

Organizational Behaviour

Elixir Org. Behaviour 110 (2017) 48528-48539

Elixir
ISSN: 2229-712X

Effects of Performance Appraisal on Employee Performance in Kenyan Commercial Banks - A Case Study of National Bank of Kenya

Rose Mwende Malii and Lucy Gichinga

Jomo Kenyatta University of Agriculture and Technology P.O BOX 81310 Mombasa, Kenya.

ARTICLE INFO

Article history:

Received: 15 August 2017;

Received in revised form:

14 September 2017;

Accepted: 23 September 2017;

Keywords

Employee performance,
Performance Appraisal,
Employee Behavior,
Employee development,
Communication.

ABSTRACT

Performance appraisal (PA) is regarded as an effective tool of Human Resources Management used to measure the frameworks set by any organization to its employees by tracking individual contribution and performance against organizational goals. For organizations to achieve a competitive edge, a good performance Appraisal system must be put in place. This study was carried out to ascertain effects of Performance Appraisal on employee performance in National Bank of Kenya. The specific objective of the study were to determine the Communication, Administrative, Employee Development and Employee Behavior effects of Performance Appraisal on employee performance at National Bank of Kenya. The study adopted a descriptive research design as it intended to gather quantifiable information to be used for statistical inference through data analysis. This was because this method clearly shows effects of Performance Appraisal on the overall employee performance. The target population in this research comprised of 103 employees of National Bank of Kenya limited 5 Branches in Mombasa County. The sampling technique adopted in this research was stratified Random Sampling and a sample size of 56 employees was selected for the study. The main instrument of data collection used in this study was questionnaire which was administered to management staff, clerks and Direct Sales Representatives. The study used descriptive analysis which involved a process of transforming and presenting a mass of raw data into tables, charts, with frequency distribution and percentages. The collected data was analyzed using the Statistical Package for Social Sciences (SPSS) program version 21. Correlation and multiple regression analysis were used to determine the relationship between dependent variable and the independent variables. Descriptive statistics were represented by use of frequencies, measure of central tendencies (the mean, medium and mode) and also measure of dispersions (standard deviation, range and variance). Inferential data analysis was done by using the Pearson Correlation Coefficient which tested the hypotheses, regression analysis and multiple regression analysis. The research study found out that there was a positive and significant relationship between Communication and Employee Performance with a p-value of 0.001 which is below the required value of 0.05 level of significance. There was also a significant and positive relationship between Employee Behavior and employee Performance with a p-value of 0.016 which is less than 0.05 significance level. However an insignificant relationship existed between Administration and employee Performance with a p-value of 0.169 which is above the value of 0.05. Similarly the relationship between Development and Employee Performance and was insignificant with a p-value of 0.669 which is greater than 0.05 significant values. This indicated that performance appraisal according to this study has a great effect on employee performance in Kenyan commercial banks. The study further recommended that all institutions in the banking sector should embrace performance appraisal practice in this study as it greatly influences performance of employees.

© 2017 Elixir All rights reserved.

Introduction

This research was carried out to establish effects of performance appraisal on employee performance in National bank of Kenya Limited. The concept of performance means both behaviors and results. Mooney (2009) suggested that performance is not only related to results but it also relates with activities and behaviors of employees that they adopted to achieve their given goals. Lillian, Mathooko and Sitati (2011), Formal PA roots can be traced to Taylor's pioneering time and motion studies mainly in the 1940s and with the

help of this system; merit rating was used for the first time near the Second World War as a method of justifying an employee's wages. PA is a strategic tool for improving organizational effectiveness. A formal PA process involves carrying out a Job analysis, then development of standards against which performance will be measured. Ivancevich (2007), often the terms performance evaluation, performance review, personnel rating, merit rating, employee appraisal and employee evaluation are used interchangeably with performance appraisal.

According to Scott (2009), Performance is the way through which employees perform their duties and the evaluation is judging the performance of employees. Performance involves achievement of the goals given with the company guidelines. Performance is not simply finding a product but rather is the result of a comparison result and objective. Performance Management, Armstrong (2006), is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual. It includes activities which ensure that goals are consistently being met in an effective and efficient manner and focuses on the performance of an organization, a department or individual employee.

Performance Appraisal is the formal assessment and rating of individuals by their managers usually, at an annual review meeting Armstrong (2006). Becton, Giles & Schraeder, (2007), define PA as an evaluation of an employee's job performance to measure how effectively this employee is performing at their job.

PA as an element of performance management process has become important if the organizations are to take the advantage of their most important asset, human resource to gain high organizational performance and success. Chamberlin (2011), the aim of setting objectives is for people to know exactly what it is they have to do, when they have to do it, why they have to do it (i.e. for who) and how they are progressing along the way in doing their assignment'. For example 170 transactions by a teller per day in NBK is considered a sufficient day's work. Performance standards define the expected levels of performance, and are "benchmarks," or "goals," or "targets" depending on the approach taken. The next stage will involve conducting informal performance appraisals since appraisal is an ongoing process and finally, the last step involves conducting the formal performance appraisal which is usually carried out yearly or half yearly and communicating back the feedback to the employees on whether their performance is satisfactory or not and also communicates the areas of improvement.

The performance of a worker can be evaluated using different criteria Wall, Michie, Patterson, Wood, Sheehan, Clegg and West (2004), and the three primary options of evaluation are traits appraisal, behavior appraisal and results appraisal. According to Brown and Heywood (2005) and Addison, John & Clive (2008), a number of variables that may contribute to explaining the configuration of PA systems are identified and are classified into four categories: workforce characteristics, level of job control, related human resource management practices and structural features of the establishment.

Performance Appraisal methods and techniques are broadly classified into two categories: Traditional and Modern Methods and according to Fletcher and Bailey, (2003), the most popular methods used in the performance appraisal process include the following: Critical Incident Method, Ranking Method, Graphic Rating Scale, Management By Objectives (MBO), Weighted Checklist Method, Paired Comparison Analysis, Behaviorally Anchored Rating Scale (Bars), 360 Degree Performance Appraisal.

The purpose of performance appraisal according to McNamara (2007), is to provide a rational basis for the determination and management of internal relativity between jobs and for the design of pay structure.

Other benefits includes PA serves within an organization, include administration, development and communication.

Ashima and Gour, (2013), PA helps in Performance Feedback, Employee Training and Development Decisions, Validation of Selection process, Promotions and Transfers, Layoff Decisions, Compensation Decisions, Human Resource Planning (HRP), Career Development and Develop Interpersonal Relationship. Moses, (2015), in his study to ascertain the Influence of Performance Appraisal on Employee Performance in Commercial Banks in Trans Nzoia County – Kenya, revealed that the performance appraisal policy can be an effective tool in employee performance if it is perceived to be objective and fair in facilitating their upward mobility.

A bank as according to the banking Act (2004) is company which carries on or, proposes to carry on, banking business. Due to their importance in the financial system of a country and influence on national economies, banks are highly regulated and in Kenya this is done by the CBK.

According to Cytonn Investment (2015) Kenya as a country has got a total of 43 commercial banks, 10 microfinance banks, and 1 mortgage institution.

National Bank of Kenya Limited (NBK) is a major player in Kenya's banking industry. It is a fully fledged commercial bank which is listed in the Nairobi Securities Exchange and gives financial services to all sectors of the economy. It was incorporated on 19th June 1968 and officially opened in November 14th 1968. At that time it was fully owned by the Government and it was formed to help Kenyans get access to credit and to control the economy after independence.

