

**APPRAISAL PRACTICES AND EMPLOYEE PERFORMANCE OF AN
ORGANISATION; A CASE OF ELGON MILLERS**

BY

**CHELANGAT DOROTHY
REG.NO: WJ20/MUC/MBA/1987**

**DISSERTATION SUBMITTED TO THE DEPARTMENT OF BUSINESS
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE
AWARD OF MASTERS IN BUSINESS ADMINISTRATION
OF UGANDA CHRISTIAN UNIVERSITY**

May, 2023

DECLARATION


I, the undersigned, declare that this is my original work and has not been presented to any institution or university other than Uganda Christian University for examination.

Signed.....

Date ...20th May 2023.....

APPROVAL

This research report has been submitted for examination with my approval as the university supervisor.

Signed 

Date 25/05/2023

Mr. Henry Omache
University Supervisor

TABLE OF CONTENTS

TABLE OF CONTENTS.....	iii
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
LIST OF ABBREVIATIONS.....	ix
ABSTRACT.....	x
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.0Introduction.....	1
1.1Background to the study.....	1
1.1.1Historical background.....	2
1.1.2Theoretical background.....	5
1.1.3Conceptual background.....	7
1.1.4Contextual background.....	11
1.2Statement of the Problem.....	11
1.3Purpose of the Study.....	12
1.4 Specific Objective.....	13
1.5 Research Question.....	13
1.6Scope of the Study.....	13
1.6.1Content Scope.....	13
1.6.2Geographical Scope.....	14
1.6.3Time Scope.....	14
1.7Significance of the study.....	14
1.8Conceptual framework.....	15
1.9 Definitions of key words.....	15
1.10 Summary of the chapter.....	16
CHAPTER TWO:.....	17
LITERATURE REVIEW.....	17
2.0 Introduction.....	17
2.1 Theoretical Framework.....	17
2.1.1 Goal Setting Theory.....	17
2.1.2 Expectancy Theory.....	18
2.1.3 Social Cognitive Theory.....	18
2.2 Empirical Review.....	19

2.2.1 Target Setting practices and Employee Performance	19
2.2.2 Evaluation Practice and employee performance	23
2.2.3 Communication Practice and Employee Performance.....	25
2.2.4 Corrective Action in Appraisals and Employee Performance	27
2.3 Summary of the literature	29
CHAPTER THREE:	31
RESEARCH METHODOLOGY	31
3.0 Introduction.....	31
3.1 Research Design.....	31
3.2 Area of study.....	31
3.3 Target Population.....	31
3.5 Sampling techniques and Sample Size.....	32
3.5.1 Sample Size determination.....	32
3.5.2 Sampling Techniques.....	32
3.6.0 Data Collection Methods	33
3.6.1 Questionnaire Surveys	33
3.7 Data Collection Instruments.....	33
3.7.1 Questionnaire	33
3.8Data Collection Procedure	34
3.9 Quality control	34
3.9.1 Validity	34
3.9.2 Reliability.....	35
3.10 Data Analysis and Presentation.....	36
3.11 Measurement of Variables.	37
3.12Ethical Consideration.....	37
CHAPTER FOUR:.....	39
DATA PRESENTATION AND ANALYSIS	39
4.0 Introduction.....	39
4.1 Questionnaire Response Rate.....	39
4.2 Demographic Characteristics of Respondents	39
4.2.1. Respondents' Designation.....	39
4.2.2. Number of Years Worked	40
4.2.3. Age of Respondents	41
Table 7: <i>Age Distribution</i>	42
4.3 Analysis of Employee Performance.....	42
4.4.1Statements on Target Setting Practice	45

