

**EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEES' PERFORMANCE
IN BARCLAYS BANK OF KENYA**

BY

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DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEES' PERFORMANCE IN BARCLAYS BANK OF KENYA

ABSTRACT

Performance appraisal is the periodic evaluation of an employee's performance measured against the job's stated or presumed requirements. Performance appraisal has been linked to employee motivation and effectiveness in service delivery. The purpose of this study was to determine the effect of performance appraisal on the employees' performance in Barclays Bank of Kenya. The objectives of the study were; to determine the effect of job satisfaction on employee's performance, find out the effect of employee motivation on employee's performance and to identify the effects of career progression on employee's performance. The study adopted a descriptive study in which it targeted all the 479 staff from 51 branches. The study sampled 144 respondents. The study used self administered questionnaires to collect data. The data was then analyzed using descriptive statistics such as mean, mode and percentages. Inferential statistics mainly the regression analysis was used to measure the correlation between employee performance which is the dependent variable and the independent variables (job satisfaction, motivation and career progression). The study established that the performance appraisal practices through fair compensation and management support, employees' productivity has been enhanced through job satisfaction. The study further established that the performance appraisal practices have enhanced employee motivation through the performance reward system, fair compensation and the working environment. The results revealed that performance appraisal enhanced the employee career progression through career growth, link between performance and employee goals in the organization and the link between reward and performance. The study recommended that: the organization should look for best practices of performance appraisal that will be appealing to the employees. The organization should also enhance the rewarding system in the organization with the aim of retaining top talent through best practices and create more opportunities for growth within the organization to enhance employees' career progression to maintain its standards as a high performing organization.

Key words: Job satisfaction; Performance Appraisal; Employee Performance

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This is an attestation that all is possible by the grace of the almighty God

DEDICATION

This thesis is dedicated to God my source of inspiration, courage, strength and existence.

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DEFINITIONS OF OPERATIONAL TERMS

Job satisfaction: refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction. (Armstrong, 2006)

Performance appraisal: refers to a systematic and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives (Pulakos, 2009).

Employee performance: refers to the record of outcomes produced as specified job functions or activities during a specified time period (Bernardin, 2007).

CHAPTER ONE

INTRODUCTION

1.1 Background Information

An organization must remain highly competitive in order to excel in today's ever changing market place. For this to happen employees must be highly motivated and the appropriate operational structures be in place. Equally important is customer satisfaction through quality services and superior products.

It is imperative therefore to underscore the significance of measuring employees' morale and seek to maintain a work force which is self driven and is goal oriented. Pulakos, (2009) rightly observes the importance of a highly motivated human resource. She states that employees' performance is indeed the performance of the organization.

To manage an organization is a very complex issue. However key to appropriate management of a whole organization is addressing the employees' performance through quality performance review exercises (Prasad, 2005). This is now a departure from the common belief that in an organization the main issues of maximizing performance is by driving members to excel without necessarily addressing the employees job satisfaction.

Biswajeet (2009) rightly noted that since the organization will only succeed when performance of employees is measured accurately, it is therefore imperative to apply performance scale which should take into consideration employee motivation, customer satisfaction, effective market strategies, profitability and productivity, Chan and Lynn (1991). These elements are the main inter-play which determines how well the organization is or will perform.

To better understand performance in an organizational setting, factors such as job description, role specification and the time factor should be considered. Bernardin (2007) adds also that there has to be a clear time in put specification. Personality traits, individual

tastes or skillfulness are not particularly important when it comes to our understanding of the term performance.

Learning is key to the effectiveness of any organization. Successful organization places strong emphasis on providing employees corrective measures where need be and healthy feedback to maintain a positively engaged setting. As well each individual appreciates to see that he or she is considered a valued contributor to the sum-total of the organizations overall performance.

Performance appraisal systems which includes but not limited to the selection, training procedures, recruitment evaluation of employees, will be necessary in order to help the organization achieve the objectives. The accuracy of the selected appraisal systems is highly significant in guiding the organization on what needs to be improved or maintained as well as counseling needs of employees (Pulakos, 2009).

It can also increase employee motivation through the feedback process and may provide an evaluation of working conditions, thus, improving employee productivity, by encouraging the strong areas and modifying the weak ones. When effective, the appraisal process reinforces the individual's sense of personal worth and assists in developing his/her aspirations.

Until recently performance appraisal was not a major area of focus for organizational performance. This is true when one considers that it is only in the early 1970s that attempts to provide a systematic framework and formal approach was introduced. Subsequently this field has seen increased efforts in seeking a standardized approach to performance appraisal as more and more organizations begins to appreciate employees' satisfaction as key to an organization's success.

According to Maund (2001) employees satisfaction can determine how the organization will succeed in its' objectives. These objectives are in turn influenced by what

needs to happen for the organization situation which increase or affect negatively employees' satisfaction. In order to determine main areas of improvement such as appropriate training and promotions, organizations are continually seeking the performance appraisal standardized tool.

Performance development reviews enhance the managing of organizations employees practically and effectively. The managers are able to know their employees capabilities through their achievements and the potential that they have, know their strengths and shortcomings, help understand the contribution of individual employee's performance to the corporate whole, make comparisons of team members, agree on specific measurable, accurate, realistic, time bound goals and objectives and identify ways of growing the business or improving on processes.

They allow staff to; feel valued, understand what is expected of them, understand the business they are involved in, understand their weaknesses, identify their strengths, identify areas they need further training in as well as offer opinions and insights that may improve the business as a whole. It cannot be stressed enough the significance of performance appraisal system however on the other hand this is considered the weakest in management of employees (Pulakos 2009).

How individuals or teams accomplish the organizations goal is generally what we may call performance (Armstrong 2001). However it is important to understand results alone are not the only relevant items in performance but other considerations such as the methods or strategies applied by the employee to achieve the stated goals are equally vital (Mooney 2009). The significance of comparing an employee's past and present job output standards has been highlighted in the definition of performance presented by Dessler (2005).

Another way of looking at performance appraisal suggests the importance of evaluating an individual's current performance with a view to improving their future

performance which according to Grubb (2007) contribute to the overall organizational performance. Beach (2001) added that performance appraisal should be related to an employee's actual and potential output capacities through systematic evaluations.

Another dimension was added by Gungor (2011) who brings out the issue of employees' motivation. He correctly states that each person has the capacity to improve their behavior depending on the motivation levels toward specific goals thus underscoring the commonly held perception that the achievement of goals is significantly determined by the employee's motivation level.

In order to appropriately assess how well individuals output contributed to the overall achievement of goals and objectives of Barclays Bank, the organization begun applying the employee performance appraisal system. This application has given the Bank base level criteria for all its' operations which in turn provides pointers toward areas needing improvement.

It is worth noting that management and subordinates communication approaches are detrimental to successful outcomes toward goal-achievement. Defining individual role expectation according to the expected outcome by the business together with a teams' participants ability to communicate effectively at all levels impacts the overall performance. To this end Barclays seeks to apply the performance appraisal approach to provide merit driven incentives where appropriate. Top down communication and dialogue are encouraged as guided by the banks appraisal systems derived from Barclays value based performance standards; Barclays Performance Development Learner Guide (2013). This study is designed to investigate the effect of performance appraisal on the employees' performance in Barclays Bank of Kenya.

1.2 Statement of the Problem

The purpose of the study is to determine to what extent Barclays Bank employees have embraced performance appraisal as a key business strategy for creating a performance driven culture. Contemporary challenges faced by organizations today are pushing organizations to seek for employee satisfaction which in a big way determines the organizations ability to deliver services. In this regard commercial institutions such as Barclays Bank are seeking for appropriate performance appraisal systems and tools in order to remain on the competitive edge or to excel in all aspects of their core business.

More recently research data is showing the critical need of using these appraisal systems in order to maintain a highly motivated staff, which as pointed out earlier employee satisfaction significantly influences the organizations overall performance (Ahn 2001; Ittner, Larker, & Randall, (2003); Lawson, Stratton, & Hatch, (2001) and Sandt, J., Schaeffer, U. & Weber, J. (2001). The relationship between employee contentment on the job and performance appraisal was highlighted by Ahn (2001) and Lawson et al (2001) while the significance of motivation was addressed in the works of Sandt et al (2001).

