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RESEARCH ARTICLE

AN EVALUATION OF EFFECTIVENESS OF PERFORMANCE APPRAISAL PROCESS IN ORGANIZATIONS: A CASE STUDY OF KERIO VALLEY DEVELOPMENT AUTHORITY

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ABSTRACT

Performance Appraisal is conducted for the purpose of obtaining information to enable management make personnel decisions, such as to identify training needs, promotions, transfers salary increment and motivation. The purpose of this study is to evaluate effectiveness of performance appraisals in organizations. To realize these the study sought including the objectives and importance attached to Appraisal by management. The study adopted a cases study research design. The total population of six hundred out of which a sample of 30% was drawn using simple random sampling. Data was collected from simple structured questions and supplemented by review of relevant documents. The data was presented through descriptive statistics such as frequencies and percentages. Findings indicated employees were not fully involved in appraisal process, Appraisal process was not utilized as per organization objectives of appraisal feedback from process was not effectively communicated. The findings indicated that management and employees did not find performance appraisal system appropriate and effective. The study recommended that for performance appraisal to be effective all employees must be involved in process feedback should be given to employees.

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INTRODUCTION

Performance appraisal may be defined as a structured formal interaction between a subordinate and supervisor that usually takes form of an interview (annual and semi annual) in which the work performance of a subordinate is examined and discussed with view of identifying weakness and strengths as well as opportunities for improvement and skill development (Cole, 2004). In many organizations appraisal results are used to identify the better performing employees who should get majority of available merit pay increases, bonuses and promotions. By the same token, appraisal results are used to identify poorer performance who may require some form of counseling, or in extreme cases, demotion, dismissal. Appraisal system is both inevitable and universal, In absence of carefully structured system of appraisal, People will tend to judge the work performance of others, including subordinates naturally, informally and arbitrarily (Derek, 1993). The human inclination to judge will create serious motivational, ethical and legal problems in the workplace, without structure appraisal system there is little chance of ensuing that the judgment made will be lawful, fair defensible and accurate. Two decades ago PAS were designed primarily to tell employees how they had done over a period of time and to let

them know what pay they would be getting, although these may have served its purpose by then, today, there are reason for PAS's specifically PA should address others issues such as development of employees in those areas which she/he has some effort could be added to expand performance. All performance evaluation system should concern itself with legal aspects of employees performance by monitoring documentation used as a record of the performance appraisal process out comes (Decenzo, 1996)

METHODOLOGY AND SAMPLING

The study adopted direct study design of K.V.D.A. This was an intensive and holistic analysis of KADU as a single entity. The aim was to evaluate effectiveness of performance appraisal system. In an organization. The results findings can easily be applicable to their regional development authorities. The study area was K.V.D.A which is government development agency established in 1979 by an act of parliament (cap 441). Laws of Kenya. The mandated objectives of K.V.D.A as outlined in strategic plan is to identify, coordinate implementation of integrated development projects by utilizing available resources to improve the living standards of the people.

Table 1. Respondent's participation in performance appraisal process

Participation	No		Yes		Total	
	freq	%	freq	%	freq	%
Respondents participated in performance appraisal process	119	68%	57	32%	176	100%
Respondents participated in setting standards for their performance	119	67.6%	57	32%	176	100%
If appraisal on agreed work plan	122	69%	57	31%	176	100%

The total area covered by K.V.D.A is approximately 96.285sq km representing 16.5% of total land mass of Kenya K.V.D.A area of jurisdictions is located north western region of Kenya and covers seven districts namely; Baringo Koibatek, marakwet Keiyo West, East Pokot and some parts of Turkana. The study targeted employees of K.V.D.A who are 600 in number. A sample adequate for the study was picked and was used as the study respondents. Participants of the study was drawn from all the departments of K.V.D.A and a total of 213 respondents were sampled to represent the management and the general staff. The sampling methods used were census and simple random sampling procedures. The census sampling targeted the management staff as this team has a role to play performance appraisal exercise. Questionnaires were preferred for data collection since they gave a close analysis of research objectives and research questions. A combination of both closed and open ended questionnaires had a list of all possible alternatives from which respondents select the answer that best describe the situation. Data collected by analyzed using descriptions and inferential analysis and presented in frequency percentage and tables.