4.4.2. Statements on Evaluation Practice	48
4.4.3 Statements on Communication Practice	51
4.4.4. Statements on Corrective Action Practice.....	54
4.5 Correlations Analysis.....	57
4.6 Multiple Regression Analysis	59
CHAPTER FIVE:	61
SUMMARY AND DISCUSSION OF THE FINDINGS	61
5.0 Introduction.....	61
5.1 Summary of findings.....	61
5.1.1 Target setting practices and employee performance	61
5.1.2 Evaluation practices and employee performance.....	61
5.1.3 Communication practices and employee performance	62
5.1.4 Corrective action practices and employee performance	62
5.2 Discussion of the Findings.....	63
5.2.1 Target setting practices and employee performance	63
5.2.2 Evaluation practices and employee performance.....	63
5.2.3 Communication practices and employee performance	63
5.2.4 Corrective action practices and employee performance	64
CHAPTER SIX	65
CONCLUSIONS AND RECOMMENDATIONS	65
6.0 Introduction.....	65
6.1 Conclusions.....	65
6.1.1 Target setting practices and employee performance in Elgon Millers.....	65
6.1.2 Evaluation practices and Employee performance in Elgon Millers	65
6.1.3 Communication practices and Employee performance in Elgon Millers	66
6.1.4 Corrective Action practices and Employee performance in Elgon Millers	66
6.2 Recommendations.....	67
6.2.1 Target setting practices and Employee performance in Elgon Millers	67
6.2.2 Evaluation practices and Employee performance in Elgon Millers	67
6.2.3 Communication practices and Employee performance in Elgon Millers	68
6.2.4 Corrective action practices and Employee performance in Elgon Millers.....	68
6.3 Suggestions for Further Research	68
REFERENCES	69
APPENDICES	77
APPENDIX I: INTRODUCTORY LETTER.....	77
APPENDIX I: QUESTIONNAIRE	78

APPENDIX III: TABLE FOR DETERMINING SAMPLE SIZE 82

LIST OF TABLES

Table 1: Target Population	32
Table 2: Sample size Distribution	32
Table 3: Validity results	35
Table 4; constructs' reliability	36
Table 5: Legend	37
Table 6: Designation of the Respondents	40
Table 7: <i>Age Distribution</i>	42
Table 8: Status of Employee performance	43
Table 9: Statement on Target Setting Practice	45
Table 10: Statement on Evaluation Practice	48
Table 11: Statement on Communication Practice	51
Table 12: Statement on Correction Action Practice	54
Table 13: Relationship between Appraisal practices and Employee performance	57
Table 14: Multiple Regression Analysis Model	59

LIST OF FIGURES

Figure 1: Conceptual Framework	15
Figure 2: Respondents' Number of Years Worked	41

LIST OF ABBREVIATIONS

AP	:	Appraisal performance
EP	:	Employee performance
HRM	:	Human resource management
SPSS	:	Statistical Package for Social Scientists
OCB	:	Organizational Citizenship Behavior
SMART	:	specific, measurable, achievable, realistic and time bound
A	:	Agree
SA	:	Strongly Agree
NS	:	Not Sure
D	:	Disagree
SD	:	Strongly Disagree
CVI	:	Content validity Index

