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Influence of Evaluation on Employee Performance at Tom Mboya University in Homa-Bay County

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Keywords:

*Procurement,
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Appraisal system,
Employee Evaluation,
Manager*

This study investigated the influence of performance appraisal on employee performance at Tom Mboya University in Homa-Bay County, Kenya. The specific focus of the study was to determine the influence of evaluation, management by objectives, performance appraisal design and 360 degrees' appraisal method on employee performance at Tom Mboya University. This design was considered appropriate because the study focused on a survey of employees in one organization. The study targeted a population of 117 employees in various job groups at Tom Mboya University. Stratified and systematic random sampling was used in this study, to select a sample size of 90 respondents. The primary data for the research was collected using a structured questionnaire. Validity of the questionnaire was assessed and confirmed using expert opinion from supervisors. A pilot study was carried out on ten randomly selected employees to support the test of reliability of the questionnaire. Reliability was tested through a test of internal consistency. In order to test reliability of the instruments, internal consistency techniques were employed using the Cronbach Alpha Coefficient of 0.7. Descriptive statistics was analysed using mean, standard deviation, and percentages. Similarly, inferential statistics were analysed using bivariate correlation and multiple regression analysis so as to confirm the relationship between the research variables. The results of analysis were presented in form of figures and tables. The study concludes that an increase in management by objectives practices such as setting objectives and plans, monitoring progress, rewarding according to performance, linkage: objectives and results/output and stakeholder participation significantly improves employee performance. Since it was revealed that performance appraisal design has a positive but not significant influence on employee performance, there is a need for the HR department of Tom Mboya University and other institutions to enhance adoption of this method in their appraisal in order to realise a significant influence on employee performance. This can be achieved by improving performance appraisal design such as rating scales, accurate appraisals, fairness/ lack of bias in appraisal, appraising verses current job description, goal-oriented appraisal, and regularity of conducting appraisals.

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INTRODUCTION

Employee performance as defined by Ibeogu and Ozturen (2015) is a goal-oriented process to ensure that the employee, team, and organizational objectives are met. Most organizations consider maximizing performance as critical priority and hence it is important to achieve that through the employees. Jalal and Putri (2015) place emphasis on the people if an organization needs to have sustainable competitive advantage.

Improvement of the workforce value on a continuous basis is therefore important. Performance is a combination of both effectiveness and efficiency and for the case of employee performance; it is how well they perform on the job measured against accepted organizational standards. This means that every organization has general expectations from employees in relation to their performance (Ibeogu & Ozturen, 2015).

In the United Kingdom, a number of HRM practices have impacted significantly on employee performance as well as job satisfaction in the public sector and the range of these practices include human capital management, knowledge management, organization development, resourcing (human resource planning, recruitment and selection, and talent management), performance management,

learning and development, reward management, employee relations and employee well-being (Armstrong 2010).

In China, HRM practices such as appraisal are among the factors that influence employee performance, job satisfaction and organizational commitment (Huang, 2000). The institutions have viewed HRM practices as crucial assets that are geared towards creating and maintaining skilful and committed workforce for achieving organizational goals. Steijn (2004) found that HRM practices had positive influence on job satisfaction and employee performance in the Dutch public sector, whereas individual characteristics, such as age, gender, and education, had insignificant influence on the same. In South Africa, the need for the HRM policy, strategy, and systems to underpin the business strategy as well as improve employee performance has never been greater (Lee & Wu, 2010).

In Nigeria, the public service has undergone radical transformation in the management of human resource, beginning with the human resource managers themselves (Agoi, 2017). They are critical, not only because they manage the most important resource (public servants), but also because they are at the vanguard of shaping the leadership capabilities, professionalism, ethics, and integrity in the Public Service. According to Baloyi (2011), six dimensions of HR practices, namely, career development, staffing,

training and development, performance appraisal, incentives, and employee relations, were positively related to employee performance.

Saeed (2013) indicated that the use of performance appraisal grew systematically from the USA military in the 19th century where the pressure for promotions in the military ranks was growing. This called for performance appraisal where techniques such as trait rating scales and peer ranking were developed and used. This method was however unpopular until after World War One after which it has assumed an exponential growth in the years to follow (Dessler, 2013). Rollison (2015) argued that sometimes back, performance appraisal was spared for the high reaches only. Bakotic and Babic (2013) contends that the approach was done by inspectorate system. To maintain an organization's vitality, performance appraisal should be approached as a participative method and not command like procedure (Ibeogu & Ozturen, 2015).