Waal et al (2004) in his study established that performance review was related to the employee's productivity in the delivery of expected results. One of the performance management systems that is widely used by the organizations is the employee performance appraisal. Employees' performance development review is an essential organizational strategy for enhancing consistent high performance in employees and as a result the organizational goals and objectives are achieved. As to the value placed by the employees on the quality of the appraisal processes, researchers have emphasized the need for excellent data recording and include the employees comment when all the details have been gathered and endorsed through signatures by the management hierarchy. Employees detests a below par appraisal process (Maund 2001).

Barclays Bank measures employees' performance through targets which are allocated to all branches and departments. They are then distributed among staff of the branches and used to appraise each staff on quarterly basis. The process of rating performance is done through open dialogue in a one on one formal quality review meeting with the team leader. As part of the review colleagues seek for feedback from each other through the 360 degree multisource feedback system and review of employee's performance carried out quarterly, Global Standard Performance Development (2010).

Consistency check meetings provide leadership teams in each business area with the opportunity to ensure that all performance rating decisions are fair and consistent and are justified in the context of the business performance delivered by the team. Through this method of benchmarking consistency checks help to ensure that rating decisions are robust, fair, informed and adequately differentiated. The ability of the employee to achieve the targets maximizes possibilities for career development and growth; it maximizes the likelihood of receiving greater reward and recognition in terms of bonuses. However as it is often the case with most human situations the laid down procedures are sometimes not appropriately applied despite there being a Barclays Performance Development Learner Guide which should guide the Banks' expected accurate assessing of correlation between performance appraisal and employee performance.

Interest performance management, performance contracting, appraisal and measurement have led to some quality studies being conducted in East Africa. Following an extensive research on International Organizations in this region, Mwema and Gachunga (2014) found out that to increase employee productivity, organizations employee appraisal should be guided by assessing how well targets, accomplishment, organizations goals, time and efficiency have been used and measured.

Additional findings underscored the values placed on training and development, skills and competence and effectiveness in communication factors which researchers found were of high influence potential to organizations' goal achievement (Njogu 2008). Another study conducted in financial institutions in Kenya, looked at the relationship between performance improvement and performance appraisal. The researcher concluded that service delivery and profitability were highly influenced by performance appraisal (Ndegwa 2007).

While these studies are beneficial to the researcher, they were either done in international organizations or looked at the effect of performance appraisal on the organizations' performance. None however has highlighted the effect of performance appraisal on the employee performance in the financial institutions hence a knowledge gap. This study therefore sought to fill this gap by determining the effect of performance appraisal on the employee performance with major focus on Barclays Bank, Kenya.

1.3 Objectives of the Study

The following were the objectives of the study:

1. To determine the effect of job satisfaction on employees' performance in Barclays Bank of Kenya
2. To find out the effect of employee motivation on employees' performance in Barclays Bank of Kenya
3. To identify how career progression affects employees' performance in Barclays Bank of Kenya

1.4 Research Questions

1. What is the effect of job satisfaction on employees' performance in Barclays Bank of Kenya?

2. How does employee motivation affect the performance of employees' in Barclays Bank of Kenya?
3. What is the effect of career progression on the performance of employees' in Barclays Bank of Kenya?

1.5 Significance of the Study

This study aims at increasing knowledge on performance appraisal to enable organizations to assess their employees with a view to providing guidelines for positive improvement. This will also highly reflect the significance of consistence performance appraisal by establishing a better understanding and appreciation between employer and employee by highlighting areas of mutual interest. Finally the study will bridge a gap between human resource appraisal information and performance review system by adding a fresh field based data on reward performance.

1.6 Scope of the Study

One of the leading commercial banks in Kenya with vast experiences and countrywide coverage is Barclays Bank of Kenya. This study thus focused on performance appraisal as human resource activity in Barclays Bank of Kenya and how this affects the employee performance. The employee performance was measured in terms of job satisfaction, employees' motivation and employee career progression. The study was mainly done in all the branches in Nairobi.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents review of theoretical literature followed by empirical literature. The chapter also presents the theoretical framework and the conceptual framework.

2.2 Theoretical Review

Theories are formulated to explain, predict, and understand phenomena and, in many cases, to challenge and extend existing knowledge, within the limits of the critical bounding assumptions. The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory which explains why the research problem under study exists.

Before diving into the empirical and analytical discussions about performance appraisals it is important to situate the argument within a theoretical context. First because the researcher was examining how performance appraisal affects employees' performance, the researcher examined the different theories that deal with performance appraisal systems, job satisfaction and motivation. This includes theories that deal with fairness at work such as the Organizational Justice Theory and Social Justice Theory.

This research was based on the organizational justice theory advocated by Greenberg (1987). Byrne and Cropanzano (2001) define organizational justice as the study of fairness at the workplace. Most of the researches conducted on organizational justice support the fact that there are two main categories of fairness at work; with a third one proposed by researchers without a very clear definition. Most of the researchers are agreeable with Distributive justice which is the primary type of justice. Distributive justice is focused on the repercussions of the performance review discussions, agreed ratings and action plans between

a team leader and a team member. On the other hand procedural justice is concerned with the effectiveness of the processes of performance development reviews that are used to measure the performance of individual employees.

Numerous researches carried out in the last twenty years are underpinned on the first two primary categories as observed by Byrne and Cropanzano (2001). According to Bies and Moag (1986) Interactional Justice which is a third form of justice though not clearly defined is concerned with how team leaders interact and treat their team members. Generally there should be guiding principles in place that form the foundation for the culture an organization aims to foster. A third type of justice is often referred to as interactional justice. This was generally researched further by Bies (1987) by adding an element of social justice to interactional justice.

The primary social justice theory was advocated by Adams (1963) and Homans (1961). The one on one dialogue between a team leader and a team member is accepted as fair if their output is proportional to the rewards for excellent performance. The best way to ensure that performance is measured accurately is to have put together a robust performance development plan. Clearly defined actions against specific, measurable, accurate, realistic and time bound objectives and detailed specific deliverables will ensure that measurement becomes easy. Initial researches were concerned with this fairness of allocating resources for instance how much an employee earned and resource allocation to business units. This was later referred to as distributive theory derived from the 'equity' theory; reason being it was concerned with resource allocation or subdivision.

Further researchers observed that if the procedure of performance development review is accepted by the employees they will accept unfair allocation of resources to a certain extent. Successfully navigating the way through this part of the process will ultimately ensure that performance review work for employees and for the corporate whole. This

phenomenon is what is defined as procedural justice as advocated by Cropanzano & Folger, (1991); Greenberg, (1990); and Leventhal, (1980).

Numerous researches have been undertaken on the process of performance appraisal and the fairness of outcomes. The areas covered consist of evaluating the review systems to test dependability and the feedback employees give on the fairness of review outcomes whether it is rewards, promotions, training or dismissals. Most researches are in reference to various studies conducted by Thibaut and Walker (1975) that examined systematically employees' perception of the validity of the review outcomes especially when they are negative and diverse methods of resolving them. Subsequent studies by Leventhal (1980) investigated the two primary categories of justice; distributive and procedural to consist other components such as specified distributive techniques and other underlying procedural elements apart from monitoring the performance appraisal systems. In the present dynamic and competitive business environment organizations should be more flexible and should therefore keep improving the performance review system to make it more aligned to the specific organizational and individual goals and objectives.

Later research by Brockner (2002) investigated the impact that favorable results and fair process has on those who make decisions, the employee's acceptance of the decision and the corporate whole. The investigations adduced that if the performance review procedures are strictly followed to the letter; then the employees' acceptance is lower as opposed to when there is a certain degree of unfairness in the procedure. Suggestions by Brockner, Siegel, Daly, Tyler and Martin (1997) are that fairness of the process does not affect the people's perception of the ratings of performance and the outcome thereafter but the extent to which employees embrace and accept other factors considered in the review systems such as the key performance indicators. There is a general feeling that in service delivery it is not

possible to capture all that an individual employee does on a scorecard hence it becomes tricky on how performance is measured.

Organizational justice theory was first applied to performance development reviews by Greenberg (1986). One of the research questions was 'what makes a performance review discussion fair'. Greenberg investigated whether the rewards one receives are the basis of an acceptable and fair review or it is the process of decision making or both. He suggested seven subdivisions underpinned on the two primary types of fairness namely procedural and distributive justice. These consist of team leader's proactively meeting with the team member where actions to help raise the bar in terms of performance are agreed, an open dialogue in a one on one formal quality review meeting where progress is discussed and way forward defined, appeal process in case of dissatisfaction with the rating, the traits of a rater such as being consistent in the application of organizational performance standards and how well the team leader understands the job performance being measured.