ABSTRACT

This study sought to assess the effect of appraisal practices and employee performance in Elgon Millers. The study objectives were to: establish effect of target setting practices on employee performance, determine effect of evaluation practices on employee performance; examine effect of communication practices on employee performance and to determine the effect of corrective action practices and employee performance. The study population was 170 employees from Elgon Millers Mbale. The study employed simple random sampling techniques in coming up with a sample size of 118 respondents. The primary data collection method used was a questionnaire. The collected data was analyzed using descriptive statistics in SPSS version 20. Linear correlation coefficient analysis and multiple regression analysis were also used to determine the effect of the independent variables on dependent variables. The study found that target setting practices were significant in predicting the relationship with employee performance with $r = 0.903^{**}$, p value = .000 and $\beta = -0.261$ with p -value = $0.000 < 0.05$. The regression coefficient of target setting practices was negative and significant in predicting the employee performance. Further the study found that evaluation practices had a positive and significant relationship with employee performance with $r = 0.976^{**}$, p value = .000 and $\beta = 0.941$ with a p -value = $0.000 < 0.05$. The regression coefficient of evaluation practices was positive and significant in predicting employee performance. The study further found that communication practices had significant effect in predicting employee performance with p -values less than 0.05 with a p -value of 0.000, $r = 0.934^{**}$, and $\beta = -0.309$. The regression coefficient of communication practices was negative and significant in predicting employee performance. The study also found that corrective action practices were significant in predicting the relationship with employee performance with $r = 0.913^{**}$, p value = .000 and $\beta = 0.640$ with p -value = $0.000 < 0.05$. The regression coefficient of corrective action practices was positive and significant in predicting the employee performance. The study recommends that that Elgon Millers should put more emphasis on target setting practices by trying as much as possible to involve the employees in the target setting process, Elgon Millers should find a way to actually incorporate their views in the final target document. The management of Elgon Millers should continue to promote Evaluation practices inform of peer evaluation reviews in order to ensure objectivity throughout the appraisal process. The study additionally recommends that the Management of Elgon Millers should also put much more emphasis on communication practices by providing an acceptable means by which the employees can raise their grievances as concerns. Also the study recommends that Elgon Millers should implement a main corrective action towards non-performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter introduced the background to the study, statement of the problem, objectives of the study, research questions, the scope of the study, and the significance of the study in performance appraisal practices and employee performance and also the conceptual framework.

1.1 Background to the study

The greatest asset in nearly all organizations is their human resource. These surpass in value and in importance than physical assets i.e. building, land, equipment and vehicles. (Anstey et al., 2017) To enable organizations achieve competitive advantage over competitors globally, employees play a very critical role (Oaya et al., (2017).

Every organization's success is dependent on Employee performance. Committed employees enables organization achieve its objectives whereas, poor performing employees leads to downfall of an organization. To develop reliable and unbiased ways of evaluating employees, organizations should understand the key benefits of employee performance.

Evidence of positive association between performance appraisal practices and employee performance have been recorded in literature and the confirmation have been registered in both private and public organizations. Empirical findings from some scholars have cast doubt on whether performance appraisal practice leads to employee performance. It has been indicated in literature that ineffective performance appraisal can be alleviated and developed by human resource functions. However, employees' perceptions of the work accomplished have remained unchanged as a result of the performance appraisal practices. Some studies have linked dissatisfaction with the process with a decrease in organizational commitment and an increased desire to leave the job (Dusterhoff et al.,2014). Although performance appraisal practices are widely used, there is increasing criticism of their ability to improve performance. It has also been a subject of controversy and continual argument in management research and practice regarding the regularity with which performance reviews must be done in the workplace. Although performance appraisal systems are expensive to implement, some researchers think that resources

need to be used better in order to develop precise and well-organized communication methods for assessing performance to reflect work satisfaction, which has led to criticism of their inefficiency or failure (Vasset, 2014). Meanwhile, ääskeläinen & Sillanpää (2013) presented opposing perspectives on the difficulties and basic causes of failure to develop proper performance evaluation methods.

1.1.1 Historical background

The evolution of employee Appraisal can be traced back to the reign of second caliph of Islam, Hazrat Umar (634- 644 A.D /13-23 AH) who laid the foundations of many State institutions and enunciated several administrative laws that are being followed and adopted by many nations of the world till today as a role model of true administration. Hazrat Umar, before appointing an officer for any duty, would thoroughly investigate his potentials and capabilities for the assignment. Prime importance would be given to the honesty and integrity of the officer/ official (Singh, et al, 2015), Organizations are established to perform certain tasks and use different cadre of staff to achieve their objectives. To maintain standards and anticipated outputs organizations have to keep abreast with both new knowledge and technological advances. This fast growing challenge requires that organizations engage or update their staff so that they can cope with the rate of generation of new changes in these areas. Some of the coping mechanisms applied by organizations are recruitment of trainable staff, reproofing of present staff, in service training in certain disciplines and on the job, training including exchange programmers (Singh, et al, 2015)

The history of performance appraisal is quite brief. Its roots can be traced in the early 20th century to Taylor's pioneering time and motion studies. The performance appraisal system start in practice 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 (Lillian & Sitati,2015). Equally, in contemporary management the use of performance appraisal in decision making is inherently unavoidable and has been identified as a strong motivator (Ademola 2017). This helps the managers to make key decisions such as allocating rewards, plan performance improvement activities such; training, coaching, counseling and suctioning for poor performance (Kanisa and Makokha 2017).