The bank also owns subsidiary companies with 100% shareholding i.e. Nat bank Trustee and Investment Services Limited, Kenya National Capital Corporation Limited and NBK Insurance Agency Limited. It also has a growing network of 76 branch outlets across the country, 124 ATMs and electronic channels of Mobile and Internet Banking. NBK participates in Corporate Banking, Business Banking, Retail Banking and Islamic Banking with an extensive portfolio of products and financial solutions tailored for the requirements of the broad customer segments it serves.

Performance Appraisal policy is a critical factor in an organization in enhancing the performance of the employee and there is always a connection between how organizations manage their employees and the results they achieve. According to Tims, Bakker, and Derks, (2015), Employees who are engaged are more likely to stay with their current organization and stay committed to their organization. CIPD, (2008), support the view that whilst performance appraisal is an important part of performance management, it is only one tool amongst a range of tools that can be used to manage employee performance in an organization.

In many organizations appraisals are expected to fulfill numerous functions including: feedback, coaching, goal setting, skill development, pay determination, legal documentation, employee comparison, layoff and selection. Previous research indicates that PA is positively related to employee performance and also some organizations experience dissatisfaction with their PA systems. Rasch (2004), performance appraisal has a positive and negative impact. PA is an important strategy for Banks given the challenges faced in the financial sector, Kent, (2007), as it tends to offer a valuable opportunity to recognize and reward staff's efforts and performance, detect key barriers and

facilitation to work practice and identify professional development needs and opportunities.

According to Cytonn Investment (2015), the banking sector in Kenya has witnessed high competition among the various banks forcing them to repackage their services and products and adopting of strategies to satisfy the needs of customers and return their market share. Due to the high competitive nature in the Kenyan banking sector, the banks should embrace mechanisms and strategies to ensure that they achieve a high organizational performance thus develop a competitive advantage. The best way to achieve this would be by the organizations adopting an effective performance appraisal system thus ensuring that they get the best return from their most valuable asset, the Human Resource. An organization which usually appraises its human potential in a systematic and scientific manner paves way for enhanced corporate performance.

NBK, according National Bank of Kenya Ltd sources 2015 has undergone a role reclassification and restructuring program since the year 2012 as part of the transformation strategy that has seen cutting of cost by consolidation of different posts meant to improve employee performance. Due to this, the bank has had to introduce and adopt Performance Appraisal Process as a way to evaluate employee performance. According to Momeyer (2006), supervisors, employees and Human Resource administrators tend to be dissatisfied with their organizations PA system and view the process as an ineffective routine exercise which leads to unhealthy relationships between employees and supervisors. Pulakos (2004), in his survey indicated that only one in ten employees believe that their firm's appraisal system helps them to improve performance.

A number of studies have been conducted on PA in Kenya and none focused on the effects it has on employee performance in Kenyan banking sector. As a result, this research study was carried out to fill the knowledge gap by analyzing the effects performance appraisal adopted has on employee performance in Kenyan commercial banks with focus on National Bank of Kenya.

Objectives of the Study

1. To determine effects of communication on employee performance at National Bank of Kenya Limited
2. To establish the effects of administration on employee performance at National Bank of Kenya Limited
3. To establish effects of Employee Development on employee performance at National Bank of Kenya Limited
4. To establish effects of Behavior on employee performance at National Bank of Kenya Limited.

Related Literature

Theoretical Framework

There are several underpinning theories that can be adopted in the study of effects of appraisal on employee performance in organizations as discussed below.

Goal Setting Theory of Motivation

This theory tends to emphasize the important relationship between goals and performance in organizations. According to Locke and Latham, (2002) Goals have a pervasive influence on employee behavior and performance in organizations and management practice and therefore goals direct attention and action. The Assumption in this theory is that behavior is a result of conscious goals and intentions. Therefore, setting goals for people in the organization influences their behavior. Past research shows that Individuals who are provided with specific, difficult but

attainable goals perform better than those given easy, nonspecific, or no goals at all. However, according to Latham, (2003), the individuals must at the same time have sufficient ability, accept the goals, and receive feedback related to performance. According to the theory, there are two cognitive determinants of behavior: values and intentions (goals).

Fred (2011), Goals motivate people to develop strategies that will enable them to perform at the required goal levels. Finally, accomplishing the goal can lead to satisfaction and further motivation, or frustration and lower motivation if the goal is not accomplished.

Mitchell, Thompson & George – Falvy (2000), not only does the assignment of specific goals result in enhanced performance but that, assuming goal acceptance, increasing the challenge or difficulty of goals leads to increased motivation and increases in performance.

Expectancy Theory

According to Fred (2011), expectancy theory is a cognitive process theory of motivation that is based on the idea that people believe there are relationships between the effort they put forth at work, the performance they achieve from that effort and the rewards they receive from their effort and performance. The concept of the expectancy theory was first developed by Victor Vroom. According to him individuals change their behavior according to their anticipated satisfaction in achieving certain goals. As a result, motivation is a product of the anticipated value to a person in an action.

Expectancy theory is based on four assumptions. One assumption is that people join organizations with expectations about their needs, motivations, and past experiences, an individual's behavior is a result of a conscious choice, people want different things from the organization e.g. good salary, job security, advancement and challenge and the lastly people will choose among alternatives so as to optimize outcomes for them personally.

Fred (2011), the expectancy theory based has three key elements: expectancy, instrumentality, and valence. A person is motivated to the degree that they believe that; effort will lead to acceptable performance (expectancy), performance will be rewarded (instrumentality), and the value of the rewards is highly positive (valence). Vroom suggests that motivation, expectancy, instrumentality, and valence are related to one another by the equation;

$$\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}$$

Social Cognitive Theory

Social cognitive theory was introduced by Bandura (2001), a Stanford psychologist who translated his years of basic research using a behaviorist and social learning framework and the theory offered several major advances for the field of psychology and organizational behavior.

According to Bandura (2001), people have an agency or ability to influence their own behavior and the environment in a purposeful, goal – directed fashion. He noted that people are neither driven by inner forces nor automatically shaped and controlled by the environment; they function as contributors to their own motivation, behavior, and development within a network of reciprocally interacting influences.

Employees use the following basic human capabilities to self-influence themselves in order to initiate, regulate, and sustain their own behavior; symbolizing, forethought, vicarious learning, self-regulation, and self-reflection.

Bandura (2001) suggests that humans have a symbolizing capability that allows them to successfully react and then change and adapt to their respective environments. By using symbols, people process and transform immediate visual experiences into internal cognitive models that in turn serve as guides for their actions.

Bandura (2001) argues that through forethought, employees initiate and guide their actions in an anticipatory manner where they not only react immediately to their environments through a symbolic process, but also self-regulate their future behaviors and set goals for themselves. Almost all forms of learning can occur vicariously by observing the behavior of others and the subsequent consequences of their behaviors and according to the theory the acquisition of knowledge is critical for both learning and human performance.

Self-regulatory capability plays the central role in SCT. Accordingly, people do not behave to suit the preferences or demands of others and much of organizational behavior is initiated and regulated by internal self-set standards, and by self-evaluative reactions to exerted behaviors. The self-reflective capability enables the employees to think and analyze their experiences and thought processes and thus they can generate a specific knowledge about their environment and about themselves. SCT is an important theory in managing performance appraisal as it clearly specifies factors with which human action is determined and it assists in defining several basic human capabilities through which those processes operate to initiate, execute, and maintain organizational behavior.

