised. Hence, the study sought to evaluate the effectiveness of the current performance appraisal system. This study was therefore set to determine and assess the effectiveness of performance appraisal system at the university.

Objectives of the study

The main objective of the study was to evaluate the effectiveness of performance appraisal systems in public universities in Kenya. The specific objectives of the study were:

- i) To determine the main purpose of performance appraisal in public universities.
- ii) To evaluate the level of awareness of the performance appraisal system used at the university.
- iii) To assess the awareness of Performance appraisal among the employees at the University.
- iv) To examine strategies that can be used to improve the effectiveness of the performance appraisal system in the university.

The research questions included:

- i) What is the main purpose of performance appraisal?
- ii) What is the level of awareness of existence of performance appraisal in the University?
- iii) How effective is the performance appraisal system used at the university?
- iv) What strategies should be done to improve the effectiveness of the performance appraisal system in the University?

It is important for public universities to ensure they develop an appropriate performance appraisal system which will assist them to achieve their objectives there is need to have an effective performance appraisal system. Most organizations in Kenya have adopted performance contracts which the employees are expected to commit themselves. It is therefore very important for an organization to have an effective performance appraisal system. It has been noted that employees working in public Universities serve in the same capacities for a longer period even after a performance appraisal has been done. This leads to highly skilled employees leaving these organizations since the mode of acknowledging their good work and rewarding them accordingly is not considered. Effective performance appraisal system therefore helps to retention of qualified and competent staff. The research was therefore to determine the effectiveness and the purpose of performance appraisal systems in public universities. Most managers do perceive a performance appraisal system as an annual routine exercise. Employees in most organizations do not attach any value to the performance appraisal systems, thus they take it as an organizational routine activity. The study aimed at benefiting public university in Kenya and specifically Public universities. It will also provide a basis for further academic research on the topic.

II. LITERATURE REVIEW

Importance of performance appraisal

Performance appraisal has become a key feature of an organization's drive towards competitive advantage through a continuous performance improvement and that it has resulted in the development of integrated performance management systems (PMS) based on a competency framework (Strebler, 1997).

Many companies in Kenya conduct performance appraisals, regardless of their levels of sophistication. But a number have not actualized the process. They are still learning the ropes. Start by delinking the results of the appraisal from salary reviews. Put in place structures to manage the process. Get policies and procedure manuals and train the entire organization on target setting, monitoring and review. The directorate of personnel Management, Kenya, (2002) states that conducting employee performance appraisal on regular basis will balance the employees work overload or under load, thus ensuring appropriate employee placement.

According to Strebler, (1997) the human temperaments as the reasons why we need to appraise employees. He classifies employee into four major vegetations and rejecters. Mbiti describes vegetators as people who care for nothing except their pay at the end of the month. They have no initiative; they will take the slightest excuse to be off duty, because this gives them more pleasure than working. They require constant supervision without appraising them; they will try to hide amongst others while they do nothing. Design an acceptable, easy-to-use but reliable appraisal instrument. Insist on support and sponsorship by the highest office in the organization. One will most likely succeed where the process is tied to performance improvement and employees development. Appraisals should not be footnotes in corporate calendar. Previous studies have noted that companies that have moved to quarterly appraisals get more objective results. Managers may easily get away with subjectivity if discussions on performance are not based on recorded facts and figures. Phil Long (1986) gave the following points as the reasons for performance review. Administrative uses: Performance appraisal system is the link between the rewards employees hope to receive and their productivity.

Appraisal Rewards

The manager's role is to evaluate subordinate's performance which leads to managers making compensation recommendations for employees. Development uses: Performance appraisal can be a primary source of information and feedback for employees, which is key to their future development. When supervisors identify the weak areas and the training needs of the employee, they inform the employees what skills to develop and work out development plans. This reinforces individual behaviour.

The combination of administrative and development purposes of performance appraisal reflect in a specific way, human resources management's larger role of integrating the individual with the organization. It is therefore, necessary to have a formal appraisal programmes with clearly stated objectives. Mzenge (1983) revealed that performance reports in Kenya play a relatively minor role in influencing decisions regarding the general management of the human resources. Mzenge found appraising to be based on personality traits, while actual job performance and ability to achieve goals was given little emphasis. Thus it is important that performance appraisal roles be understood by the organizational managers.