In the early years the Taylor's model resulted to effectiveness and efficiency in the production industries. During and after first and second world wars performance appraisal became a crucial component in exploring opportunities while strategically monitoring performance leading to attainment of full potential by minimizing threats. Performance appraisal utilization enabled encouragement, engagement, and capacity development of human capital (Lotich, 2018). The organizations that embraces the results of employee's appraisal systems equally recognizes employee strength and opportunity (Mwema & Gachunga, 2014).

Organizational performance is an analysis of a firm's performance in comparison to the set goals and objectives. According to Bujang& Ahmad, (2013) it is the actual output measured against the intended output of the organization. Key factors like financial performance, market outreach, and shareholder value performance are analyzed to determine the actual performance (Simmons &Iles, 2001). In some cases like manufacturing product capacity performance may also be put into consideration. Watson (2016) agrees that organizational performance has to be measured as the overall effectiveness of a firm in meeting identified needs of departments in the company but emphasizes that the efforts should also focus on the ability to improve its capacity to address those needs adequately continuously.

Employee appraisal was observed as a key factor in modern human resource practices and a crucial factor in organization performance. Employee inspiration, job performance, intrinsic awards, outward benefits, worker performance, worker training and development, internal correspondence, as well as workplace and hierarchical accountability are factors on which performance examination is based. Human resource management has a central position in organizational performance management in the social insurance sector.

In western developed countries, maximizing the performance of organizations is the main issue for an organization (Selden and Sowa, 2004). Good organization performance refers to the employee's performance. Satisfactory performance of employees does not happen automatically. Research has shown a shift from a micro-analytical approach (individual performance) to a macro-strategic approach (organizational performance) perspective (Selden and Sowa, 2004), but, the micro level approach in a country like Uganda is yet to be analyzed. The macro-strategic approach suggests that performance management operates strategically at the organizational level, both team and

individual, and that it is inter-linked to organizational strategy. Organizational and individual performance goals are set, employee performance is usually valued and there is often a mix of performance appraisal and incentive pay (Norfarizal, 2014).

Organizational performance engages a set of persistent activities, towards set targets, and formulating suitable modifications to accomplish the set aims efficiently (Davar, 2016). The recurring activities are often the primary role of leaders in organizations. As a leader in an organization's hierarchy, it is imperative to know the determinants of organizational performance (Watson, 2016.) It allows managers to identify the key factors to prioritize to develop organizational performance. The analysis should enable managers to address deficiencies and use the information gained to improve the company systems when it comes to customer service, investor demands and employee motivation (Rock & David 2015) A comprehensive analysis of organizational performance allows the firm to improve their performance in the present and stay relevant for the future.

In Africa organizations performance is one of the most critical functions of a leader/manager and is a basic expectation of anyone in a supervisory role. In many organization staff are being appraised to ascertain how much each person contributed to the achievement of corporate goals and objectives. The major objectives are usually profit maximization and service delivery. Performance Appraisal System has been found to act as strong and indispensable machinery for increase in organizational productivity, organizational peace and harmony and organizational position in its environment (Brown, 2015).

A lot of organizations have adopted performance appraisal as a process that improves business performance (Daonis, 2012). Performance appraisal has rampantly become a tool used to strategically to improve organizational effectiveness. Performance appraisal goes hand in hand or correspondently with evaluation, performance review, assessment and personnel appraisal. In any organization, performance appraisal significance has proved to be indispensable when we address organizational success. Any organization's success depends deeply on how well the employee performance is effectively managed. The performance appraisal is a rare and important form of career development which encompasses a standard review of employee performance in an organization and then furthermore, conveys feedback to the employees (Paul et al., 2014). These

authors see performance appraisal as a process that happens continuously as regards checking and measuring every employee input and through that, know their strengths and weaknesses. And of course, the results are communicated back to them (feedback).