2.3 Conceptual Framework

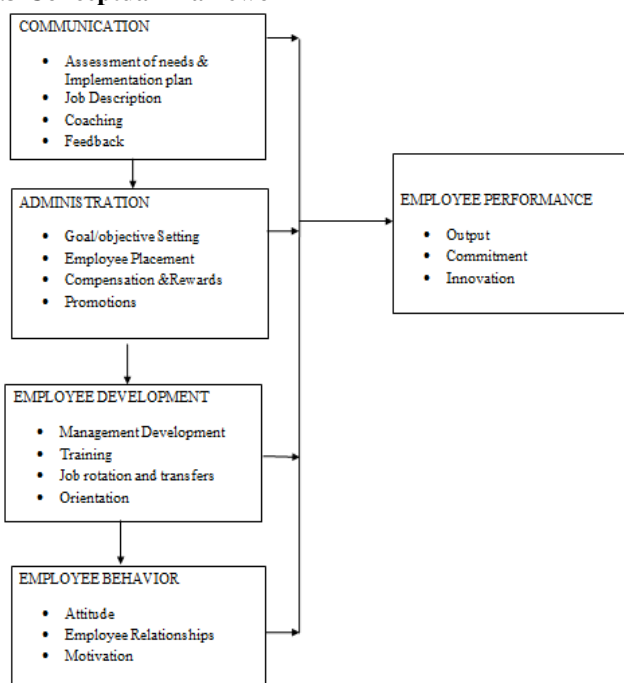


Figure 2.1. Conceptual Framework.

Effects of Communication on Employee Performance

Barrett (2006), Communication is the transmission of meaning from one person to another or to many people, either verbally or non-verbally and it is commonly depicted as a simple triangle consisting of the context (the message), the sender, and the receiver.

Performance appraisal communication is the process of sharing and transferring appraisals information between appraisers and appraisees which can be face-to face or through

technical and communication gadgets (Ahmad & Bujang, 2013). Caruth and Humphreys, (2008), PA is a unique and very important aspect of career development which entails a regular review of the performance of employees in the organization, Sole (2009) but doesn't stop there but goes further to communicate feedback to the employees. Ismail, Rozanariah, and Hamran, (2014) in their study found out that employees' feel satisfied whenever the managers provide clear explanation appraisal practices and adequate feedback in determining performance score thus the importance of Appraisal in providing feedback.

PA provides an opportunity for formal communication between management and the employees concerning how the organization believes each employee is performing. Communication during PA involves; Assessment of needs, Formulation of plans, implementation of the plan and Feedback. Goris (2007), communication improves employee job performance while poor communication results to low employee commitment to the organization. Brunetto and Farr-Whartons (2004), there is a strong relationship between communication processes and job satisfaction and affective job commitment. Robbins and Coulter (2002), PA fulfills an important communicative function by reinforcing and entrenching the organization's core values and competencies. Armstrong and Baron (2005), when employees work together effectively and communicate appropriately, the result is continuous and sustainable improvement.

Tyson and York (2000), PA helps management and employees to develop a mutual understanding of responsibilities and goals through the act of communication.

Wolff (2008), the key to solving underperformance is communication coupled with clarity about expectations and objectives, early intervention and ensuring that managers have a clear view of the underlying problem before applying a solution. It is through PA that an organization clearly defines roles and duties that certain job entails and communicates the same to its employees. Fried, Slowik, Shperling, Franz, Ben-Dav, Avital, and Yeverechyahu, (2003), job performance increased over time under higher levels of role clarity.

Administration effect on Employee Performance

The important goals of administration include making and carrying out decisions by an organization. Anderson (2002), administrative functioning of HRM covers Human resource planning and staffing, compensation, Reward e.g. salary and wages increase, punishment decisions and promotion. Organizations have to set goals and objectives for their employees as part of administration and this can be achieved through performance appraisal. Goals define what an employee is expected to achieve in a certain time frame. Goals tend to affect job performance. According to Locke and Latham (2002), goals therefore, do direct attention and action. Challenging goals tends to mobilize energy leading to increased effort by the employees to attain them. Having set goals will motivate people to develop strategies that will enable them to perform at the required levels.

Human Resource Planning in an organization involves identifying staffing needs, determining the exact nature of the position to be filled (job analysis), determining how the job will be performed (job design) and the equipment required to do the job and this can be achieved through performance Appraisal process. Fitting of right employees to the right jobs will make the employees to become more satisfied with their work thus affects their performance.

Taylor (2008), PA enables the management in organizations to gauge and monitor whether standards, expectations and objectives, and tasks are achieved thus enabling decision making on the options to be adopted with regard to recognizing and awarding the employee for good work, or consider taking punitive action in case of his bad work, or to decide if employee requires further counseling and training to improve his performance. Information from annual performance appraisals is used by organizations to make decisions including pay raises, promotions, demotions, training and development, and termination. Milne (2007), giving tangible rewards has a positive effect on motivation which in turn leads to better performance.

Stone, Sutton and Kuhlmann (2005), an organization that motivates its employees makes them more innovative and creates brilliant ideas that would give the organization a competitive edge in its operating environment. Bond and Fox (2007), performance appraisal policy provides flow of information about performance and developmental needs of employees, and this tends to enhance future personnel decisions about job assignments and promotions.

Effects of Employee Development on Employee Performance

A well designed and executed performance appraisal signifies that the organization is interested in the personal development and work related performance of its employees. PA assists in developing effective employees. This makes them have a sense of belonging and worth and thus will be more committed to the organization. Ambily (2011), the presence or lack of work skills of an employee can be apparent when discussing his or her work performance. PA identifies the strengths and weakness of an employee on his present job. This information is vital as it can be used for devising training and development programs.

Developmental approach of PA deals with feedback, career planning and development. Timely feedback should be provided to the employees in a manner that it should have a motivating effect on the employees' future performance. Yarnall (2008) identifies performance appraisal as the process used as a basis for dialogue about feedback, career aspirations and development. Bond and Fox (2007), managers and employees can work together to identify related development opportunities. Creating a comprehensive plan for employee development and giving employee achievements to strive for will inspire a higher level of efficiency. Wright and Geroy (2001), employee competencies change through effective training programs. Wilson and Western (2000), Performance appraisal is considered to be a key tool for the identifying training and development needs of an individual. Training and development is used to close the gap between current performance and expected future performance. It gives the supervisor and subordinates a good chance to understand the importance of individual training and development.

Employee's training and development needs are based on PA and according to Wise (2005), PA system helps an employee discover his strengths and weaknesses and helps them in decision making about their career choices. McCourt and Eldridge (2003), Job rotation and transfers are ways of developing employee skills which involve movements of employees from one official responsibility to another. Determination of job rotation needs can be identified through the appraisal process and this will greatly performance of employees.

Coaching is an ongoing process of communication between the supervisor and the employee focused on improving current performance and building capabilities for the future and involves informal conversations or notes, as well as more formal coaching meetings and written documentation. McCourt and Eldridge (2003), coaching involves having the more experienced employees coach the less experienced employees. Orientation under training and development involves getting new employees familiarized and trained on the new job within an organization.