The other two factors included in the distributive category are; the actual rating of an employee's performance and rewarding of performance such as pay raise and promotions to a more challenging role. In large organizations consistency check meetings are held after the reviews to provide leadership teams in each business area with an opportunity to ensure that all performance rating decisions are fair and consistent and are justified in the context of the business performance delivered by the team.

2.2.1 Comprehensive View of Performance Appraisal

Evaluation of the performance is part of management policy in most organizations. It is perceived therefore that the process of setting up appropriate evaluation systems will include implementing, communication and managing of the situations where the subordinates are working.

Employees are primary contributors to goal achievement and fulfillment of objectives. Their input toward the success of the organization can be measured in structured settings or unstructured situations (Carroll & Schneier, 2002). The findings become the property of the organization and must be conducted within specific time limits and must also include a persons' traits and behavior rating Coens and Jenkins (2000)

Strong suggestions were accented by Karol (2006) which invited a consideration for a meeting between manager and subordinate for the purposes of reviewing the past and projecting future involvement. In most cases performance appraisal process may include many components. Suggestions have included as many as thirteen interfacing factors, (Landy and Farr 2000), while others have narrowed down to four basic involvements (Mohrman, Resnick-West and Lawler 2003). These four include clarifying what the process is or should be, actual assessment, communicating the outcome both to the organizational systems and to the individual being reviewed. Other researchers have identified rightly the additional legal component and appreciation systems for the employees (Latham and Wexley 2001). They have also observed the value added by preparing the observers adequately.

One item most ignored and should be considered from the onset is that due to the structured nature of the process and the expected outcomes some tension do exist between the person conducting the evaluation and the one to be assessed and therefore has very low motivation when being done (Folger and Lewis 2003).

The twofold contributions of the appraisal system will affect both the high rated employees and the not well performing employees. In essence promotions, merits and commendations are guided by the results from assessment. On the other hand those who do not score highly may find themselves on the opposite even in some cases being laid off or demoted. A word of caution on this latter remark is that an organization needs to understand the rights and conditions of an employee as stipulated in the employment contracts. Failure to

take this into consideration may result in law-suits which have the potential of hurting the organization badly.

2.2.2 Approaches to Assessing Performance Appraisal

The success of performance review systems evaluation is yet to be given due attention by researchers which means the effectiveness of the systems are yet to be fully tested. Consistency check and dependability of performance appraisal systems is an area for researchers to focus on in order to keep improving, controlling and managing it to serve its purpose effectively.

Mohrman, Resnick-West and Lawler (2003) states that the most important indicators in the efficacy of the performance review system is the purpose for which it has been implemented. An efficient performance review system has the following characteristics; : helps to calculate pay: ascertains and communicates decision pertaining to pay ; provides both developmental and constructive information and support; enhances the definition and goal setting for future work and mutual tasks; performance development plans are agreed and this information stored, the employees efforts in meeting the business objectives are registered and allow the team member to provide feedback about the performance discussion and working conditions and helps the employee to understand their role and how they are able to align their efforts with the organization objectives.

Establishing standardized systematic evaluation procedures and clearly communicating appeals will further increase performance effectiveness. This provides an opportunity for employees who perceive unfair treatment or judgement to defend their cause (Roberts, 2001, Bernardin & Beatty, 2004, Greenberg & Tyler, 2007).

Mohrman, Resnick-West and Lawler pointed out that team leaders need to provide constructive feedback to team members in the right way to ensure motivated teams and great performance. No one is perfect hence if feedback and coaching is promptly provided it

enables employees develop their full potential. Feedback may include giving praise for work well done, giving encouragement to build confidence, discussing the areas where extra effort is needed or where work needs to be done in a different way and clarifying immediate priorities. Ultimately feedback and coaching must enable employees develop to their fullest potential if it becomes part of a daily routine rather than when performance development review time comes around.

How employees view the systems is equally significant with reference to evaluations ratio potential outcomes as observed by Mohrman and Lawler (2003), DeVries, Morrison, Schullman and Gerlach (2004). It has also been pointed out elsewhere by Giles and Mossholder (2000) on the need to establish acceptable scales which are to be perceived as fair and accurate by the employees during performance appraisal evaluations.

2.3 Empirical Review

Regular performance development reviews as a goal oriented plan is a powerful tool of fostering high performing organizations such as schools. There are many setbacks in the institutions of learning hence performance development reviews enhance recognition and rewarding of excellent performance. It motivates staff to do their best in anticipation of being recognized and rewarded for their efforts. Cole (2002) observed that when challenges such as training needs and working conditions are addressed the teachers will perform optimally and deliver for the organization.

Major focus has been to diversify the training to include learning on the role, emphasizing the importance of sessions of learning both in house and organized workshops and team building events, Emojong (2004). These learning sessions could produce better results if they considered the participation of the employees on how they should be facilitated, who the facilitators should be or what should be taught.

Technological advancement in today's world as observed by Scott and Finch (2005) has improved performance development reviews especially in big organizations though this idea has also been adopted by the small medium firms. This is whereby the employee performs self assessment using the desktop computer or laptop and the manager reviews and comments on the core objectives under review. Biases can be avoided by employing standard ratings and through the 360 degree multisource feedback from colleagues.

Khan (2007) notes that the current employees role is the most important factor to determine whether to grant promotion or not. Openness and accountability on the review procedure motivates the employees to perform well in their roles if they perceive that the outcomes and the processes are fair. Team leaders and team members are therefore able to focus on strategic planning on the key areas that require attention and enhancement. The organization and the individual employees are protected from partial treatment and enhance continuous and timely feedback. Performance review and feedback should be customized to the organizations objectives, goals and values considering the employees dreams and career aspirations. More researches in this area are required to test whether the above are in existence in organizations.

Effective performance reviews have the following components; including organizational goals and objective as part of performance review discussions and the expected contribution by the employee; underpinning performance reviews on exact role of the employee; providing regular feedback and coaching to help employees put extra effort on their performance for instance giving the employee a more challenging role and offering guidance and support (Fletcher 2004).

Performance development reviews should be given due attention by both the appraisers and the appraisee where feedback on performance is provided on a daily basis to the appraisee and it is expected that the appraisee should consistently stretch to high standards of

performance thus improving the overall organizational performance. Additionally in the dynamic business environment performance development review systems require consistent monitoring and necessary changes to be aligned with the organizational goals and objectives hence the need for this research.

According to DeNisi and Pritchard (2006) organizations should have components in the performance development reviews that can motivate employees to double their efforts and enhance their contribution to the organizational goals and objectives. In reviewing the perception of fairness of employees research shows that this has not been addressed appropriately by most organizational justice studies documented in other countries or diverse populations (Colquitt, Conlon, Wesson, Porter and Ng 2001). Therefore, the objective of this research is to begin to address these gaps in the literature. It is generally suggested that employees will readily support performance reviews that seem accurate in terms of performance measurements to enhance their consistent contribution to the organizational goals and objectives in subsequent reviews.

The reviewed literature looked at aspects of the performance management on employee performance. For instance Cole (2002) highlighted the challenges training needs had on the performance of employees and how working conditions influenced the performance of the employees. Another literature on the effect of training was highlighted by Emojong (2004) where he found that learning sessions produced better employee results. Another focus on the aspects of performance appraisal was by Khan (2007) who noted that openness and accountability in the review procedure motivates employees to perform.