In East Africa, Employee performance plays an important role as far as success and overall direction of an organization is concerned. Hence, performance appraisal is the basis of success of most businesses today. Organizations today use performance appraisal to increase efficiency and effectiveness of employees at the work place. Through performance appraisal, management is able to identify need to motivate, establish goals and targets, train employees and provide feedback on performance. Human Resource managers are charged with this important responsibility of maintaining a sound performance appraisal system. Employees in an organization should show their commitment to attaining of the required goals and standards of performance so as to sustain the growth, profitability and maximization of the value of the firm (Singh et al, 2010). To achieve required performance through performance appraisal, an organization should optimally utilize the level of skills, abilities and knowledge available to increase the overall productivity of employees.

Additionally, in Uganda, performance evaluations of employees are crucial for improving vocation and advancement. Armstrong (2015) acknowledged three factors that are particularly important in choosing whether the employee is involved in the process to assist fulfill examination objectives. These are the employee's understanding of the assessment as sensible, the nature of the present connection of the worker with the individual / people making the assessment, and the impact that the assessment has on workers ' compensation and their own prosperity. Evaluation therefore has both a "specialized element" as to how performance is estimated and is also an extremely "social method." Mintzberg (1987) inquiry into the effect of performance examination on the motivation of civil servants found that a performance examination structure is a critical factor in the inspiration of workers. Due to rapid innovations and modifications in the current organizations in order to adapt to the vibrant political, social and economic circumstances in which they work, employees are required to adapt their objectives to those of the association.

1.1.2 Theoretical background

This study will be guided by the following theories: Expectancy theory and Maslow's Hierarchy of needs theory

Expectancy Theory

The theory was formulated by Vroom in the year 1964. The theory argues that people make adjustment to their set of behavior based on the required level of goals. In order to attain these goals, individuals are forced to change their behavior. The underlying key concept behind this theory is the performance management idea (Salaman et al., 2005).

The theory is premised on the assumption and belief that efforts of staff in an organization will result into performance which would transpire into reward. Rewards may be negative or positive. Positive rewards show that employees are highly motivated while negative reward show staff is less motivated. The underlying concepts in this theory are expectancy, instrumentality and valence. Valence is the value in the results, expectancy or instrumentality is the one's point of views (Salaman et al., 2005). Expectancy refers to differences in expectations. This theory is relevant to the study as it emphasizes on how different individuals behave. It assumes that every person is motivated by how they prefer and perceive rewards and prospects. Expectancy theory explains that at any time, an individual's motivation onto an action is driven by that person's perception that a specific kind of action will be an effect of a certain outcome.

According to this theory individual are motivated to perform by two expectations. Expectancy is the probability that the effort will always lead to desired performance and second expectancy is that particular performance will lead to preferred outcomes. While some efforts will not be rewarded, the employee will not be motivated with to perform specific task. Expectancy theory relies upon motivators to clarify the causes of behavior at a work station, external rewards are viewed as motivators that fuel behavior as opposed to intrinsic motivators when behavior are driven from internal forces. The above theory facilitated understanding that employee motivation and job performance (Essays UK, 2013)

Maslow's Hierarchy of needs theory

Maslow's Hierarchy of needs theory places employee's needs into five categories which include basic physical needs, needs for personal growth and career growth and development. According Maslow employers should meet each level of employee's needs, for the employee to fully commit to organizational goals. Employers who fail to meet employees need at any level of the hierarchy can easily create lack of fulfilment in staff professional lives which cause them to

eventually try to fill these needs on their own way which is possibly finding a new employer who can provide better opportunities to satisfy their needs (Juan, 2010).