Employee Behavior Effects on Employee Performance

Performance Appraisal is concerned with the encouragement of productive discretionary behavior. Numerous empirical studies have been conducted in order to examine the impact of behavior on employee performance. According to Purcell (2003), behavior refers to the choices that people make about how they carry out their work and the amount of effort, care, innovation and productive behavior they display. Performance Appraisal can have both positive and negative effects to employee behavior which in turn affects overall performance of the employee and the organization. Through PA subjective analysis of employee behavior is enabled and this helps direct it by letting employees know what is expected of them and giving feedback on current their performance.

PA tends to focus on employee attitude. Purcell (2003), the experience of success seen in performance outcomes helps reinforce positive attitudes among employees. Previous research has shown that positive frames of the mind tend to be associated with a set of desirable behaviors, while negative frames of the mind are related to certain undesirable behaviors.

Positive frames of the mind lead to more effective decision-making (Isen, 2001), higher levels of creativity (James, Brodersen, & Jacob, 2004), cooperative and pro social behavior, lower levels of absenteeism and turnover and sustained effort (Foo, Uy, & Baron, 2009). Armstrong and Baron (2004), PA is also about ensuring that managers themselves are aware of the impact of their own behavior on the people they manage, and are encouraged to identify and exhibit positive behaviors. Erdogan (2002), human behavior in organization has shown that the most harmful thing to organizations is when managers are unable to relate to their employees.

Motivation is important in any organization as it is involved initiating human behavior, directing and channeling that behavior and sustaining and maintaining it leading to organizational performance. Güngör (2011) defines Motivation as the ability of person to modify their behavior and it is a driven force that leads and directs a person toward some specific goals. PA process poses both positive and negative effects on Motivation of employees in an organization. Boswell and Benson (2000) contend that the human nature is in constant need of recognition and when they are recognized, either positively or negatively; it spurs them to do more. The human desire for individual recognition should not be overlooked; it may help in reducing absenteeism and attrition rates in some organizations.

On the other hand PA can be seen to having a negative effect on motivation of employees in an organization. Mackey and Johnson (2000), whereas PA can improve the work performance and employee satisfaction, it can also demotivate employees and leave a bad impression on the good employees and Cook and Crossman, (2004),

consequently, this can impact on the employee's performance.

Organizations which fail in motivating their employees especially those that have performed excellently well over a period of time leads to a negative attitude or response from employees (Gupta & Upadhyay, 2012). This tends to happen also when employee feels that the goals that have been set for them to achieve are too high and hard for them to achieve. The way employees feel about how their jobs are being appraised and evaluated, affects their attitude towards that job and their performance.

Negative feedback and pressure may affect the quality of work and cause decreased level of performance as it tends to create a low self-esteem especially in workers. This in turn will affect their performance negatively.

Employee Performance

According to Aguinis (2009), the definition of employee performance does not include results of an employee behavior only, but also the behaviors. He further states that performance is about behavior or what employees do not only about what employees produce or the outcomes of their work. Performance means what an employee does or does not do. Performance of Employees that affects how much they contribute to the organizational performance includes: Quantity, Quality, and timeliness of output, Presence at work and Cooperativeness.

Afshan, Sobia, Kamran, and Nasir (2012), performance is the achievement of specific tasks measured against predetermined or identified standards of accuracy, completeness, cost and speed. Performance is about doing the work, as well as the results achieved. It's all about outcomes of work because it provides a strong linkage of strategic goals of an organization, customer satisfaction and economic contributions.

Carlson, Kacmar, Wayne and Grzywacz(2006), there are different HRM practices that tend to affect employee performance in organizations which include appraisal, setting of compensation levels, training and development, motivation and a good recruitment package. Armstrong and Baron, (2004) performance management is a process which contributes to the effective management of individuals and teams in order to achieve high levels of organizational performance and therefore employee performance can be looked into through perspectives like declarative knowledge, procedural knowledge and motivation which make it possible for employees to perform better than others.

Methodology

According to Cooper and Schindler (2006), a Research design constitutes the blueprint for the collection, measurement and analysis of data collected in the process of undertaking a research. A research design is a structure and a plan of investigation that is conceived by the researcher to obtain answers to research questions and according to Saunders, Lewis, and Thornhill (2009), it gives an idea to the reader, why you have used a particular research design and that you have followed the right steps. This study adopted a descriptive research design to gather quantifiable information that was used for statistical inference through data analysis. Descriptive research design is usually used in cases where researcher expected to have target group explain or describe certain issues about the variables of study. This research study used members of staff who are in the management, clerical staff and Direct Sales Representatives to make up the sample frame i.e. the sample frame was guided by the level of

management and from each stratum a sample was derived.

The model used is as shown below;

$$y = a_0 + bx_1 + cx_2 + dx_3 + kx_4 + \varepsilon$$

y = Employee Performance

Where a_0 = constant

b, c and d = Regression coefficients

x_1 = communication

x_2 = Administration

x_3 = Employee Development

x_4 = Employee Behaviour

ε = Error term

Research Findings

Communication effect of Performance Appraisal on Employee Performance

Table 4.1. Communication effect of Performance Appraisal on employee performance.

| | N | Mean | Std. Deviation | Variance |
|---|----|------|----------------|----------|
| PA provides an opportunity for formal communication between management and the employee on how the employee is performing in NBK. | 52 | 1.69 | .683 | .467 |
| PA in NBK helps management and employees to develop a mutual understanding of responsibilities and goals through the act of communication. | 52 | 1.70 | .642 | .412 |
| Through PA, NBK clearly defines roles and duties that certain jobs entail and communicate the same to its employees thus providing clarity. | 52 | 1.72 | .610 | .371 |
| PA provides a platform for assessment of needs and implementation plan in NBK through communication. | 52 | 1.74 | .660 | .436 |
| PA in NBK assists in communicating feedback to the employees. | 52 | 1.76 | .677 | .459 |
| Valid N (list wise) | 52 | | | |

Table 4.2 indicates that from the mean values and standard deviation (SD), most of the respondents were in agreement that communication has an effect on employee performance at National Bank of Kenya. This was evident where respondents agreed to the statements that through PA, NBK clearly defines roles and duties that certain jobs entail and communicate the same to its employees thus providing clarity (M= 1.72 SD=0.610).

Respondents also agreed that PA in NBK helps management and employees to develop a mutual understanding of responsibilities and goals through the act of communication (M=1.70, SD=0.642). It was also seen that PA provides a platform for assessment of needs and implementation plan in NBK through communication (M=1.74, SD=0.660) and that PA in NBK assists in communicating feedback to the employees (M= 1.76, SD= 0.677). Lastly PA provides an opportunity for formal communication between management and the employee on how the employee is performing in NBK (M=1.69, SD=0.683). Marchington and Wilkinson (2005), the organization's key aims, goals and objectives become an embedded part of the process in the performance management and are communicated through the PA process. Results achieved gave a clear indication that communication achieved through PA was a highly significant determinant of employee performance in NBK.