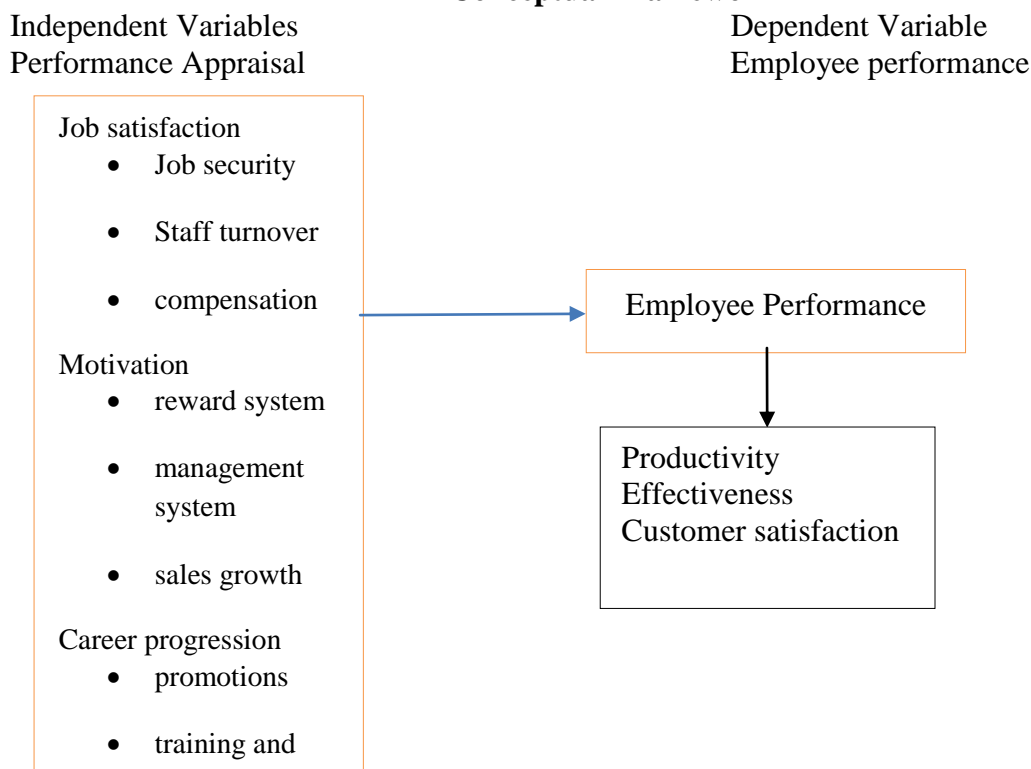
However, review by Scott and Finch (2005) demonstrated that performance appraisal indeed influenced the employee performance. However, while the review highlighted the importance of performance appraisal on employee performance, none of the review

highlighted the effect of performance appraisal on the bank employees' performance hence a knowledge gap.

2.4 Conceptual Framework

The conceptual framework below will help in this study by organising and addressing the effect of performance appraisal on employees' performance in Barclays Bank of Kenya. In the conceptual framework the researcher demonstrates that the adoption of performance appraisal will enhance the employee job satisfaction as the evaluation will lead to compensating employees based on their efforts and competencies. The appraisal will lead to employees' motivation as appraisal will lead to recognition of individual employees' efforts. Employees' career advancement will be enhanced through constructive and developmental feedback by identifying key capabilities and areas that can be improved through training. This is illustrated in Figure 1.

FIGURE 1
Conceptual Framework



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents all the aspects of the research methodology to be used in this study. It is organized into the following sections: research design, target population, sampling technique, research instruments and design, data analysis and ethical consideration.

3.2 Research Design

This study adopted descriptive research design in investigating the effect of performance appraisal on employees' performance in Barclays Bank of Kenya. Descriptive survey design according to Kothari (2003) is a powerful form of quantitative analysis. This design was preferred because it enables the researcher describe the area of research and explain the collected data in order to investigate the differences and similarities with our frame of reference within a given period of time (time of research) (Mugenda and Mugenda, 2003). Additionally, the method allows the researcher to collect information from the participants in the environment accustomed to them which results in a description of the data, whether in words, pictures, charts, or tables. Moreover, much of the data collected from the respondents will be quantitative in nature. This design gave the researcher a comprehensive picture of the variable relationship since the method is the only means of accurately measuring.

3.3 Target Population

The target population in this research comprised all the employees of Barclays Bank of Kenya in Nairobi branches. According to Barclays Bank of Kenya Human Resource Department Resourcing Section (2014), there were 479 permanent employees from 51 branches.

3.4. Sampling Techniques

The study used systematic stratified sampling design to select 15 branches from the list of 51 provided by the Barclays bank human resource department. This ranged from big branches, medium branches and small branches. This represented 30% of the population which is the recommended representation of the target population by Mugenda and Mugenda (2003). The study then used stratified simple random sampling to select 144 respondents from the preselected branches out of the 479 employees. This represented 30% of the target population according to the recommendations by Mugenda and Mugenda (2003). Stratified sampling was used as it made it easier to classify the sample into two main categories; managers and subordinates. Out of the 235 staff in the preselected branches 50 were branch managers and 185 were subordinates. All the 50 managers from the preselected branches participated because of their small numbers and also in order get responses from both the senior managers and the employees. Out of total number of the 185 subordinates in the preselected branches 50% were sampled that is 94 employees. This was because the managers were fewer in proportion to the subordinates.

The table below shows the sample size and distribution

TABLE 1**Sample Size**

Branch	Permanent employees	Managers	Subordinates	50% subordinates	Total sample
Ruaraka	21	5	16	8	13
Westlands	25	6	19	10	16
Muthaiga	11	2	9	4	6
ABC	12	3	9	4	7
Sarit	15	3	12	6	9
Village	15	3	12	6	9
Pangani	8	2	6	3	5
Waiyaki	8	2	6	3	5
Chomba	9	2	7	4	6
River Road	15	3	12	6	9
Enterprise Road	26	5	21	11	16
Karen	24	5	19	10	15
Thika Rd	14	3	11	5	8
UON	7	2	5	3	5
Market	25	4	21	11	15
TOTALS	235	50	185	94	144

3.5 Research Instruments

Research instruments consisting of questionnaires developed by the researcher were used to collect data. According to the study conducted by Orodho (2004) questionnaire has the ability to measure in support or object a particular viewpoint. He further states that using a questionnaire allows a researcher to collect substantial details from the respondents within a short period of time. A five point structured Likert scale questionnaire was used to collect data and averages, percentages and correlation analysis used. When responding to a Likert questionnaire item, respondents are specific about their level of agreement or disagreement on a symmetric agree-disagree scale for a series of statements. Thus, the range of agreement or disagreement captures the depth of their feelings for a given statement.

Questionnaires were divided into four sections. Section one sought demographic information about the respondents such as gender, age, experience, level of education and status in the organization. The second section sought information on the effect of employee job satisfaction on employee's performance. Section three sought the information of the effect of employee motivation on employee's performance and the last section sought information on the effect of career progression on employee's performance in Barclays Bank.

3.5.1 Instrument Validity and Reliability

Validity is the degree to which a test measures what it purports to measure (Borg and Gall 2003). To test the validity of the questionnaires, the study sought expert judgment from the supervisors who sought to validate and enhance the value and content of research instruments. Any statement in the questionnaire that was found to be unclear in eliciting relevant information was modified and restructured.

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda and Mugenda, 2003). The test retest was used to establish instrument reliability. The researcher administered the questionnaires to the same group of persons after one week. Computation of the correlation between the scores of the two sets was carried out and coefficient obtained became the reliability estimate for each of the items tested.

To compute the coefficient, the researcher used the Cronbach Alpha formula:

$$Re = \frac{2r}{r + 1} \dots\dots\dots\{\text{Equation } i\}$$

Where Re = reliability of the original test

r = reliability of the coefficient resulting from correlating the scores of the odd items with the scores of the even items.

The research instrument will be deemed reliable if the reliability coefficient is above 0.5. The average reliability coefficient was 0.7 hence the instruments were deemed reliable.

3.6 Data Collection

The researcher administered the questionnaires to the respondents personally. The researcher booked appointments with the management of the respondent bank branches and notified them of the mission and purpose of the study and asked for permission to be allowed to administer the questionnaires to the employees. Drop and pick method was the most appropriate due to the fact that the bank employees are usually busy. The researcher therefore left behind the questionnaires for the respondents to complete at their own free time but to be collected at an agreed time.

3.7 Data Analysis

Data was first edited to identify and eliminate errors made by respondents. Coding was then done to translate question responses into specific categories. The coded items were analyzed with the aid of Statistical Package for Social Sciences (SPSS) software. Descriptive statistics such as means, modes, percentages and standard deviation were used to analyze the data. These were used to show the distribution of responses. The presentations were done in the form of tables, figures and charts.

Linear regression analysis was used to establish the relationship and magnitude between job satisfaction, motivation of employees and career progression (independent variables) and employee performance (dependent variables). According to Green and Salkind (2003) regression analysis is a statistical process of estimating the relationship between variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps one understand how the typical value

of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. The regression analysis results were presented using regression model summary tables, Analysis of Variance (ANOVA) table and beta coefficient tables.