Maslow's Hierarchy of needs theory was adopted in the model framework for development purpose and it does not assume the decision making that is rational, but rather it incorporates both unforced and thoughtful decision making. Human behavior is assumed to follow a consistent, reasonable and often automatic path which may be biased, irrational and inaccurate (Folan & Browne, 2015). Human behavior is based on various behavioral criteria such as occurrence, extent and contradiction. Interest behavior in this study applied the underlying theory to launch and decide the dynamics under the current study. This theory applies to this study because an individual growth is the key vehicle for organizational success. Managers should attempt to identify individual employee needs and foster employee satisfaction. If managers do so employees will progress toward self-actualization and permitting the organization to be all that it should be.

1.1.3 Conceptual background

Performance appraisal is defined as “a structural formal interview between subordinate & supervisor, that usually takes the form of periodic interview (annually or semi-annually), in which the work preference of the subordinate is examined and discussed, with the view of identifying the weaknesses and strengths as well as opportunities for improvement and development” (Senyah et al., 2010).

According to Ubeku (1984:188) “employee appraisal is basically concerned with a review of individual performance during a set period to identify his area of strength and weakness and establish targets for him to achieve within the overall corporate objectives of the organization.

Bratton and Gold (2007) define performance appraisal as the analysis of employee's capabilities and potential drawn from assessment of past data and current work in relation to their purpose for example for human resource development needs.

Performance appraisal can also be defined as a formal process which takes place from time to time, whereby employees are evaluated by a supervisor or some type of judge, who determines the performance of an employee through a set of measures, attaches a grade or scores to the evaluation

and then normally notifies the employee of his or her result. Basically, the reason for conducting an appraisal is to improve the performance of the workforce (DeNisi et al., 2017).

Appraisal Practices

Performance appraisal practices have a significant role in the enhancement of employee performance (EP). Organizations pursue proactively HRM practices and systems to capitalize on strength of this vital asset for sustained competitive advantage (Jackson & Schuler, 2000).

Appraisal practices refer to the sum total of activities involved in performance management. It is the customary, habitual or expected procedure or way of doing of the performance appraisal process. A focus on the different practices ensures that the entire appraisal process is a success. In this study we look at some of these practices.

The first practice is **Target Setting**, which involves goal and objective setting. Targets and overall objectives are usually broken down into specific objectives for the various departmental units in the whole organization units as well as individual members and organizations' overall objectives or targets. This could work either from the bottom up or from the top down. This means that every person in the organization has a particular contribution to make through their respective units' performance. When individual employees achieve their targets, the department will also meet its target goals and eventually the organization will meet its overall performance objective (Risher, 2005).

The process by which management examines an employee's work performance by comparing it to pre-determined criteria, documenting the findings of the comparison, and offering feedback to the employee to explain where and why improvement is needed is known as **evaluation** as an appraisal practice. Employee performance evaluation is a systematic method of determining how well employees are fulfilling their job responsibilities. The appraisal is objective in that it focuses on the employee's actual performance rather than his or her personality. As a result, performance evaluation is concerned with making judgments about an employee's job quality. Its success hinges on the supervisor's willingness to do an objective evaluation and the employee's readiness to respond to it, including making suggestions. Employees' thoughts of performance appraisal systems could be as important to the continuing success of the system as reliability and validity (Dipboye and Pontbriand, 2012). Employee perceptions of the fairness of their performance

evaluations are useful in determining the success of performance appraisal systems (Erdogan et al, 2012).

The next practice is the **Communication Practice**. It is critical, according to Robbins and DeCenzo (2010), to convey performance criteria or targets and goals to staff once they have been created. According to Henderson (2003) a majority of jobs have unclear performance standards, and it's worse in cases where employees have no input to them.

Feedback is a vital part of the **Communication Practice** and should be relevant to those tasks which are performed by the employee and should be given immediately after performance evaluation (Reece 2014). It is especially critical when an employee is learning a new job. In this respect, supervision should indicate **necessary improvements expected** (corrective actions) in performance and strive to reinforce the desired behavior. Robbins & DeCenzo (2010) argue for a two-way communication insisting that that without this, an organization runs the risk of experiencing a decline in its employees' motivation and productivity. Feedback serves as a way of shaping behavioral change. For effective feedback and communication there ought to be performance monitoring and measurement which may involve the use of computer-based systems that make it possible to measure and report on the progress of workers towards their respective performance targets. Effective communication and feedback involve the aspect of the latter too.