Table 4.2. Administrative effect of performance appraisal on employee performance.

| | N | Mean | Std. Deviation | Variance |
|---|----|------|----------------|----------|
| In NBK, rewards decisions depend on performance appraisal. | 52 | 1.69 | .683 | .467 |
| PA tends to assist in fitting employee at the right jobs and satisfied with their work thus good performance. | 52 | 1.70 | .642 | .412 |
| PA in NBK assists in setting and clearly defining of goals which motivates me to achieve them. | 52 | 1.72 | .610 | .371 |
| Promotions in NBK are largely determined through PA. | 52 | 1.74 | .659 | .435 |
| PA in NBK assists in making HR decisions | 52 | 1.76 | .677 | .459 |
| Valid N (list wise) | 52 | | | |

Administration effect of performance Appraisal on Employee Performance

Milne (2007), Information from annual performance appraisals is used by organizations to make decisions including pay raises, promotions, demotions, training and development, and termination. When asked in a scale of 1-5 to explain the administrative effect of PA on the performance of employees respondents agreed to the statements that PA in NBK assists in setting and clearly defining of goals which motivates employees to achieve them (M=1.72 SD=0.610), PA tends to assist in fitting employee at the right jobs and were satisfied with their work thus good performance. (M=1.70, SD=0.642). Statement that Promotions in NBK are largely determined through PA had a (M=1.74 SD=0.659), PA in NBK assists in making HR decisions (M=1.76, SD=0.677) and finally, rewards decisions depend on performance appraisal. (M=1.69, SD=0.683). This brought out a clear picture that administration had an effect on employee performance.

Employee Development effect on employee performance

Table 4.3. Development effect of performance appraisal on employee performance.

| | N | Mean | Std. Deviation | Variance |
|--|----|------|----------------|----------|
| Through PA my training and development needs are identified and implemented. | 52 | 1.68 | .653 | .426 |
| PA tends to identify my strengths and weaknesses in my present job. | 52 | 1.71 | .632 | .399 |
| Managers and employees work together to identify related development opportunities through PA. | 52 | 1.75 | .679 | .461 |
| PA system helps me in decision making about my career choices. | 52 | 1.73 | .663 | .440 |
| Valid N (listwise) | 52 | | | |

Landsman(2004), training is a very valuable practice that organizations ought to embrace in order to be able to enhance skills and the acquisition of new knowledge so as to improve the staff performance. While seeking to understand the Developmental effect of performance appraisal on employee performance, respondents agreed to statements that PA tends to identify employees strengths and weakness in their present job (M=1.71, SD=0.632), through PA training and development needs in the organization are identified and implemented (M=1.68, SD=0.653).

Respondents further agreed to the statement that PA system helps them in decision making about their career choices. (M=1.73, SD 0.663), and lastly managers and employees work together to identify related development opportunities through PA (M=1.75, SD=0.679). This was a clear indication that PA influences performance of employees in banks through development.

Employee behavior effect on employee performance

Table 4.4. The behavioral effect of performance appraisal on employee performance.

| | N | Mean | Std. Deviation | Variance |
|---|----|------|----------------|----------|
| The way my job is appraised and evaluated affects my attitude towards the job and my performance. | 52 | 1.73 | .618 | .382 |
| PA is a major source of motivation for employees in NBK. | 52 | 1.79 | .691 | .477 |
| PA creates an avenue for developing relationship between supervisors and employees. | 52 | 1.81 | .684 | .468 |
| PA makes me have a sense of belonging and worth thus I am committed to the organization. | 52 | 1.76 | .641 | .411 |
| Motivation through PA makes me to be more innovative as I am encouraged to perform better. | 52 | 1.75 | .637 | .406 |
| Valid N (listwise) | 52 | | | |

Purcell (2003), the experience of success seen in performance appraisal outcomes helps reinforce positive attitudes among employees. While finding out if behavior greatly influences the performance of employees in NBK, the researcher asked respondents to give their views and levels of agreement with the statements as indicated in table 4.4 above.

Majority of the respondents strongly agreed to the statement that the way their job was appraised and evaluated affects their attitude towards the job and their performance. (M=1.73, SD=0.618), Motivation through PA makes employees to be more innovative and encouraged to perform better (M=1.75, SD=0.637). Respondents further agreed to the statement that PA makes them have a sense of belonging and worth thus they are committed to the organization (M=1.76 SD=0.641), and that PA creates an avenue for developing relationship between supervisors and employees (M=1.81, SD=0.684).

Employee Performance

Table 4.5. Employee performance.

| | N | Mean | Std. Deviation | Variance |
|--|----|------|----------------|----------|
| Overall business strategy in NBK is geared towards improving employee's performance. | 52 | 1.78 | .681 | .464 |
| Presence of Performance Appraisal in the organization has improved employee performance. | 52 | 1.74 | .638 | .407 |
| In NBK, overall employee performance can be looked into through different perspectives like output, commitment and Innovation. | 52 | 1.75 | .664 | .441 |
| Valid N (listwise) | 52 | | | |

Finally, Respondents agreed to the statements that the organization PA is a major source of motivation for employees in NBK. (M=1.79, SD=0.691).

This brought out a clear picture that behavior has a great effect on employee performance at NBK.

The respondents were asked on a five point Likert scale where 5 is strongly agree, 4 agree, 3 neutral, 2 disagree and 1 strongly disagree to state how they agree with the given statements on the effect Performance Appraisal has on employee performance.

Majority of the respondents agreed to the statements as shown above. They agreed that presence of Performance Appraisal in the organization has improved employee performance. (M=1.74, SD=0.638) they further agreed that in NBK, overall employee performance can be looked into through different perspectives like output, commitment and Innovation (M= 1.75, SD=0.664). Respondents finally agreed that overall business strategy in NBK is geared towards improving employee's performance (M=1.78, SD=0.681). This therefore indicated that PA greatly influences the performance of employees at National Bank in Kenya.

Regression Analysis

Relevant hypotheses which had been formulated were tested using below appropriate statistical tests of significance and the results were analyzed statistically using statistical package for social sciences (SPSS) version 21 for windows.

Coefficient of Determination (R²)

Table 4.6 shows the coefficient of determination which is the R². The R² in this study is 0.501. Coefficient of determination explains the extent to which changes in the dependent variable can be determined by the changes in the independent variables. It also indicates the percentage of variation in the dependent variable as used in the study, "Employee Performance" that is explained by independent variables in the study, which are "Communication, Administration, Employee Behavior, and Employee Development". The study findings indicate that 50.1% of the employee performance at National Bank of Kenya, is attributed and determined by combination of all four independent factors investigated in this study. The study further indicated that the remaining factors not mentioned or used as independent variable in the research attributed to 49.9%.

Table 4.6. Coefficient of Determination (R²).

| Model Summary | | | | |
|---------------|--------------------|----------|-------------------|----------------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | 0.708 ^a | 0.501 | 0.683 | 0.316 |

a. Predictors: (Constant), Communication, Administration, Employee Behavior, Employee Development.

Anova

ANOVA (Analysis of Variance) was used to establish the significance of the regression model from which f-significance value of p should be less than 0.05 (<0.05).

Table 4.7. Anova.

| ANOVA ^a | | | | | |
|--------------------|----------------|----|-------------|-------|--------------------|
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| 1 Regression | 12.113 | 4 | 3.02825 | 28.48 | 0.000 ^b |
| Residual | 4.998 | 47 | 0.10634 | | |
| Total | 17.111 | 51 | | | |

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Communication, Administration, Employee Behavior, Employee Development.

From the table below it is evident that the significant level was 0.00 which is <0.05. The model was statistically significant in predicting the influence of Communication, Administration, Behavior, and Development on Employee performance at NBK. The regression model had a p-value of

0.000 which is less than a significance α level of 5% of giving a wrong prediction. This therefore indicates that the model had a high reliability with a confidence level of above 95%.