The African Union (AU) came up with a system called New Partnership for Africa's Development (NEPAD) to be used by the respective governments of the member states to improve their governance through democracy, political, economic, and corporate governance. This method was adopted in the year 903 by Kenya (Wanjiru, Abaja & Ochieng, 2013) and other member states such as Nigeria, Gambia and Ghana are also implementing the method. So has Rwanda adopted the method to streamline the performance of employees in both local and ministerial levels (Mwema & Gachunga, 2014).

Nguata (2013) emphasized the importance of having timely and regular feedback so as to enhance corrective action. Despite its importance, performance appraisal as argued by Harvard Business School Press (2013) has been implemented quite differently depending on the purpose, process, and effects. Focusing on Kenyan schools, Gichuhi (908) documented the importance of performance appraisal in ensuring that the teachers performed and met their targets. However, Mwema and Gachunga (2014) felt that

there lacks an elaborate performance appraisal system in the Kenyan education sector and in cases where it existed, it had not played a significant role in creating teacher motivation.

Employee performance as defined by Ibeogu and Ozturen (2015) is a goal-oriented process to ensure that the employee, team, and organizational objectives are met. Most organization considers maximizing performance as critical priority and hence it is important to achieve that through the employees.

Bond and Fox (907) observed that some measures of performance of employees include organization outcome i.e., collecting feedback about performance of employees through multiple feedback and self-assessments, taking note of the knowledge, skills and behaviour of the staff that help in the achievement of those goals and achievement of organizational objectives. Rudman (903) stated that measuring employees' performance covers evaluation of the tasks completed and the accomplishments in a given period with the goals set at the beginning of the period. The need for a comprehensive measure of performance is important and organizations can use them to evaluate employees' performance.

The employees are said to have performed in cases where they have surpassed their expectations required of them. Kariuki and Murimi (2015) argued that employee management is a topic involving the employee and employer creating a shared vision and objectives with the employees having understood what is required of them in terms of contribution to the organization. It is argued that when people understand what is expected of them, and then they will put in effort to achieve it. Some of the employee performance systems to be used are training, appraisal, and rewards which are incorporated as HR functions with a common goal of having competent and performing employees (Kariuki & Murimi, 2015).

A performance appraisal refers to the comparison of an employee's actual delivery against the expectations in order to determine their

contribution to the organization's overall performance as well as make administrative decisions regarding promotions, remunerations, and job rotations. Previously it was being conducted annually but in the modern era, it is a practice being conducted frequently (Karuja & Mukuru, 2013).

In the modern era, the managers are providing employees with continuous real time feedback in order to improve their skill development and job performance. Some of the information used to rate an employee are job incidents, sales reports, and ratings. According to Karuja and Mukuru (2013) most organizations are considering the evaluative aspects of performance appraisal which overlooks its role of facilitative employee development, training, and salary administration.

Kelemba, Chepkilot and Zakayo (2017) places performance management as a crucial task for not only the managers, but also individuals in the modern labour setting. It is a common practice among companies especially at the management level. In the process, there have however been conflicts between the evaluative role and development role of the approach. A good performance appraisal approach should therefore be able to relate to the strategic goals of the organization, focus on organizational output as well as provide a basis for feedback for improvement.

Lee and Chen (2013) further posit that performance appraisal can take many different forms depending on the organization's culture and it can vary from a periodic interview (annual or semi-annual) or 360. In a periodic review, the employee's work performance is examined and discussed with an aim of identifying the strength, weaknesses, and opportunities for improvement. The use of results from the process varies from organization to organization whereas some partly use the information to reward, others do not fully use the information (Lee & Chen, 2013).

LITERATURE REVIEW

Companies may need to evaluate the employees against their set targets and hence appraisals are

important. A study conducted by Ibeogu and Ozturen (2015) revealed that in as much as the use of evaluation varies, it is mostly used to recognize the efforts of certain employees, especially in small businesses and at the same time enable the organization to point out areas for improvement. In the Nigerian context, managers use evaluations to motivate their employees since it communicates their feedback and expectations.

Vance (2013) conducted a survey linking evaluation to employee performance and indicated that through evaluation, the employees can know areas of improvement. Through evaluations, employees are given direct responses on their performance by their supervisors and thus it can inform their decisions to stay with the company or not. The evaluation process also identifies areas where an employee needs to improve. It can also provide opportunities for recognition, positive reinforcement, and performance improvement of the employees. Employee job satisfaction and decisions to stay with the company are associated with him or meaningful feedback about performance, especially from their direct supervisors. There are many different models and procedures for employee performance evaluation that companies have in the form of standard documents.