Employee performance

Employee motivation is an ongoing fight for organizations to gain competitive edge. Arousal, direction, and persistence of planned activity with a purpose are all characteristics of motivation. A company's workers are critical to its future development and success. In many ways, they represent a company's image (Almawali *et al.*, 2021). Employees are the most critical resource a business may utilize to complete its tasks since they are the most valuable, expensive, and inconsistent. Extrinsic and intrinsic motivation are generally considered distinct in the motivational literature. Extrinsic motivation includes cash incentives, working conditions, and job stability since it is derived from fulfilling the lower-level human requirements involved with fundamental survival. Intrinsic motivation is a byproduct of meeting more fundamental human requirements.

According to Groen, Wouters and Wilderom (2017), employee performance can be referred as the degree to which the job requirements are met by the employees, which based are on the evaluation

from their supervisors. It represents the expected values of what the employees have done in an organization which have significant relationship in enhancing the effectiveness of the organization (Tabiu, Pangil & Othman, 2016; Imran et al., 2021)

Employee Performance may refer to the results or the outcomes of an individual's work (Dessler, 2011). According to Neely et al (2002), there are two dimensions to employee performance; efficiency (or resource utilization) and effectiveness (the meeting of requirements). In these two dimensions lies the essence of employee productivity, namely that productivity is normally calculated as output divided by input. Armstrong (2012) presents performance as the whole range that includes the accomplishment and execution of the things that are ordered and/or undertaken. It points to the outputs/outcomes (accomplishments) as well as the achieved results. Employee performance is the results or outcomes of work. It is the end result (Dunnette & Fleishman, 2011). Performance is therefore an accomplishment output also known as productivity.

Employee performance, according to Bronke (2016), can also be considered as behavior, which refers to the manner in which companies, teams, and individuals carry out work or an activity. Accordingly, performance not only meant results but also incorporated behavior. Indeed, behavior is initiated by the performer and as well transforms performance from abstraction to action. Selvarasu (2011) agrees with this school of thought that when evaluating employee performance, it should include an assessment of employee behavior such as persistence, proactivity, role expansion, adaptability etc. In this way understanding and rewarding employee performance necessitates the consideration of factors that include both outputs (results) and inputs (behaviours).

Appraisals may also be understood as the evaluation and the subsequent grading of workers by their supervisors during or after an evaluation meeting (Armstrong 2009). However, there are cases, albeit a few, where appraisal has taken a top-down approach and is largely bureaucratic in character (Armstrong, 2009). Appraisal is thus a process jointly undertaken for purposes of planning and defining expectations stated in terms of objectives and in business plans as well as measurement. This therefore applies to both teams and individuals as employees. In its design, it is a continuous process that pervades every aspect of the organization (Armstrong & Baron, 2004).

This study shall therefore be delving into the different practices that build the appraisal process and how these practices relate or affect the performance of employees in an organization (Risher,

2005). For the purpose of this study target setting, communication, evaluation and corrective actions were the independent variables while completion of tasks, accomplishment of goals, quality and punctuality were the dependent variables

1.1.4 Contextual background

Employee appraisal acts an important factor in the overall functions of human resource management in both private and public sectors (Jackson & Schuller, 2012). Performance appraisal has great implications on employee motivation. For instance, staffs are unlikely to want to be open about job difficulties, or to admit that they need more training to do the job, if they feel this will directly affect their next pay increase. According to Solmon and Podgursky (2015), inaccuracies in appraisal can demotivate employees, forcing them to either Elgon Millers has not effectively motivated their employees to ensure that they work to attain the organization goals and objectives. According to Human Resource report for the period 2015/2016, 2016/2017 and 2018 -2019 the performance of Elgon Millers, Mbale City has experienced stagnation as a result of uncommitted employees. However, since the year 2015, there has been no significant improvement in any of these indicators. The foregoing situation is partly driven by the low productivity among employees in the organization. Employee productivity is one of the key performance indicators of the overall performance of the water sector, however according to the report staff productivity has been stagnant for the periods 2015/2016, 2016/2017 and 2018/2019. The main objective of an organization is to successfully achieve its set goals. These goals won't be attained if employee's effort or performance is ignored. It is very important to focus on performance appraisal so that the organizational goals can be achieved successfully