Gary (1991) establishes that change in behaviour cannot be brought about in human beings through punishment or negative reinforcement, but only through positive reinforcement, influencing would involve providing encouragement and reinforcing success so that the person take more initiative and is able to

experiment with new ideas. Change cannot take place without experiment and risk taking. These are encouraged through positive reinforcement.

MC Gregor (1957 as cited in Strebler, 1997) indicates that managers experienced the appraisal of others as a hostile and aggressive act against employees which resulted in feelings of guilt of employees. He asserted that the tension between appraisal as a judgment process and a supportive development process has never been resolved and is likely to continue for some time to come. MC Gregor further says that making judgment about an employees' contribution, value, worth, capability, and potential has to be considered as a vital dimension of a manager's relationship with employees, as it will influence the employees' performance or output. He said that the occasion may be formally separated from the ongoing relationships and appraisal activities and decisions should be interpreted by an employee as feedback. This will have a potentially strong impact on an employee's view of self-belief and self esteem.

Edwards Deming, a pioneer in TQM, identified performance appraisal as one of the seven deadly diseases of U.S. Management. While most managers still recognize the benefits of performance appraisal, TQM challenges some long-standing assumptions about how it should be conducted. Most companies have modified their appraisal systems to better acknowledge quality of performance in addition to teamwork and process improvement (Fowler, 1990). Harper (1993) suggests dropping the word 'appraisal' because it puts employees on the defensive. He further recommended a shift towards future – orientated review and development which actively involve employees in continuously developing ways of improving performance in line with needs for attainment of organizational objectives.

The outcome could be a set of objectives to be achieved by individual employees such objectives may be concerned with immediate performance against current tasks and standards, but they might also be concerned with a variety of work and personal changes. He said that once employees are encouraged to pay attention to their progress at work then the organization must be able to respond to their medium – and long term career aspirations, and the manager's role will be to resolve the inevitable tension that will result between individual goals and the Manager's interpretation of organization goals.

Overview of Past Research and Literature

The amount of research regarding performance appraisal is vast. However, the limitation of much of this research to the advancement of the understanding or practice of performance appraisal is generally acknowledged (Latham & Lee, 1986; Murphy & Cleveland, 1991). Prior to the early 1980's the majority of theoretical and empirical studies focused on improving the psychometric characteristics of the rating instrument in an effort to reduce the subjectivity inherent in performance ratings (Feldman, 1981). Due in part to the emphasis on psychometric aspects, the development of a "better" rating scale format that was valid and reliable received a great deal of attention (Woehr & Miller, 1997). Research focusing on rating scale format and development peaked in the 1960's and 1970's with the development of several new formats including the Behavioral Observation Scale (BOS), the Behaviorally Anchored Rating Scale (BARS) and the Mixed Standard Scale. Other popular and related research topics included training raters to reduce rating errors and improve observational skills and developing performance appraisal practices. Research examining the efficacy of the different rating scales format generally indicated that ratings were not affected by changes in the rating scale format (Woehr & Miller, 1997). According to Arvey and Murphy's (1998) review of the research, there were literally hundreds of studies between 1950 and 1980 on the different types of rating scales; of rating versus ranking; and ways of achieving ratings that were objective measures of performance.

Landy and Farr (1980) published a highly critical and influential review evaluation of the performance appraisal research. In this review they called for a moratorium on rating format research and attempted to redirect research to other areas such as understanding the rater and the process in an organizational context. Landy and Farr (1980) characterized the abundance of studies in the following categories: "roles" or characteristics of the rater and ratee; the "vehicle" or rating format and form; the context of the rating including its use; and, and the rating process which dealt with data analysis and rater training. The influence of Landy and Farr (1980) and Feldman (1981) resulted in a change of focus away from the rating scale format and rater training to understanding the rater as a decision maker who processes information and social cues. Research in the 1980's and early 1990's focused on raters and the accuracy of ratings and judgments and the application of knowledge about the judgment process in the development of performance appraisal systems.