Multiple Regression

Table 4.8. Multi linear Regression Analysis.

| Model | Un-standardized Coefficients | | Standardized Coefficients | t | Sig. |
|----------------------|------------------------------|------------|---------------------------|--------|-------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 2.971 | 0.413 | | 4.193 | 0.000 |
| Communication | 0.279 | 0.150 | 0.292 | 1.858 | 0.001 |
| Administration | 0.012 | 0.074 | 0.024 | 0.966 | 0.169 |
| Employee Behavior | 0.189 | 0.135 | 0.234 | 1.398 | 0.016 |
| Employee Development | -0.051 | .187 | -0.072 | -0.431 | 0.667 |

a. Dependent Variable: Employee Performance

Multiple regression analysis was conducted to determine the relation between the independent variables and the dependent variable. As shown in Table 4.8 the regression equation was:

$$y = 2.971 + 0.279x_1 + 0.012x_2 - 0.051x_3 + 0.189x_4 + e$$

y = Employee Performance

Where

x₁ = communication

x₂ = Administration

x₃ = Employee Development

x₄ = Employee Behavior

e = Error term

From the above regression equation, it is quite evident that taking all factors constant at zero, Employee Performance at National Bank of Kenya will be at value of $a_0 = 2.971$. To test the hypothesis on the effect of communication on employee performance, for a unit increase in Communication, the corresponding increase in Employee Performance will be 3.250 holding all other factors constant. This shows that indeed communication has an effect on employee performance. The hypothesis on the administrative effect of performance appraisal on employee performance was also tested and the findings indicated that holding all other independent variables at zero, a unit increase in Administration gave a 2.983 increase in Employee Performance at National Bank of Kenya. This indicated that there was an administrative effect on employee performance. The hypothesis on the behavioral effect of performance appraisal on employee performance was also tested. A unit increase in Employee Behavior gave a 3.160 increase in Employee Performance at National Bank of Kenya thus it was evident that indeed employee behavior has an effect on employee performance. Finally, to test the hypothesis of development effect, a unit increase in Employee Development results into a 0.051 decrease in Employee Performance at National Bank of Kenya. The research shows that only two independent variables significantly contributed to Employee Performance at National Bank of Kenya. This was evident from the values of t and p-values which showed how significantly different they are from $\alpha = 0.05$.

The study indicates that a significant and positive relationship existed between Communication and employee Performance with a p-value of 0.001 which is below the required value of 0.05 level of significance. There was also a significant relationship between Employee Behavior and Employee Performance and with a p-value of 0.016 which is less than 0.05 significance level. However an insignificant relationship existed between Administration effects on employee Performance with a p-value of 0.169 which is

above the value of 0.05 significance level. Similarly the relationship between Developmental effects on employee Performance was also insignificant with a p-value of 0.669 which is greater than 0.05 significant values.

Bivariate Correlation

Table 4.9. Bivariate Correlation.

| Correlations | | | | | | |
|----------------------|---------------------|--------|--------|--------|--------|----|
| Communication | Pearson Correlation | 1 | | | | |
| | Sig. (2-tailed) | | | | | |
| | N | 52 | | | | |
| Administration | Pearson Correlation | .687** | 1 | | | |
| | Sig. (2-tailed) | .000 | | | | |
| | N | 52 | 52 | | | |
| Employee behavior | Pearson Correlation | .693** | .688** | 1 | | |
| | Sig. (2-tailed) | .000 | .000 | | | |
| | N | 52 | 52 | 52 | | |
| Employee Development | Pearson Correlation | .685** | .690** | .687** | 1 | |
| | Sig. (2-tailed) | .000 | .000 | .000 | | |
| | N | 52 | 52 | 52 | 52 | |
| Employee Performance | Pearson Correlation | .701** | .637** | .699** | .592** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | |
| | N | 52 | 52 | 52 | 52 | 52 |

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4.9 indicates that the association between independent variables in this study was significant and it was strong enough to affect the relationship with the dependent variable. Pearson Correlation between Communication and employee performance is a positive relationship ($r = 0.701$, $\alpha = 0.00$). This was statistically significant suggesting that communication was an important determinant in employee performance. The test on correlation between Administration and employee performance was statistically significant with a value of ($r = 0.637$, $\alpha = 0.00$). This could be interpreted to mean that the study was significant and that administration affects employee performance in National Bank of Kenya. Pearson correlation between Employee behavior and employee performance is a positive relationship ($r = 0.699$, $\alpha = 0.00$). The correlation between Employee Development and employee performance at NBK was positive and significant ($r = 0.592$, $\alpha = 0.00$). From the correlation table above, it shows that the study had a positive significant effect of all the independent variable and dependent variable. Therefore all variables in the study were significant to the study with varied degree of effect.

Conclusions

Based on the findings, the study concluded that Performance Appraisal in the organization leads to improved employee performance through communication, development, employee behavior and administration. Conclusions made were;

Making use of psychometric analysis, the study indicates that a significant relationship existed between Employee Performance and communication. The organization clearly define roles and duties that certain jobs entail and communicate the same to its employees thus providing clarity, whilst management and employees develop mutual understanding of responsibilities and goals through the act of communication and this has proved beneficial to the performance of the employees.

There was also a significant relationship between Employee Behavior and Employee Performance. The way the job is appraised and evaluated affects employees attitude towards their job and their performance. Motivation gained through PA makes employees to be more innovative and are

encouraged to perform better. This brought out a clear picture that behavior has a great effect on employee performance.

An insignificant relationship was seen to exist between Employee Performance and Administration. Although respondents agreed that PA in NBK assisted in fitting employee at the right jobs which made them satisfied with their work thus good performance and was seen to determine Promotions.

Similarly the relationship between Employee Performance and Development was insignificant though the respondents agreed that through PA, employee's strengths and weakness and training and development needs were identified in their present job, and implemented in the organization.

The Performance Appraisal practices are very helpful in improving the performance of employees in any institution and therefore should be embraced fully.

Recommendations

1. Communication as an effect of Performance Appraisal practice is greatly recommended by the study to be embraced by all institutions in the banking sector as it provides a platform for enormous improvement in employees' performance. Through communication, organizations clearly define roles and duties and communicate the same to its employees thus providing clarity. This has proved beneficial to the performance of the employees. Even though the study found out that communication as an effect of performance appraisal influences the employee performance of an institution, many organizations still do not put emphasis on good communication therefore the study recommends that organizations embrace communication as a strategy of improving employee performance.

2. The study further recommends that all organizations in the banking sector to embrace performance Appraisal as a HRM practice because employee Behavior was found to have a positive correlation with employee performance in this particular study. Majority of the respondents agreed that the way their job was appraised and evaluated affects their attitude towards the job. Attitude greatly influences performance of employees in an organization.

3. Though the study found a negative correlation between development and employee performance at NBK, it greatly recommended that Employee Development as a result of Performance Appraisal be embraced by all institutions in the banking sector because it provides a platform for immense improvement in employees' skills through training. Informing employees of their performance strengths and/or weaknesses will assist them greatly in determining areas of development required.

4. The study further recommends that all organizations in the banking sector embrace PA because of the administrative role it plays in an organization. Promotions, reward decisions and fitting of employees in the right jobs should be guided by PA and this will assist in bringing about constructive changes in employee performance in organizations.