Regression Equation

Employee Performance= f (Job Satisfaction, Motivation of Employee and Career Progression)

Linear Regression: $Y_i = \beta_0 + \beta_1 X_i + \varepsilon_i$ { Equation ii}

- Y_i - Outcome of Dependent Variable
- X_i - Level of the Independent (predictor) variable
- $\beta_0 + \beta_1 X_i$ - Linear (systematic) relation between Y_i and X_i
- β_0 - Mean of Y when $X=0$ (Y -intercept)
- β_1 - Change in mean of Y when X increases by 1 (slope)
- ε_i - Random error term

Where, Y_i - Employee Performance

β_0 - Constant (Performance Appraisal)

X_i - JS, ME, or CP (Independent Variables)

JS- Job Satisfaction

ME- Motivation of Employee

CP- Career Progression

β_1 - Coefficients of the independent variables

ε_i - Error term

3.8 Research Ethics

The researcher ensured confidentiality of the information given by the respondents. This was done by using the information without mentioning their specific names or the branch of bank. The respondents were also informed of their rights to participate in the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter covers data analysis, presentation and interpretation. The findings are presented in a way of addressing the research questions. Each section starts with brief introduction of the subtopic. It presents the descriptive statistics of the data, the regression results of the linear regression analysis and the results of the checks on the robustness of the model.

4.2 Response Rate

Data was collected from a sample of 144 employees in Barclays Bank of Kenya Nairobi branches. Out of the 144 questionnaires distributed 112 of them were received and used for analysis which was a 77.8% response rate, 32 questionnaires were not responded to. The collected data was then entered into spreadsheet and errors corrected. Statistical Package for Social Sciences (SPSS) software was then used for analysis which was done within the linear regression analysis frameworks.

4.3 Respondents' Demographic Information

In this section the study presented information on the respondents' background such as, gender, age, level of education, designation and the number of years in the organization. The findings of the study are presented in the subsequent sections.

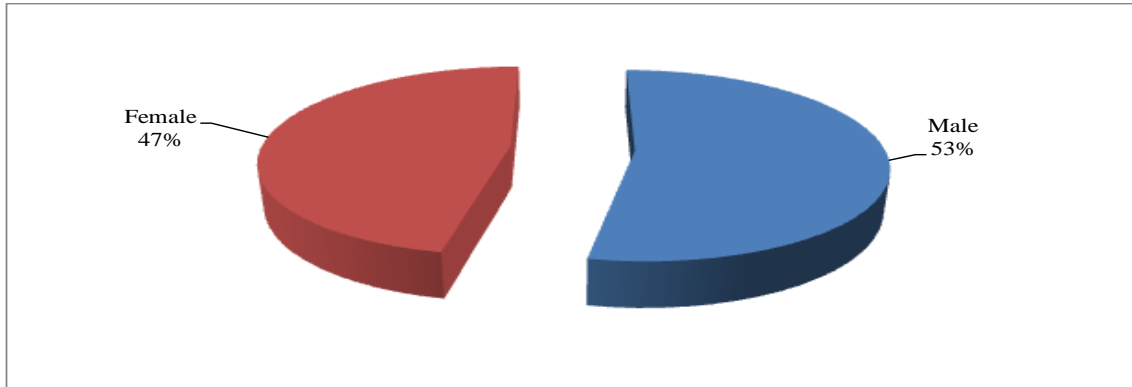
4.3.1 Gender

The study sought to determine the gender of the respondents to determine whether there was relationship between gender and employee performance. The study findings show that there were slightly more male (53%) than female employees at (47%) Barclays Bank of

Kenya. The findings mean that the distribution of the respondents according to gender was even.

FIGURE 2

Distribution by Gender



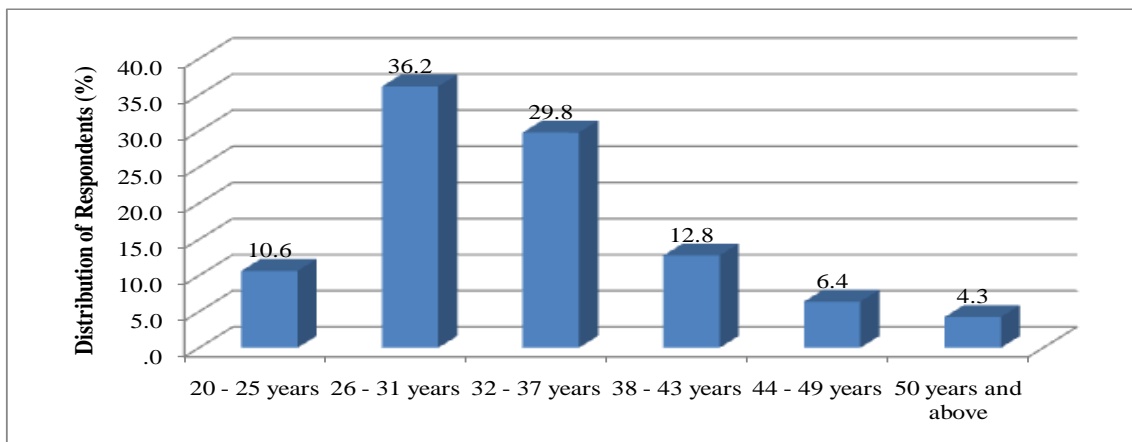
4.3.

2 Age

The respondents were asked to state their age groups. The results in Figure 3 show that 36.2% of the respondents were in the age bracket 26 to 31 years. The findings further show that 29.8% of the respondents were in the age bracket of 32 to 37 years. The findings show that the respondents were concentrated in the ages between 26 to 37 years.

FIGURE 3

Distribution by Age

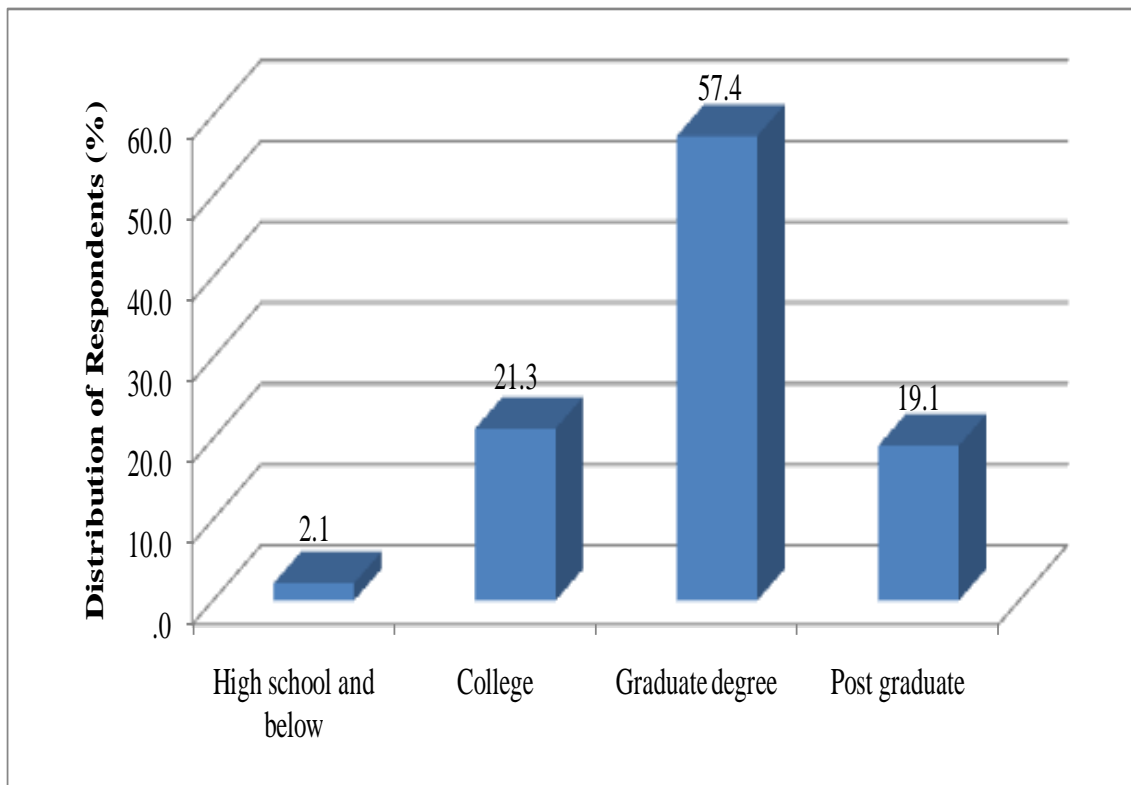


4.3.3 Level of Education

The study sought to determine the levels of education of the respondents. The results in Figure 4 show that most of the respondents (57.4%) were graduates while 21.3% had college education. The findings show that 19.1% of the respondents had post graduate education. The findings mean that the respondents were highly educated and therefore the responses provided for the study was highly informed.