According to Ilgen, Barnes-Farrell and McKellin (1993) the "rater process perspective" includes three critical sets of operations 1) acquisition of information about those to be evaluated; 2) organization and storage of this information in memory; and 3) retrieval and integration of the information in a fashion that leads to the recording of an evaluation of the person being appraised. Researchers borrowed heavily from basic psychological research in cognitive psychology and social cognition to address the three process domains described above and to develop theories of the performance appraisal process (Denisi, 1984; Feldman, 1981, Ilgen & Feldman, 1983). Other research included ratee and rater characteristics such as race, gender and likeability. Rater attributes including race, cognitive style and knowledge of the job to be rated were examined. Rating scale accuracy continued to be studied and the characteristic of the setting in which appraisal occurs such

as the purpose of appraisal, rater training and other factors were investigated (Ilgen, Barnes-Farrell and McKellin, 1993).

Research on performance rating accuracy and the development of accuracy criteria was common in the 1980's. Research focused on common psychometric biases, called rating errors, such as leniency, central tendency and halo, with the assumption that these implied a lack of accuracy (Ilgen, Barnes-Farrell, & McKellin, 1993). It was assumed that decreasing the biases increased accuracy. Researchers argued that this assumption was not necessarily true in that bias-free ratings were not necessarily more accurate (Hulin, 1982; Murphy & Balzer, 1989; Roch, 1997). Research on accuracy shifted from rater errors to discrepancy between ratings and some standard of performance. Research of the performance appraisal process during the 1980's contributed a number of key ideas to the literature including a heightened awareness of the importance of observation in the appraisal process and how knowledge obtained by raters is utilized. The research of the 1980's also helped to clarify or correct some assumptions about performance appraisal such as the belief that rating errors as commonly defined were evidence for rating errors when in fact the research indicated that there may not be resulting inaccuracies (Murphy & Balzer, 1989; Smither & Reilly, 1987). Another contribution related to the use of performance appraisal ratings. The context in which the ratings were obtained and the beliefs about the use of such rating were found to influence the results. Researchers further argued that ratings should only be used for those purposes understood by the raters at the time of the rating (Murphy, Balzer, Kellern & Armstrong, 1984, Zedeck & Cascio, 1982).

Ilgen, Barnes-Farrell and McKellin (1993) acknowledged these contributions but stated that the overall impact to the improvement of performance appraisal practice had been limited. Like Landy and Farr in 1980, they called for a redirection of research efforts away from demonstrations of cognitive effects towards the investigation the content of cognitive variables, the identification of factors that influence these variables and the design of appraisal systems that incorporate cognitive principles.

More recent research into performance appraisal has emphasized process and structural characteristics that influence the attitudes and affective reactions of system participants in addition to psychometric characteristics. Murphy and Cleveland (1991; Murphy & Cleveland, 1995) suggest that researchers should consider the rating context before attempting to analyze or evaluate the effectiveness of ratings or rating systems. Research has included measures of employee attitudes toward performance appraisal and system acceptance and rater and ratee satisfaction in the appraisal process (Roberts, 1990). Bernardin and Beatty (1984) suggested that relative measures of the attitudinal kind may ultimately prove to be better measure and predictors of rating validity than such traditional psychometric variables as leniency, halo, and discriminability. A performance appraisal system can be psychometrically sound in design and construction but still wholly ineffective in practice due to resistance or lack of acceptance on the part of users. Thus, the effectiveness of a system is particularly contingent on the attitudes of the system users, both raters and ratees (Roberts, 1990).

Bretz, Mikovich, and Read (1992) generalized that research in the late 1980's and early 1990's was heavily weighted toward cognitive process issues. Ratee and rater personal characteristics and rating errors and accuracy were also researched. The source of appraisal, appraisal feedback mechanisms, rater training, and performance appraisal format were found to be studied frequently. Other empirical research has focused on the performance appraisal process and the factors that influence the communication and behaviors exhibited by the raters and ratees during evaluation. Most of these studies are in experimental settings and not in the field (Karol, 1996).