RESULTS AND DISCUSSIONS

Employees participation in performance appraisal

The findings clearly recalled that 119 (68%) of respondents in performance appraisal process on setting their performance standards 119(68%) respondent in setting their performance standards for which they were appraised. The findings further disagreed that they were appraisal according to/ plan laid down by organization may come from many sources including the employees; co-workers, supervisor, subordinates or even persons outside the organization. The employee's participation in appraisal system is very important because an employee has a good understanding of their daily performance the challenges they face, and how to improve on them. The employee participation in performance appraisal starts with completion of the appraisal form in which the employer is required to indicate the particulars and a return them to the supervisors before the appraisal performance interview be involved in performance appraisal during the interview with the manager or the supervisor, The work progress of employee is discussed, resulting to some action agreement inform of job improvement plan , promotion , salary increment and so on. From the study majority of employees of K.V.D.A understood what performance appraisal was all about and further agreed that them was performance appraisal K.V.D.A, despite the knowledge or performance appraisal, many of them disagreed that their performance had been appraised. This is perhaps because of interval of appraisal in K.V.D.A is not regular and there was no performance interview and also there was no performance feedback. In absence of these two indicators of effective performance appraisal, that is interview

and feedback; the employees may not understand the performance appraisal properly. The standards of performance in which employees are evaluated must be clearly defined, so that employees may be clear of what is expected of them. The standards must in terms understood by those to be evaluated from the study 68% of respondent indicated that they did not participate in setting performance standards for which they were being appraised. According to (Massie, J.C) the measurement of individual's performance must have clear significance to each individual. On setting their performance standards 119(68%) respondents indicated that they did not participate in setting performance standards for which they were appraisal only 75(32%) agreed that they set standards for their performance. This implies that the company does not make provision for employees to set their standards of performance however it is widely believed that- if employees are given a chance to set their own performance , this becomes motivators to them as they always aim to achieve them.

The data further reveals that 122 69% of respondents did not agree that they were appraisal according to plan laid down in organization while 54(31 percent) responded that they were appraisal according to an agreed work plan. This implies that the organization rarely follows laid down procedure of appraising employees. This might be a great weakness to organizations appraisal process which if not curbed by other mechanism may render the process futile.

Conclusion

Employee participation in PA process regular performance appraisal is necessary because it provides an opportunity during interview for the manager to communicate with employees about their work performance. Sharing information about performance should be done regularly and in a positive manner as it will build acclimate of openness and trust. The employees should participate in setting their performance standards for which they will be evaluated because by doing so they will have take the ownership for improving and continuing effective performance of duties. The goals set should be achievable. Finally there should be a feedback mechanism to let employees know the rating in their performance and if the efforts have been noticed. Periodic performance appraisal provides information and goes along ways towards motivating the workforce.

Recommendations

The following policy recommendation were found fit for improvement of PA in organizations.

- (i) The appraiser and appraise (supervisor/ subordinate should participate in PA process

- from the beginning PA will be more effective of the process will be clearly explained to agreed by all the people involve.
- (ii) Performance appraisal meeting should be held regularly at or take place between management and he employees so that each asks questions and may be able to understand the requirements of PA.
 - (iii) Performance standards should be see from the information which employees are appraised. Therefore employees should be appraised according to the set standard performance appraisal should also be inducted equerry.
 - (iv) There should be feedback of performance appraisal interview so that employees may know how they performed during the appraisal period and what they need so as to improve performance an evaluation appraisal system should be undertaken

- (v) Organizations must be part of the process; the top management good will is necessary for its success the management should utilize information so that the exercise may be meaningful. After critically reviewing the findings the study found the following areas.
 - (i) The analysis of utility of effectiveness of various ranking systems used in performance appraisal.
 - (ii) Impact of training of appraisers on performance appraisal.

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