FIGURE 4

Level of Education

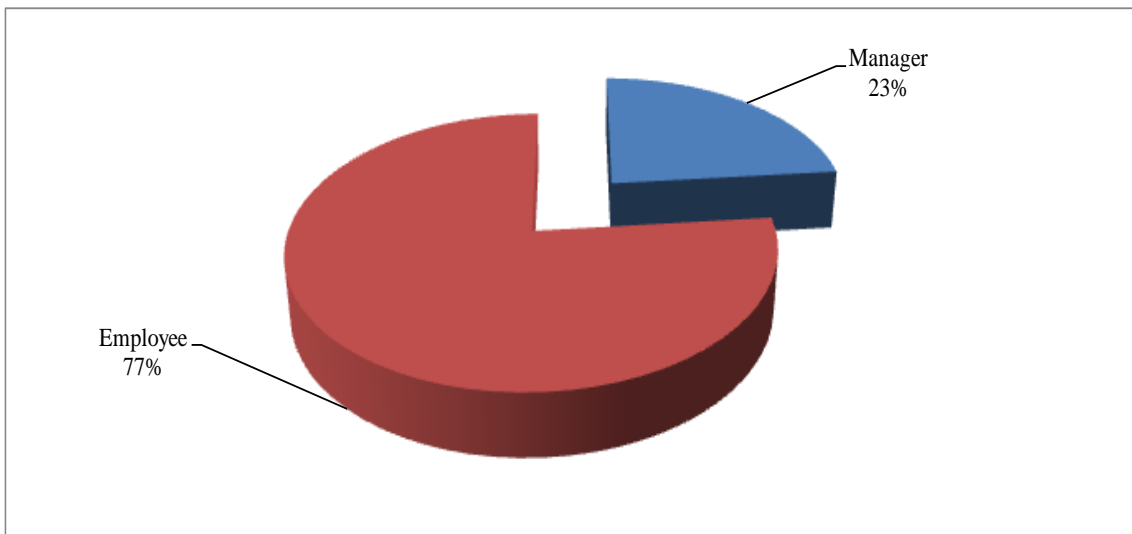


4.3.4 Designation

Respondents were asked to state their status in the organization. The findings in Figure 5 show that majority of the respondents (77%) were employees while 23% were managers.

FIGURE 5

Distribution by Designation

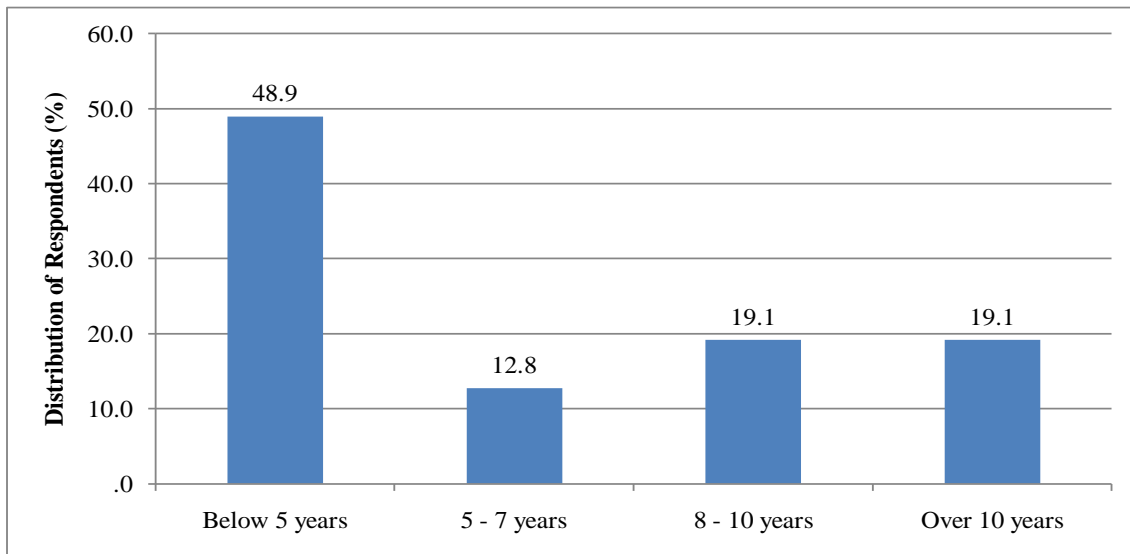


4.3.5 Experience in the Organization

The study sought to determine how long the respondents have been in the organization. According to the findings presented in Figure 6, 48.9% have been in the organization for just five years and below. The results show that 19.1% of the respondents have been in the organization for between 8 and 10 years while the same proportion has been in the organization for more than 10 years. The findings mean that most respondents have been in the organization long enough and therefore a high chance that the information provided about the organization is accurate.

FIGURE 6

Respondents Experience in the Organization



4.4 Effect of Employee Job Satisfaction on Employee's Performance

In this section the study sought to determine the effect of employee's job satisfaction on employee's performance. The respondents were therefore asked to state their levels of agreement which they provided on a scale of strongly disagree, disagree, neutral, agree and strongly agree. The score 0.1 to 1.0 is taken to represent strongly disagree, the score 1.1 to 2.0 represent disagree, the score 2.1 to 3.0 represent neutral, the score 3.1 to 4.0 represent agree and score 4.1 to 5.0 represent strongly agree. According to the results in Table 2, most of the respondents either agreed or strongly agreed (38.3% and 36.2% respectively) with the statement that they were happy working with Barclays. The mean score of 3.94 imply that generally, the respondents agreed that they were happy working with Barclays. The findings further show that most of the respondents either agreed or strongly agreed (48.9% and 29.8% respectively) that the performance appraisal improved employee productivity. The study findings show that generally, the respondents strongly agreed with the statement (mean score 4.04). With regard to staff turnover, the study established that 42.6% of the respondents

agreed that there was low staff turnover at Barclays. The mean score results also confirmed this that generally the respondents agreed that there was low staff turnover at Barclays (Mean score 3.38). Asked to state whether they agreed with the statement as to whether the employees were fairly compensated, 44.7% of the respondents agreed that the employees were fairly compensated. The mean score show that the respondents generally agreed that the employees were fairly compensated. Lastly, on the role of management in encouraging employee performance, most of the respondents either agreed or strongly agreed (46.8% and 34.0% respectively) that the leadership and the management acted as a source of encouragement to employee performance. The findings also show that the respondents strongly agreed with the statement (mean score 4.11). The findings show that there were no variances in the responses (standard deviation ≤ 1) except the low staff turnover and employee compensation (standard deviation ≥ 1). The findings mean that generally the employees were satisfied with the organization.

These findings agree with the views of Bacal (2003) that performance reviews improved employees outputs through being satisfied with the process if accurate and fair. They also concur with Savery and Syme (1996) findings that there is a strong relationship between employees' job satisfaction and appropriate performance evaluation system where he argued that the evaluation system correlates best with increased dedication to the organization rather than pay raise or job security.

TABLE 2**Effect of Employee's Job Satisfaction on Employee's Performance**

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Happy with working at Barclays	2.1	12.8	10.6	38.3	36.2	3.94	.092
Performance appraisal improve employee productivity	0	4.3	17.0	48.9	29.8	4.04	.806
Low staff turnover at Barclays	8.5	21.3	10.6	42.6	17.0	3.38	1.243
Employees fairly compensated	4.3	8.5	25.5	44.7	17.0	3.62	1.012
Leadership and management act as source of encouragement to employee performance	0	4.3	14.9	46.8	34.0	4.11	.814

4.5 Effect of Employee's Motivation on Employee's Performance

The study sought to determine the effect of employee motivation on employee's performance in the organization. Respondents were therefore asked to state the extent to which they agreed with the statements provided. The findings of the study show that 42.6% of the respondents agreed that the performance appraisal is high motivation in employees. The results also show that 27.7% of the respondents strongly agreed that the performance appraisal is high motivation in employees. From the mean score results, the respondents generally agreed that performance appraisal is high motivation in employees (mean score 3.87). As to whether the employees appreciated the performance rewards, most respondents

either agreed or strongly agreed (40.4% and 17.0 respectively) that the employees appreciate the performance reward system. It is also clear that respondents generally agreed that employees appreciate performance reward system (mean score 3.64). The results of the study show that 44.7% of the respondents agreed that the management system motivates employees to performance well in their roles. The results further show that 25.5% of the respondents strongly agreed that management system motivates employees to performance well in their roles. The results show that generally, the respondents agreed that the management system motivated employees to performance well in their roles (mean score, 3.77). The findings show that 31.9% of the respondents agreed that the feedback was given on a continuous basis while 23.4% strongly agreed with the statement. As to whether the working environment was conducive for employees, 44.7% of the respondents strongly agreed with the statement while 21.3% agreed with the statement. In general, the respondents agreed that the working environment was conducive for employees (mean score 3.96). The findings show that there were no variances in the responses (standard deviation ≤ 1) except the management system motivates employees to perform well in their roles (standard deviation ≥ 1). The findings imply that the respondents generally agreed that the performance appraisal in the organization motivated employees at Barclays Bank of Kenya.