While theoretical research on performance appraisal continues to evolve, practical literature has focused primarily on improving the performance appraisal process, making the review interview more positive, improving the contribution of the employee to the process, emphasizing goal-setting and applying procedural improvements (Karol, 1996). Professional journals are filled with articles discussing performance appraisal practices in various organizations under varying conditions. Case studies and "how to" articles are common.

Arvey and Murphy (1998) indicate that the literature indicates a substantial gap between research and practice in performance appraisal. According to these researchers the gap between research and practice was apparent in the 1989's when many studies were conducted in the laboratory and focused on discrete variables of cognitive processing in appraisal and evaluation. Much of the past research has focused on the individual as related to the act of performance appraisal as opposed to performance appraisal as a system within the larger context of an organization. More recent research has investigated performance appraisal in a more comprehensive and organizational context.

III. METHODOLOGY

A descriptive case study survey was selected for this study because it was cheap to undertake compared to a survey and the results from the sample can be inferred to the larger population. In addition, some extraneous factors could have manifested in the observed change other than the independent variable concerned.

The target population of the study constituted the employees of Moi universities. Narok University College is situated in the Rift Valley Province. The Narok University College is one of the publicly registered universities in Kenya. Employing more than 600 staff at various grades and with different specialties. This study will however only use employees in grade 11 and 12 which comprises mainly the lecturers. The reason for this was because the most recent cases of turn over have been in the academic section. This comprised of 100 employees who formed the sample for the study.

A structured questionnaire was used to collect data from the respondents from each respondent. The questionnaire was developed to capture the information about the demographic data of the employees, the level of respondents' knowledge about the purpose of performance appraisal in public universities, the factors that contribute to an effective performance appraisal system and an assessment of the awareness of performance appraisal by the employees at Narok University College. The questionnaire was pre-tested on 10 respondents' from the university who were not included in the main study, main campus who are in the same job groups. This was an important part of the study as it helped to make the questionnaire more reliable for the study.

The data was summarized and analysed by the aid of the SPSS software. It was then presented using descriptive statistics, frequency tables, percentages and, pie charts. Descriptive statistics allow the generalization of the data to give an account of the structure or the characteristics of the population as represented by the sample.

Effective Performance appraisal system was tested to determine its effectiveness in achieving its purposes of providing linkages between employee performance and organizational goals and the factors that contribute to an effective performance appraisal system. The study used correlation and regression analysis to establish the effectiveness of the appraisal system at the University.

IV. DATA ANALYSIS, FINDINGS AND DISCUSSIONS

The study presents the findings on the main purpose of performance appraisal, analysis of the factors contributing to an effective performance appraisal and an assessment of the awareness of performance appraisal.

Objective one describes employees of selected publicly funded organizations that utilize a state civil service employment system on the following selected personal demographic characteristics: age; gender; ethnic group; It was established that performance appraisal systems play an important role in enhancing employee performance based on the response of the respondents, it was established that. The demographic variables of the employees in the employment scale 11-12 in the university are in the age bracket of 31-50 years.

On their qualifications the results was presented in figure two indicating the level of education of the respondents

Level of education of the respondents

The largest group of respondents 34% indicated that they had been employed with their current department for greater than ten years. One-quarter 25% of respondents indicated tenure with the department of between 1 and 3 years. Regarding time worked in the current job, the largest group 33 % reported job tenure of 1-3 years. Nearly one-fourth of all respondents 24% indicated that they had been in their current job for longer than ten years .The largest group of respondents 35% reported a college degree as their highest

The data was organized in terms of the purpose of performance appraisal system and the respondents' views on individual purpose. The study evaluated whether the employees understood the main purpose for performance appraisal. The responses were scaled from 1 to 5, where 1 indicated strongly disagree, 2 indicated disagree, 3 indicated not sure, 4 indicated agree and 5 indicated strongly agreed. Among the factors that were under consideration were training needs assessment 56(56%), evaluate the employees 56(56 %), determining promotion criteria 68(68%), rewards review 52(52%), Counseling and redeployment 48(48%), transfers 58(58%) and renewal of service contract 63(63%). This show that majority of the respondents indicated that the main purpose of performance appraisal was to determine promotion criteria and renewal of service contract.