A study by Khuong and Tien (2013) indicated two critical roles of evaluation as either for administrative decisions such as promotions and rewarding employees or for making planning decisions regarding the growth of employees which can involve coaching and career development. It was revealed that some of the steps in the evaluation as a measurement of the current performance, collection, and analysis of data, interpreting the results of analysis and giving feedback for improvement. In another interrogation, Lee and Chen (2013) base a good evaluation on three building blocks namely competencies, accurate duty statements and consistency in standards of practice. Its effect on employee performance was established to be positive and significant.

A study by Mwema and Gachunga (2014) established that those companies aiming to build employees based on knowledge management can adopt evaluation. Through a quantitative survey, it was established that evaluation has improved employee performance positively and significantly. A study by Wagacha and Maende (2017) interrogated the impact of performance appraisal systems among commercial banks operating in Nairobi County. It was established that those conducting the appraisal on the employees were from higher positions and that the employees had a positive attitude towards it. In the long run, it improved their satisfaction and organizational output.

A study by Karimi (2013) on the other hand interrogated the impact of performance appraisal in the public sector in Kenya and revealed that it was an exercise that was conducted seldom because it was considered expensive. The study recommended for more of the same is conducted to establish better ways of compensating civil servants.

RESEARCH METHODOLOGY

The research adopted a descriptive research design. The University has a total of 117 employees, who are permanent staff and staff on contracts. This study, therefore, used Yamane's (1957) formula to determine the sample size at a confidence level of 95% as shown in the equation:

$$n = \frac{N}{1+N \times (e)^2}$$

Where; n= sample size, N= the population size, and e= sampling error or margin of error (-+5%)

Using the formula, the sample size was 90 employees out of the 117 who will be stratified. The sample size was 50% of the target population which was above the 30% recommended by Mugenda and Mugenda (903) hence it is sufficient.

The study utilized primary data which was collected using a structured questionnaire. A structured questionnaire collects quantitative data which can enable analysis of quantitative trends such as descriptive and inferential. The study collected quantitative data which was analysed through quantitative methods using descriptive statistics (percentages, Mean and Standard deviation) and inferential statistics (correlation and regression). The tool used was Statistical Package for Social Sciences (SPSS) version 22. The results were presented in form of Figures and Tables. The multivariate regression model is as shown below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where: Y is Employee Performance, X1 = Evaluation, X2 = Management by objectives, X3 = Performance appraisal design X4 = 360, degrees' appraisal method ϵ = error term.

Table 1: Sampling Frame

Level of Employment	Population
Top management	5
Middle and lower-level management	8
Subordinate staff	77
Total	90

Tom Mboya University HRM, 2023

RESULT AND DISCUSSION

Response Rate

The study targeted 117 employees from various departments and hence the same number of questionnaires was issued. Out of 90 questionnaires were responded to which gave a response rate of 68%. This response rate is

considered adequate based on argument by Creswell (2014) that a response above 50% is adequate for a survey.

Descriptive Analysis of Evaluation

The Likert scale questions on evaluation have been analysed and presented in this subsection as shown in *Table 2*. The results indicate that at Tom

Mboya University, employees are asked to share their goals and objectives; which are linked with that of the institutions (M = 3.57), employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve performance (M = 3.60) and are also evaluated on completion of their tasks (M = 3.54). The results also indicate that in the university,

employees do self- evaluation to rate themselves based on the extent to which they think they have performed (M = 4.13) and supervisors and senior employees are asked to rate employees based on their own observation (M = 4.06). On average there was an agreement on the statements on evaluation (M = 3.78) with a small standard deviation (1.12) which indicates a small variation in the responses.

Table 2: Descriptive Analysis of Evaluation

Statement	Mean	Std. Dev
Employees are asked to share their goals and objectives; which are linked with that of the institutions.	3.57	1.30
Employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve performance.	3.60	1.34
Employees are evaluated on completion of their tasks.	3.54	1.48
Employees do self-evaluation to rate themselves based on the extent to which they think they have performed.	4.13	0.71
Supervisors and senior employees are asked to rate employees based on their own observation.	4.06	0.75
Average	3.78	1.12

Source: Research Data (2023)

Descriptive Analysis of Management by Objectives

The Likert scale questions on Management by Objectives have been analysed and presented in this subsection. It was agreed that the institution’s management encourages and guides employees to set clear objectives at the beginning of every year (M = 3.64), the institutions has set a culture where both the management and subordinates participate in employee performance, in order to boost operations (M =3.54), there is joint goal setting where every employee shares in the goals of the University from time to time (M = 3.94) and the HR department and personnel responsible undertake the normal monitoring of progress of how employees are performing (M = 3.78). The average Mean (3.72) indicated an agreement with the statements on management by objectives. The results also demonstrated a small variation in the responses as shown by a small standard deviation (1.24).