The study findings that the respondents agreed that the performance appraisal results were high motivation for the employees and due to the reward system agree with the theory advocated by Pulakos (2009) that the incentives for excellent performance will motivate employee or will be the basis for their performance. This implies that the employees knowing that hard work will be rewarded while laxity will be sanctioned will motivate the employees to work hard to improve their productivity. The findings are equally in agreement with Khan (2007) that performance appraisal facilitates the management input in promotions,

dismissals, layoffs and salary increases which motivates the employees as it leaves no room for biases in such administrative decisions.

TABLE 3

Effect of Employee Motivation on Employee’s Performance

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Performance appraisal results is high motivation in employees	2.1	6.4	21.3	42.6	27.7	3.87	.969
Employees appreciate the performance reward system	0	10.6	31.9	40.4	17.0	3.64	.895
Management system motivates employees to perform well in their roles	2.1	14.9	12.8	44.7	25.5	3.77	1.068
Feedback given on a continuous basis	0	12.8	31.9	31.9	23.4	3.66	.984
Working environment conducive	0	14.9	19.1	21.3	44.7	3.96	.122

4.6 Effects of Career Progression on Employee’s Performance

The study sought to determine the effect of employee career progression on employee’s performance. The respondents were therefore asked to state the extent to which they agreed with the statement on a scale of strongly disagree and strongly agree. The results of the study in Table 4 show that 42.6% of the respondents strongly agreed that promotions are rewards of exceptional performance while 38.3% agreed with the statement. The results show that generally the respondents agreed with the statement (mean score 4.15). The findings also show that most of the respondents (51.1%) agreed that the employees’ career growth is determined by performance appraisal. The results show that 27.7% of the

respondents strongly agreed that the employee career growth was determined by performance appraisal. It is evident from the findings that most respondents agreed that employee career growth was determined by performance appraisal (mean score 3.98). Majority of the respondents (61.7%) agreed that there was link between the current performance and the goals in the organization while 23.4% strongly agreed that there was link between the current performance and the goals in the organization. The findings show that generally, respondents agreed that there was link between the current performance and the goals in the organization (mean score 3.98). The study results show that 53.2% of the respondents agreed that the training needs were identified through performance appraisal. The results show that 23.4% of the respondents strongly agreed that the training needs were identified through performance appraisal. The findings show that generally, respondents agreed that the training needs were identified through performance appraisal (mean score 3.91). As to whether the salary increment was linked to performance appraisal, the results show that majority of the respondents (59.6%) strongly agreed that salary increment was linked to performance appraisal for managers while 14.9% agreed with the statement. The findings show that generally, the respondents strongly agreed that the salary increment was linked to performance appraisal for managers (mean score, 4.26). The findings show that there were no variances in the responses (standard deviation ≤ 1) except the salary increment was linked to performance appraisal for managers (standard deviation ≥ 1). The findings mean that performance appraisal enhanced career progression of employees.

The study findings that the employees career growth are determined by performance appraisals support Emojong (2004) findings that in house training programmes through on-job training, job related seminars and team building events in the organization affect the performance of the staff. These findings also echoed the views of Taylor (2003) that performance appraisal process offers employees the opportunity to receive both constructive

and developmental framed feedback about their strengths and weaknesses and growth potential which enhance their career growth.

TABLE 4

Effects of Employees Career Progression on Employee’s Performance

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Promotion are rewards of exceptional performance	0	8.5	10.6	38.3	42.6	4.15	.932
Employees career growth is determined by performance appraisal	2.1	4.3	14.9	51.1	27.7	3.98	.897
Link between current performance and goals in organization	2.1	6.4	6.4	61.7	23.4	3.98	.872
Training needs e identified through performance appraisal	0	8.5	14.9	53.2	23.4	3.91	.855
Salary increment linked to performance appraisal for managers	0	8.5	17.0	14.9	59.6	4.26	1.042

4.7 Regression Analysis

The study further carried out regression analysis to establish the statistical significance relationship between the independent variables notably job satisfaction, employee motivation and career progression on the dependent variable which was employee performance. According to Green and Salkind (2003) regression analysis is a statistics process of estimating the relationship between variables. Regression analysis helps in generating equation that describes the statistics relationship between one or more predictor variables and the response variable.

Due to the variables involved in this research, job satisfaction, motivation of employees, career progression and employees performance it was established that regression analysis was the most practical methodological approach. The regression analysis results were presented using regression model summary tables, analysis of variance (ANOVA) table and beta coefficient tables.

The model is represented by:

$$\text{Employee Performance} = \beta_0 + \beta_1 X_i + \varepsilon_i \dots \dots \dots \{ \text{Equation iii} \}$$

Table 5 presents the regression model on performance appraisal versus employee performance. As presented, the coefficient of determination R square is 0.669 and R is 0.818 at 0.05 significance level. The coefficient of determination indicated that 81.8% of the variation on the employee performance is influenced by performance appraisal. This implies that there exists a strong relationship between performance appraisal and employee performance.

TABLE 5
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.669	.646	.660

a. Predictors: (Constant), Career progression, Job satisfaction, Employee motivation

Table 6 presents the results of Analysis of Variance (ANOVA) on performance appraisal and employee performance. The ANOVA results for regression coefficients indicates that the significance of the F is 0.00 which is less than 0.05 hence implying that there is a positive significant relationship between performance appraisal and employee performance.

TABLE 6
ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.897	3	12.632	28.983	.000 ^a
	Residual	18.742	43	.436		
	Total	56.638	46			

a. Predictors: (Constant), Career progression, Job satisfaction, Employee motivation

b. Dependent Variable: Employee performance

The study further determined the beta coefficient of effective of performance appraisal versus employee performance. Table 7 show that there was negative relationship between the variables. The results show that all factors held constant there will be a 5.918 positive change in employee performance. The results show that a unit change in job satisfaction will results in to -0.341 change in employee performance. The findings further show that a unit change in employee motivation will result into -0.653 change in employee performance. The findings show that a unit change in career progression will result into a - 0.041 change in employee performance.

TABLE 7
Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.918	.453		13.074	.000
Job satisfaction	-.341	.144	-.314	-2.366	.023
Employee motivation	-.653	.201	-.524	-3.246	.002
Career progression	-.047	.161	-.041	-.290	.023

a. Dependent Variable: Employee performance

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the overall results of the study. It summarizes and draws conclusions on the findings of the objectives of the study. This chapter also highlights recommendations and areas for further study.

5.2 Summary of Findings

The study sought to achieve specific objectives which were; to determine the effect of employee's job satisfaction on employee's performance in Barclays Bank of Kenya; to find out the effect of employee's motivation on employee's performance in Barclays bank of Kenya and to identify the effect of employee's career progression on employee's performance in Barclays Bank of Kenya. The study objectives were achieved through data collection using a structured questionnaire that captured all the information on the four variables. The study utilized linear regression analysis methods where a sample of 144 employees out of the 479 employees in Nairobi branches were selected for the purposes of the study using stratified random sampling. The analysis was done within the dynamic of linear regression analysis frameworks and descriptive statistics were employed and presentations of results were done using correlation matrix tables and coefficients estimate table.

5.2.1 Employee Job Satisfaction and Employee's Performance

The study established that majority of the respondents (74.5%, mean score 3.94) indicated that they were happy working with Barclays Bank of Kenya. The findings further revealed that 78.7% of the respondents strongly agreed that the performance appraisal improved employee productivity. The study established that 42.6% (Mean score 3.38) of the

respondents agreed that there was low staff turnover at Barclays. On compensation, 44.7% of the respondents indicated that the employees were fairly compensated. The study established that majority of the respondents (80.8%) indicated that the leadership and the management acted as a source of encouragement to employee performance.