The study sought first to establish how the respondents agreed with the purpose of the performance appraisal system.

From the results presented it is clear that on average the 58% of the respondents agreed that the purpose of performance appraisal was to facilitate training of the employees, 64%, evaluate the employees, 56% ; determining the employees due for promotion at 68% , renewal of the service contract 63%. This shows that among the employees the purpose that was widely known among the employees was that performance appraisal was used in determining promotion criteria.

In order to test the main purpose of the appraisal system, the researcher used a regression analysis model to test the dependency between whether the respondents were aware of an existence of PAS and their views on the purpose of the system as was designed in the tool for data collection. Awareness of the appraisal system was the dependent variable whereas the purposes of the system were the independent variables. The results of the regression model analyzed from the data it was noted that the highest coefficient is 0.66 coinciding with formality as the leading purpose of the appraisal system in the university in rift valley. This result indicates that 66% of the respondents who are aware of the appraisal system systems see it to be just a formality without

any important objectives. This finding indicates that the university needs to undertake various training of the appraisal system among the employees so that employees can understand and appreciate the critical purpose of the system. Some of the key issues to be addressed include the following: That the renewal of employees' contract must be pegged to the out come of the appraisal system, that the promotion in the university must be based on merit and that the merit indicators must be obtained from the system.

The institutes must develop objective oriented training needs assessment to have a continuous training for better out and results based management. The PAS should be used as a source of such information that would selectively identify the unique training needs and match them with the specific employees to be training. Rewards are the human resource element that must be awarded to the employees to heighten their morale which is a function of the high expected output. In order to attain objective and transparent rewards, the PAS must be depended on to generate the required information and decisions. Organization today face a lot of discipline related challenges. Some of the discipline cases go unattended because the organizations to not have information about perpetrators of such offence. PAS therefore is very handy in identifying, executing and evaluating such disciplinary cases. As the business environment becomes complex and multi demanding, organizations must have appropriate response mechanism to handle these scenarios. Some of the ways by which one can adopt is to evaluate and assign employees new assignments through effective counseling and coaching. These complex operations require effective decisions that can be obtained from an effective appraisal system.

As a conclusion to the objective that was analyzing the main purpose of PAS in Public universities, it is important to note that employees must be totally involved in the development and the devolution of all the purpose of the system

Factors Contributing To an Effective Performance Appraisal System

In order to analyze the factors that contributes to effective performance appraisal., the researcher identified the following to be the main factors that contributes to an effective PAS in public universities : Frequency of the appraisal, organizational objectives, training of the appraisers, accurate record keeping system, employees performance measurement, self appraisal approach, employees performance review, employees strengths and weakness, PAS as an employees motivator, PAS should be able to provide feedback to employees, PAS should be free of biasness and lastly the process/procedures for the systems should be ratable. These factors were explored through the frequency tables and regression models as the method of arriving at the conclusion of this objective. The research scaled up the factors using Lickert scaling system Not Effective to very effective. From the response the factors that influence an effective appraisal system included the accuracy of records keeping (85.8%), frequency of use of the system 73(73%), Organizational/employee objective 61(61%), the skills and training of the appraisers 53(53%), employee's performance measurement, self appraisal, employee's performance review, employee's strength and weakness, employee motivation of the appraisal system, ability of the PAS to provide feedback, the ability of the system to avoid biasness, ability of the PAS to provide process/procedure.

The findings indicate that employees have a very low understanding of the factors that influence the effectiveness of the performance appraisal system in the organization. According to the performance appraisal principles, the least rated factors (employee strength and weakness, employees' performance review, feedback provision and process/procedure provision.) are equally very important in the evaluation of an effective PAS.

The researcher used a linear regression model to find out the relation between the employees awareness of performance appraisal in use and their preferred factors that contribute to an effect PAS. The employee's awareness of the PAS used was selected to be the dependent variable whereas the factors contributing to an effective PAS were the independent variables.