References

- Addison, J. T. & Clive R. B. (2008). "The Determinants of Performance Appraisal Systems: The Determinants of Performance Appraisal Systems: A Note (Do Brown and Heywood's Results for Australia Hold Up for Britain) British Journal of Industrial Relations, 46(3), 521-31
- Afshan, S., Sobia, I., Kamran, A. & Nasir, M. (2012). Impact of Training on Employee Performance: A Study of

- Telecommunication Sector in Pakistan. *Interdisciplinary Journal of Contemporary Research in Business*. 4 (6), 71-75.
- Aguinis, H. (2009). *Performance Management* (2nd edition) Upper Saddle River NJ: Person education, INC Prentice hall
- Ahmad R. & Bujang, S. (2013). Issues and challenges in the practice of performance appraisal activities in the 21st century. *International Journal of Education and Research* 1(4), 1-8.
- Anderson, J.R. (2002). Measuring Human Capital: Performance Appraisal Effectiveness. Paper presented at the Human Resource Track Midwest Academy of Management Conference. Kansas City: Missouri.
- Ambily J. (2011). Does Performance Appraisal Motivate Employees at A Workplace. *Resource Management* 1, 18
- Armstrong, M. & Baron, A. (2004). *Managing Performance: Performance management in action*, London: Chartered Institute of Personnel and Development.
- Armstrong, M. & Baron, A. (2005). *Managing Performance; Performance Management in Action*. London: Chartered Institute of Personnel and Development.
- Ashima, A. & Gour S. (2013). Techniques of Performance Appraisal-A Review *International Journal of Engineering and Advanced Technology* 2(3) 41-52.
- Bach, S. (2005). *New directions in performance management, Managing Human Resources*: Blackwell, Oxford: Personnel Management in Transition.
- Bandura, A. (2001). Social Cognitive Theory an Agentic Perspective. *Annual Review of Psychology*, 52, 1-26
- Bates, S. (2003). Performance Appraisals: Some Improvement Needed. *Human Resource Journal*. 48(7), 11-19.
- Barrett, D. J. (2006). Strong Communication Skills a must for today's leaders, *Handbook of Business Strategy*, 7(1), 385-390.
- Beach, S.D. (2005). *New Directions in Performance Management, in Beach (Ed.), Managing Human Resources: Personnel Management in Transition* Oxford: Blackwell
- Becton, J. B. Giles, W. & Schraeder, M. (2007). Evaluating and rewarding OCBs: Potential consequences of formally incorporating organizational citizenship behavior in performance appraisal and reward systems. *Employee Relations* 10(3), 494-514.
- Becton, J.B., Portis, R., & Schraeder, M. (2007). A Critical Examination of Performance Appraisal: An Organization's Friend or Foe? *The Journal for Quality and Participation*. 30(20), 2545 Retrieved from <http://web.ebscohost.com.webapps.d.umn.edu>
- Bond, T. & Fox, C. (2007). *Applying the Rasch Model: Fundamental Measurement in Human Sciences*. 2nd Ed. New Jersey: Lawrence Album Associates.
- Boswell, M. & Benson, J. (2000). Employee Satisfaction with Performance Appraisal and Appraisers: The role of perceived appraisal use. *Human Resources Development* 11(3), 283-299.
- Burns, A.C. & Bush, R.F. (2002). *Marketing research: Online research applications*. 4th Edition. New Jersey: Prentice Hall.
- Brown, Michelle & John S. (2005). Performance Appraisal Systems: Determinants and Change. *British Journal of Industrial Relations* 43 (4), 659-79
- Brown, M., & Heywood, J.S (2005). Performance Appraisal Systems: Determinants and Change. *British Journal of Industrial Relations*, 43(4), 659-679.
- Brunetto, Y. & Farr-Wharton, R. (2004), Does the Talk Affect Your Decision to Walk, *Management Decision*, 42 (3/4), 579-600.
- Carlson, D.S., Kacmar, M.K., Wayne J.H. & Grzywacz, J. G. (2006). Measuring the Positive Side of the Work –Family Interface: Development and Validation of a Work – Family Enrichment Scale. *Journal of vocational Behavior*, 68(1), 131-164
- Chamberlin, J. (2011). Who put the 'art' in SMART goals? *Management Services*, 55(3), 22–27.
- Cook, J. & Crossman, A. (2004). Satisfaction with performance appraisal systems. *Journal of Managerial Psychology* 19(5), 526-541.
- Cooper, D.R. & Schindler, S. (2006). *Business Research Methods*, 9th Edition New York: The McGraw-Hill Companies, Inc.
- Cunanan, D. & Cruz, M. (2008). probability Sampling and non- Probability Sampling. Retrieved January 18, 2016, from www.slideshare.net/apiong/samplingdesign#btnNext
- Cytonn Investments (2015). *Kenya Listed Commercial Banks Cytonn Q1 Banking Sector Report – Abridged Version* Retrieved from <https://cytonn.com>
- De Vaus, D.A. (2002). *Survey in Social Science Research*. 5th Ed. Crow Nest, New South Wales: Allen and Unwin.
- Elena P. A., (2000). Employee development through self-development in three retail banks *Journal of Personnel Review*, Vol. 29(4), 491-508.
- Fried Y, Slowik L., Shperling Z, Franz, C., Ben-Dav HA, Avital, N, & Yeverechyahu U (2003). The moderating effect of job security on the relation between role clarity and job performance: A longitudinal field study. *Human Relations* 56(7), 787-810.
- Fletcher, C. & Bailey, C. (2003). Assessing Self-awareness: Some Issues and Methods. *Journal of Managerial Psychology* 18(5), 395-404.
- Fred C. (2011). Goal-Setting Theory of Motivation. *International Journal of Management, Business, and Administration* 15(1)
- Foo, M.D., Uy, M.A., & Baron, R.A. (2009). How do feelings influence effort? An empirical study of entrepreneurs' affect and venture effort. *Journal of Applied Psychology*, 94, 1,086-1,094.
- Gaur, A.S. & Gaur, S.S. (2009). *Statistical methods for Practice and Research: a guide to data analysis using SPSS*. 2ndEd. New Delhi: Sage Publications Ltd.
- Gliem J.A. & Gliem R.R. (2003). Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. *Midwest Research to Practice Conference in Adult, Continuing, and Community Education*, Columbus, 82-88.
- Grint K. (2007). What's wrong with Performance Appraisals? A critique and a Suggestion. *Human Resource Management Journal* 3(3), 61-80
- Goris, J.R. (2007). Effects of satisfaction with communication on the relationship between individual-job congruence and job performance/satisfaction. *Journal of Management Development*, 26(8):44-50
- Gupta, A., & Upadhyay, D. (2012). Impact of effectiveness of performance management system on employee satisfaction and commitment. *International Journal of Management, IT and Engineering* 2(7), 45-60
- Güngör, P. (2011). The Relationship between Reward Management System and Employee Performance with the Mediating Role of Motivation: A Quantitative Study on Global Banks, *Social and Behavioral Sciences* 24: 1510-1520
- Hunt, N. (2005). *Conducting Staff Appraisals: How to set up a Review System that will ensure fair and effective appraisal*

and improve individual performance and organizational results. 5th Ed. Oxford: Jordan Hill -How to Book

Isen, A.M. (2001). An influence of positive affect on decision making in complex situations: Theoretical issues with practical implications. *Journal of Consumer Psychology* 11, 75-85

Ismail, A. Mohamed N. K., & Rayee M. R (2016) Relationship between performance appraisal communication, procedural justice and job satisfaction *Malaysian Journal of Society and Space* 12, (2) 15 – 26

IsmailA., Rozanariah M.S. & Mohd Hamran M. (2014) Communication openness in performance appraisal systems enhancing job satisfaction. *Journal of Public Administration, Finance and Law* 5, 98-109.