Correlation Analysis

The relationship between the variables used in the study was examined using the correlation analysis. The results indicated that evaluation is positively and significantly related with employee performance (r = 0.762; P-Value < 0.05). This implies that an increase in evaluation such as supervisor evaluation, peer evaluation, self-evaluation, subordinate evaluation, customer evaluation and trainers’ evaluation significantly improve employee performance. The results are consistent with Wagacha and Maende (2017) who indicated that in the long run, performance appraisal (evaluation) improved employee satisfaction and organizational output.

The results indicate that performance appraisal design is positively and significantly related with employee performance (r = 0.757; P-Value < 0.05). This implies that an improvement in performance appraisal design such as rating scales, accurate appraisals, fairness/ lack of bias in appraisal, appraising vs current job description, goal-oriented appraisal, and regularity of conducting appraisals significantly improves employee performance. Nyamboga (2016) also

indicated that performance appraisal design impact significantly on performance.

Lastly, it was indicated that 360 degrees' appraisal method is positively and significantly related with employee performance ($r = 0.664$; $P\text{-Value} < 0.05$). This implies that an improvement in 360 degrees' appraisal methods such as feedback from all sections/teams, measurement of employee skills and feedback process and duration taken significantly improves employee performance. The findings are consistent with Munguti and Kanyanjua (2017) who indicated that the method has brought about improved quality, job knowledge and accuracy of work as well as team work.

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The descriptive results indicated that an agreement with the statements on management by objectives, evaluation, performance appraisal design and 360 degrees' appraisal method. This implies that performance appraisal was conducted in the institution. Correlation results showed that management by objectives, evaluation, performance appraisal design and 360 degrees' appraisal method are positively and significantly related with employee performance. This shows that an increase in these practices of performance appraisal would lead to an increase in employee performance.

Regression findings showed that performance appraisal (360 degrees Appraisal Method, Evaluation, MBO and Performance Appraisal Design) explain a higher percentage of the variation in employee performance at Tom Mboya University. Furthermore, evaluation, management by objectives and 360 degrees' appraisal method have a positive and significant influence on employee performance but performance appraisal design has a positive but not significant influence on employee performance.

Conclusions

Based on the findings, the study concludes that an increase in evaluation such as supervisor evaluation, peer evaluation, self-evaluation, subordinate evaluation, customer evaluation and trainers' evaluation significantly improve employee performance. The study also concludes that an increase in Management by objectives practices such as setting objectives and plans, monitoring progress, rewarding according to performance, linkage: objectives and results/output and stakeholder participation significantly improves employee performance.

An improvement in performance appraisal design such as rating scales, accurate appraisals, fairness/lack of bias in appraisal, appraising vs current job description, goal-oriented appraisal, and regularity of conducting appraisals significantly improves employee performance. The study also concludes that an improvement in 360 degrees' appraisal methods such as feedback from all sections/teams, measurement of employee skills and feedback process and duration taken significantly improves employee performance.

Recommendations

Based on the findings that evaluation has a positive and significant influence on employee performance, the study recommends that the HR department of Tom Mboya University and other institutions to implement more evaluations such as supervisor evaluation, peer evaluation, self-evaluation, subordinate evaluation, customer evaluation and trainers' evaluation in order to improve employee performance.

Since it was established that management by objectives have a positive and significant influence on employee performance, the study recommends that the HR department of Tom Mboya University and other institutions to focus on implementing the management by objectives practices such as setting objectives and plans, monitoring progress, rewarding according to performance, linkage: objectives and results/output and stakeholder participation in order to improve employee performance.

Based on the findings that 360 degrees' appraisal method has a positive and significant influence on employee performance, the study recommends that the HR department of Tom Mboya University and other institutions to enhance adoption of this method in their appraisal. This can be done by improving 360 degrees' appraisal methods such as feedback from all sections/teams, measurement of employee skills and feedback process and duration taken.

Since it was revealed that performance appraisal design has a positive but not significant influence on employee performance, there is a need for the HR department of Tom Mboya University and other institutions to enhance adoption of this method in their appraisal in order to realise a significant influence on employee performance. This can be achieved by improving performance appraisal design such as rating scales, accurate appraisals, fairness/ lack of bias in appraisal, appraising verses current job description, goal-oriented appraisal, and regularity of conducting appraisals.

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