Standardized coefficient was used to judge the regression model output. The results indicate that the most important factor was training of raters which scored 80% and multi-rater system which scored 72% respectively. The least factors were void of biasness, self appraisals, frequency of appraisal and accurate records of employees which scored below 0%.

The most interesting finding from this study was that the respondents view varied significantly when the look at the factors in isolation with when they look at the factors in relation to their view of the PAS used in public universities. First, accurate record keeping scored the highest percent when looked at in isolation (85.5%). On the other hand training of the appraisers was the least when it was observed in isolation (25.8%). Through the regression model, training of the appraisers scored the highest value (80%). The research concludes this objective by indicating that training of the appraisers should be always considered to be the most important factors contributing to an effective PAS in public Universities environment.

Level of Awareness of the Existing PAS

This study also sought to establish the level of awareness of the existing PAS in the University the researcher considered two important variables, first, whether the respondents are aware the PAS currently in use at Public Universities and whether the system achieve its objectives. Frequency tables were used to gauge the respondents view and chi-square test was used to test the objective. Majority of the respondents 84.7% observed that they are aware of the PAS used at the University

The results showed that although the majority of the respondents were aware of the PAS used, the majority of them were not aware of the objective of the system. The level of awareness of existence of performance appraisal at the University.

V. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The summary of the findings of this study were presented as;

Summary of the Key Findings

The study notes that it is the obligation of the Top Management in any organization to design a participatory Performance Appraisal System that would handle all the appraisal activities in the Human Resources Department at the university. The need for appropriate appraisal system can not be over emphasized in a complex organization like Narok University College because modern management is today run on a result-based management approach. The main objective of this study was to evaluate the effectiveness of performance appraisal system in public university in Kenya.

The study came up with a number of important findings that should be taken up by the public university in the design or overhaul of their performance appraisal systems. First, the research established that the employees were aware of the performance appraisal system used at the university however they indicated that it was just a formality. The performance appraisal system does not really address the important purpose upon which it was designed.

The study also established that the two major factors that contribute to an effective performance appraisal system in public Universities it was noted that, the skills and training of the appraisers has an effect on the effectiveness of the appraisal system, an effective performance appraisal system should multi-rating, that is, there should be input from all the supervisors on the employees performance. Most employees were not aware of the performance appraisal system which is currently used to appraise them and the key reason for this was that the results were not communicated to them so they never knew the areas of the weaknesses were; similarly the employees were not even aware of the performance appraisal systems.

Conclusions

Based on the findings of the study it can be noted the Performance appraisal system is the only tangible measure by which an organization can know the level of performance of its diverse employees. Although most employees are aware of the type of performance appraisal system used in the public universities, such systems are not based on any serious formal purpose for which they were designed. The effectiveness of performance appraisal systems in the public universities are only based on training to the employees involved in the rating/appraising process and are multi-rating systems. Conclusively, because the performance appraisal systems used in public universities are not effective and that they exist just as a matter of formalities, the public universities can not measure employees' performance hence making it difficult to achieve the intended Human Resource Management objectives.

Recommendations for Improvement

From the findings and conclusion of this study, the following recommendations are very crucial for developing effective performance appraisal systems in public universities in Kenya.

The performance appraisal systems should be based on the following important purpose: They should be the tool used to evaluate employees' performance and a decision support system used for renewing the employees' contract. This will ensure that the right employees are retained for the right jobs.

The system should be able to guide the university management in identifying employees training needs, their execution and evaluation on whether they achieve their intended objectives.

The systems should be used to evaluate the employees which are ready for promotion and other motivational rewards.

The system should also be used to evaluate the employees who should be coached and prepare them for deployment, transfers or new assignments.

During the design of performance appraisal system in public university, the management should consider all factors of an effective system so as to achieve the goals upon which they designed. Such factors include Frequency of the appraisal, organizational objectives, training of the appraisers, accurate record keeping system, employee's performance measurement, and the system should be able to provide feedback to employees, the system should be void of biasness and the process and procedures for the systems should be ratable.