Ivancevich, M. J. (2007). *Human Resource Management*”, 10th Ed, New York City: McGraw HILL inc.

James, K., Brodersen, M., & Eisenberg, J. (2004). Workplace affect and workplace creativity: A review and preliminary model. *Human Performance*, 17, 169-194.

Kent, F.G. (2007). Strategic Appraisal Management in Banks. *Educational journal on effective teaching in elementary Banks* Pretoria, South Africa.

Landsman Miriam, J. (2004) .Evaluating Training To Improve Staff Retention. *European Journal on Economics, Finance and Administrative Sciences*. 6(4), 158-176.

Latham, G. P. (2003). Goal setting: A five-step approach to behavior change. *Organizational Dynamics*, 32(3), 309-318.

Locke, E. A.& Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation. *American Psychologist*, 57(9), 705-717.

Mackey, K. & Johnson, G. (2000). *The Strategic Management of Human Resources in New Zealand* Auckland: Irwin/McGraw-Hill.

Marchington, M. & Wilkinson, A. (2005). *Human resource management at work: people management and development* Balor University, USA

McCourt, W. & Derek, E. (2003). Global Human Resource Management: Managing People in Developing and Transitional Countries. Cheltenham, UK: Edward Elgar.

Michael Armstrong (2006). *Strategic human resource management: a guide to action* (3rd edition) Great Britain: Kogan Page Limited

Milne, P. (2007). Motivation, Incentives and organizational culture, *Journal of Knowledge management* 11(6), 28-38

Mitchell, T.R., Thompson, K.R., & George-Falvy J. (2000). Goal- Setting: theory and Practice’, in C.L. Copper and E.A. Locke (eds) *Industrial, Work and Organizational psychology*. Oxford: Sage

Momeyer, A.G. (2006). Why no one likes your performance appraisal system, *Training*, Vol. 23 pp.95-8

Mooney, J. (2009, December). Case Study of Performance Appraisal In A Small Public Sector Organization: The Gaps between Expectations and Experience Retrieved from <http://hdl.handle.net/10034/99961>

Moses, w. w. (2015), Influence of Performance Appraisal on Employee Performance in Commercial Banks in Trans Nzoia County – Kenya *International Journal of Academic Research in Business and Social Sciences* 5(8) 339-340

Mugenda.O. and Mugenda, A. (2003). *Research Methods; Qualitative and Quantitative Approaches*. Nairobi: Acts Press.

Muhammad S. M., and Surayya A. (2013). Performance Appraisal and Employee’s Motivation: A Comparative

Analysis of Telecom Industry of Pakistan. *Pakistan Journal of Social Sciences* 33(1), 179-189

Murphy T. H., (2004), *Performance Appraisals, ABA Labor and Employment Law Section Equal Employment Opportunity Committee*, Mid-winter meeting, 24-27

Nassazi A. (2013) Effects of training on Employee performance. Evidence from Uganda (Unpublished doctoral thesis). Business, Economic & Tourism. University of Applied Sciences

Okeyo, G. L.; Mathooko, P. & Sitati, N. (2011). The Effects of Performance Appraisal System on Civil Servants Job Performance and motivation in Kenya: Case Study of Ministry of State for Public Service. Kabarak University First International Conference, (pp: 1-17).

O’ Leary, Z. (2004). *The Essential Guide to doing Research*. London: Sage Publications Ltd.

Oshode A. A., Alade O. S., & Arogundade, K.K. (2014). Performance Appraisal in the Nigerian Banking Sector: The Individual and Joint Variables Analyses. *European Journal of Business and Management* 6(5), 140-145

Pulakos, E. D. (2004). *A Roadmap for Developing, Implementing, and Evaluating Performance Management Systems*. Alexandria, VA: SHRM Foundation.

Robbins, S.P. & Coulter, M, (2002), *Management* 7th Edition Upper Saddle River, NJ: Prentice Hall.

Roberts, G. & Pregelizer, M. (2007) Why employees dislike performance appraisals. *Regent Global Business Review*. 1(1), 14-21.

Rudman, R. (2003). *Human Resources Management in New Zealand*. Auckland: Pearson Education New Zealand Limited.

Saunders, M., Lewis, P. & Thornhill, A. (2003). 3rd Edition *Research Methods for Business Students* Harlow: Prentice Hall.

Saunders, M, Lewis, P. & Thornhill, A. (2009) *Research Methods for Business Students*, Upper Saddle River NJ: Prentice Hall

Scott, J. (2009). Performance appraisals that actually improvement performance, *Career and Technical Education*, Vol. 5, 22-25.

Shaemi A, Abzari M, &Javani (2012). The Effect of Employees’ Performance Appraisal Procedure on their Intrinsic Motivation *International Journal of Academic Research in Business and Social Sciences* 2(12), 161

Shadrack M.K. & Omboi B. M.(2011). The Effect of Performance Appraisal Systems on Employees in Kenya Tea Development Agency: A Survey of Selected Tea Factories in Meru County-Kenya *Research Journal of Finance and Accounting* 2(3), 24-35 Retrieved from <http://www.iiste.org>

Sole, F. (2009). A Management Model and Factors Driving Performance in Public Organizations, *Measuring Business Excellence*, 13(4), 3-11

Stone,P., Sutton R.S. and Kuhlmann, G. (2005). Reinforcement Learning for Robocup-Soccer Keep away. *Adaptive Behavior*, 13(3), 165-188

Streblor M., Robinson D. & Bevan S. (2001). *Performance Review: Balancing objectives and content*, IES Report 370, Brighton: Institute for Employment Studies

Taylor, S. (2008) *Employee Resourcing*, London: IPD.

Tims M., Bakker A. B., &Derks D. (2015). Job crafting and job performance: a longitudinal study. *European Journal of work and organizational psychology*, 24(6), 914-928

Tyson, S. & York, A. (2000). *Essentials of Human Resources Management*, 4th Edition. Oxford: Jordan Hill.

U. Pareek and Rao T.V. (2006). *Designing and Managing Human Resource System*, New Delhi: Oxford and IBH Publishing Co. Pvt. Ltd.

Walliman, N. (2004). *Your Research Project: A Step-by-step Guide for the first time Researcher*. London: Sage Publications Ltd.

Wall, T.D., Michie J., Patterson, M., Wood S.J., Sheehan, M., Clegg C. W. & West, M. (2004). On The Validity of Subjective Measures of Company Performance *Personnel Psychology* 57(1), 96-118

Wilson J. P. & Western S. (2000), Performance appraisal: an obstacle to training and development? *Career Development International*, 6(2)

Wright, P. & Geroy, D. G. (2001). Changing the mindset: the training myth and the need for world-class performance. *International Journal of Human Resource Management* 12(4), 586–600.

Yarnall J. (2008). *Strategic Career Management – Developing Your Talent*, Oxford: Butterworth-Heinemann

Zikmund W. G., (2003). *Business Research Methods*, (7th edition), Thomson/South –Western: Mason, OH