These findings agree with the views of Bacal (2003) that performance reviews improved employees outputs through being satisfied with the process if accurate and fair. They also concur with Savery and Syme (1996) findings that there is a strong relationship between employees' job satisfaction and appropriate performance evaluation system where he argued that the evaluation system correlates best with increased dedication to the organization rather than pay raise or job security.

5.2.2 Employee's Motivation and Employee's Performance

The study established that majority of the respondents (70.3%) agreed that the performance appraisal results in high motivation in employees. The results revealed that most respondents (57.4%) indicated that employees appreciate the performance reward system. The results revealed that 70.2% of the respondents agreed that the management system motivates employees to perform well in their roles. The findings further revealed that majority of the respondents (66%) stated that the working environment was conducive for employees.

The study findings that the respondents agreed that the performance appraisal results were high motivation for the employees and due to the reward system agree with the theory advocated by Pulakos (2009) that the incentives for excellent performance will motivate employees or will be the basis for their performance. This implies that the employees knowing that hard work will be rewarded while laxity will be sanctioned will motivate the employees to work hard to improve their productivity. The findings are equally in agreement with Khan (2007) that performance appraisal facilitates the management input in

promotions, dismissals, layoffs and salary increases which motivates the employees as it leaves no room for biases in such administrative decisions.

5.2.3 Employee's Career Progression and Employee's Performance

The study established that majority of the respondents (80.9%) strongly agreed that promotions are rewards of exceptional performance. The study further revealed that according to majority of the respondents (78.8%), the employees' career growth is determined by performance appraisal. Majority of the respondents (85.1%) agreed that there was link between their current performance and the goals in the organization. The study results show that 86.6% of the respondents agreed that the training needs were identified through performance appraisal. The findings show that 74.5% of the respondents agreed that salary increment was linked to performance appraisal for managers.

The study findings that the employees career growth are determined by performance appraisals support Emojong (2004) findings that in house training programmes through on-job training, job related seminars and team building events in the organization affect the performance of the staff. These findings also echoed the views of Taylor (2003) that performance appraisal process offers employees the opportunity to receive both constructive and developmental framed feedback about their strengths and weaknesses and growth potential which enhance their career growth.

5.3 Conclusion

The study concludes that through the performance appraisal practices, fair compensation and management support, employees' productivity has been enhanced through job satisfaction.

The study further concludes that performance appraisal practices have enhanced employee motivation through the performance reward system, management system and the working environment.

Following the findings, the study concludes that the performance appraisal at Barclays Bank of Kenya enhanced the employee's career progression through career growth, link between performance and employee goals in the organization and the link between reward and performance.

5.4 Recommendations

The study established that through performance appraisal, the Barclays Bank of Kenya has managed to enhance their employee productivity through enhanced employee satisfaction. The study recommends that for sustainability of the employee productivity, the organization should look for best practices of performance appraisal that will be appealing to the employees as a strategy for enhanced employee's output.

The study further established that performance appraisal at Barclays Bank of Kenya enhanced employee motivation which minimized employee turnover in the organization. The study recommends that the organization should enhance the rewarding system in the organization with the aim of retaining top talent through best practices.

The study established that the performance appraisal in the organization enhanced employee performance through career progression. The study recommends that the organization should create more opportunities for career growth within the organization to encourage the employees to perform exceptionally. This will indeed help Barclays Bank of Kenya maintain its standards as a high performing organization.

5.5 Suggestions for Further Research

The study was done on Barclays Bank of Kenya only. The researcher recommends that further study should be done in other financial institutions with the aim of determining the influence of performance appraisal on employee performance. The study was limited to job satisfaction, employee motivation and career progression, the researcher recommends that

further studies should be done on other determinants of performance such as employee effectiveness.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

I'm a student from KCA University pursuing my MBA in Corporate Management. As part of my study in completion of the course I am required to conduct a research study. My topic is "Effect of performance appraisal on employees' performance in Barclays Bank of Kenya ". I'm kindly requesting you to take your time briefly to complete this questionnaire. The information given will be taken with much confidence and it will be used strictly for academic purposes to assist in the accomplishment of the course.

Research topic: 'Effect of performance appraisal on employees' performance in Barclays Bank of Kenya'

Section A: Demographic Information

1. What is your gender?

Male () Female ()

2. What age group do you fall under?

20- 25 years [] 26-31 years []

32- 37 years [] 38- 43 years []

44- 49 years [] 50 years and above []

3. What is your highest level of education? High school and below ()

College () Graduate Degree () Post graduate ()

4. What is your status in the organization?

Manager () Employee ()

5. How many years have you completed in the organization?

Below 5 years () 5 – 7 years () 8 – 10 years ()

Over 10 years ()

Section B: Effect of Employee’s Job Satisfaction on Employee’s Performance

On a scale of 1-5 how do you rate the following in terms of the effect the employee job satisfaction has on employee’s performance in Barclays Bank. (where 5= Strongly Agree(SA) 4=Agree (A)3=Neutral(N) 2=Disagree(D)1=Strongly Disagree(SD)

	SA 5	A 4	N 3	D 2	SD 1
I’m happy working with Barclays Bank					
Performance appraisals improves employees productivity					
There are low staff turnovers in Barclays Bank					
Employees are fairly compensated for their performance					
Organization leadership and management act as a source of encouragement to employees performance					

Effect of Employees Motivation on Employees Performance in Barclays Bank of Kenya

On a scale of 1-5 how do you rate the following in terms of the effect the employee’s motivation has on employee’s performance in Barclays Bank. (where 5= Strongly Agree(SA) 4=Agree (A)3=Neutral 2=Disagree(D)1=Strongly Disagree(SD)

	SA 5	A 4	N 3	D 2	SD 1
Performance appraisals results in high motivation in employees					
Employees appreciate the performance reward system					
The management system motivates employees to perform well in their roles					
Feedback on performance is given on a continuous basis					
The working environment is conducive for employees					

Effect of Employee’s Career Progression on Employee’s Performance in Barclays Bank of Kenya

On a scale of 1-5 how do you rate the following in terms of the effect the employee’s career progression has on employee’s performance in Barclays Bank. (where 5= Strongly Agree(SA) 4=Agree (A)3=Neutral 2=Disagree(D)1=Strongly Disagree(SD))

	SA 5	A 4	N 3	D 2	SD 1
Promotions are rewards of exceptional performance					
Employees career growth is determined by performance appraisal					
There is a link between my current performance and my goals in the organization					
Training needs are identified through performance appraisal					
Salary increment is linked to performance appraisal for managers					

Thanks for your cooperation and God bless!!!!

APPENDIX II: BARCLAYS BANK BRANCHES IN NAIROBI

1. ABC Premier Life Branch
2. Avon Centre Branch
3. Bunyala Rd Branch
4. Buru Buru Branch
5. Development House
6. Eastleigh 6th Street
7. Eastleigh Branch
8. Enterprise Premier Life
9. Enterprise Rd Branch
10. Enterprise Rd Corporate
11. Gikomba Branch
12. Haile Selassie Branch
13. Harambee Premier Life
14. Hurlingham Branch
15. Hurlingham Premier Life Branch
16. JKIA Branch
17. Karen Branch
18. Karen Premier Life Branch
19. Kariobangi, Nbi Branch
20. Kawangware Branch
21. Lavington Branch
22. Market Branch
23. Moi Avenue Nairobi Branch
24. Moi Avenue Premier Life Nairobi Branch
25. Muthaiga Branch
26. Premier Corner
27. Nairobi University Branch
28. Nairobi West Branch
29. Nakumatt Embakasi Branch
30. Nakumatt Westgate Branch
31. Pangani Branch
32. Parklands Branch

33. Parkside Towers Branch
34. Plaza Business Center Corporate Branch
35. Premier Flagship Centre
36. Plaza Premier Centre
37. Plaza Business Center Premier Life Branch
38. Queensway Hse Branch
39. Queensway Premier Corner
40. Queensway Hse Premier Life Branch
41. Rahimtulla Trust Towers Premier Life Branch
42. River Road Branch
43. River Road Branch (Chomba Hse)
44. Ruaraka Branch
45. Ruaraka Premier Life Branch
46. Sarit Premier Life Branch
47. Village Market Premier Life Branch
48. Westgate Premier Centre
49. Waiyaki Way Branch
50. Yaya Premier Life Branch
51. Westlands Branch