Suggestion for Further Research

The following related areas can be researched on to add up to the knowledge of what this study has achieved.

1. There is a need to carry out a comparative evaluation of the effectiveness of performance appraisal system in both public and public universities in Kenya.

2. A research should be done evaluate the impact computerizing performance appraisal system both in public and public universities. This will help human resource managers understand the role of modern technology in designing performance appraisal system.
3. A study should be done to establish integration of performance appraisal system with other sub-systems financial management systems in the organization. Such a study will help organizations learn and understand the integration of all the systems meant to run their activities.

VI. REFERENCES

- [1] Armstrong, M. (2001) *Human Resource Management Practice*, Kogan Page Publishers, 8th ed.
- [2] Barlow, G. (1989) *Deficiencies and the Perpetuation of Power: Latent Functions of Management Appraisal*, *Journal of Management Studies* 26 (5): 499 – 517.
- [3] Cash, B. (1993) *Human Resource Management Handbook*, *Harvard Business Review*, May/June Volume 3
- [4] Charles, M. (1991) *Systems for Suitable Organizations*, *Journal of Management Studies* 35 Pg 481-510
- [5] Cole, B. (1990) *A systematic Guide to Effective Helping*, London Ashford colour press
- [6] Clinton, O. (1992) *Why Performance Appraisal Still Fails: Journal of System management UK*.
- [7] Conger, J.A.D. Finegold & E.E. Lawler (1998) 'Appraisal Boardroom performance' *Harvard Business Review*.
- [8] David, A (1998) "Designing an effective 360 – Degree Appraisal Feedback Process", *New York Dryden Press*
- [9] Davis, R. (1995) *Choosing Performance Management, A Holistic Approach Journal*, CUPA publication, New Delhi India
- [10] Devries, D. L. (1983) 'Viewing Performance Appraisal with a Wide Angle Lens' *An Annual Convention of the American Psychological Association*.
- [11] Delewicz, R. (1982) 'Basic Human tendency to make judgment about those one is working with, as well as about oneself'.
- [12] Fowler, A. (1990) *Performance Management: The MBO of the 90s Personnel Management*.
- [13] Fletcher, C. (1993) *Managing Performance Systems*, Blackwell.
- [14] Gary, P. (1991) *Developing and Training Human Resources in Organizations*, *Sloan Management Review*.
- [15] Gordon, A. (1993) *Blackwell Managing Performance Systems*, *Harvard Business Review* 64,
- [16] Ghorpade, M. C. (1995) 'Creating Quality Driven performance Appraisal Systems: Executive Commentary,' *Academy of Management Executive* 9 (1).
- [17] Handy, C. (1991) *The Age of Unreason*, *Business Books*.
- [18] Harper, S. C. (1993) *A development Approach to Performance Appraisal*, *Business Horizons*, September / October pg. 68 – 74.
- [19] Kettle, P. (1997) *Personal Feedback: Cases in Point*, 'Report 326, IES: Brighton'.
- [20] Levinson, H. A. (1902) 'Psychologist Look at Executive Development', *Harvard Business Review*
- [21] Mbiti R. 1974, *Performance Appraisal System*, *Personnel Handbook*
- [22] Mc Gregor, D. (1957) *An Uneasy Look at Performance Appraisal*, *Harvard Business Review*,
- [23] Meyer, H. (1965) *Split Roles in Performance Appraisal*, *Harvard Business Review*, January-February, Pg 60
- [24] Ministry of Finance, Kenya (2001): *Medium term expenditure framework*, *Government Printers*.
- [25] Richl, H. (1996) 'A skillful Approach to High Productivity' *HR Magazine Vol. 3*
- [26] Rao, T. B. (2004) *Performance Management and Appraisal Systems*, U.K.
- [27] Rogers, D. (1995) 'Choosing Performance Management: A Holistic Approach' *CUPA Journal (Summer 1995)*.
- [28] Strebler, M (1997) *Getting the Best out of Institute of Employment Studies*, *Harvard Business Review*.