1.2 Statement of the Problem

Performance appraisals are a critical component of human resource management. Recent years have seen an increase in their use among organizations motivated by the desire to drive employees' behaviors and attitudes and ultimately the team's performance. Establishment of goals and objectives at the beginning of financial years for organizations provide employees with clear performance targets and enables the managers to monitor employee performance during the cycle (DeNisi, A.S., & Murphy, K.R. (2017). Performance appraisals help reinforce good performance, alert managers to the need for training and development in certain areas or the need to offer

assistance to poorly performing personnel and establish systems or reward and promotions all geared towards improving employee performance.

Despite the widely accepted view that effective employee appraisal practices has an influence on employee performance little has been done to document the effect these systems have on the performance of employees in Elgon Millers (Brown et al., 2010). However, regardless of the efforts and resources devoted to the implementation of various performance appraisal systems in Elgon Millers, employee performance has been deteriorating to a large extent as evidenced by decline in performance by 15% between 2018 and 2021(Human resource report, 2021)

Elgon Millers has failed to achieve its targets successfully because employees perform below standard, and this is due to the inability of the working environment to encourage them to work harder (Arthur, 2015). If management does not invest much into the welfare of their workers, problems are bound to arise that may lead to industrial labor turnover, low commitment to work, low morale, poor job satisfaction that may also lead into low productivity of goods and services. For this reason, most organizations established attractive employee appraisal systems to help motivate their employees to strive hard towards the desired performance that will be reflected on their productivity. However, regardless of the efforts and resources devoted to the implementation of various performance appraisal systems in Elgon Millers, employee performance has been deteriorating to the large extent Elgon Millers Limited, Human resources report, (2019). As much as this is happening, there seem to be a vacuum in the actual contribution of employee appraisal enhancing tool on employee performance. This study therefore intended to assess employee appraisal and performance of an organization; a case study of Elgon Millers. To fill this gap, this study will contribute to the knowledge gap by establishing the effects of employee appraisal on organization performance of Elgon Millers in Mbale city.

1.3 Purpose of the Study

The general purpose of the study was to assess the effect of employee appraisal practices and employee performance of an organization; a case of Elgon Millers in Mbale city and come up with possible solutions on employee performance challenges

1.4 Specific Objective

The study was guided by the following specific objectives:

- i. To establish the effect of target setting practices on employee performance in Elgon Millers in Mbale city
- ii. To determine the effect of evaluation practices on employee performance in Elgon Millers in Mbale city
- iii. To examine the effect of communication practices in on employee performance in Elgon Millers in Mbale city
- iv. To determine the effect of corrective action practices on employee performance in Elgon Millers in Mbale city

1.5 Research Question

- i. What is the effect of the target setting practices on employee performance Elgon Millers in Mbale city?
- ii. How do the evaluation practices affect employee performance Elgon Millers in Mbale city?
- iii. How do the communication practices affect the employee performance Elgon Millers in Mbale city?
- iv. What is the effect of corrective action on employee performance Elgon Millers in Mbale city?

1.6 Scope of the Study

The scope of the study covered the content scope, geographical scope and time scope.

1.6.1 Content Scope

In terms of content, the study focused on the effect of performance appraisal practices and employee performance a case study of Elgon Millers limited. The study specifically focused on the effect of target setting practices, evaluation practices, communication practices and corrective action practices on employee performance.

1.6.2 Geographical Scope

The area under study focused on Elgon Millers which is found in Doko cell Industrial Division Mbale City and it is opposite to Busigu Cooperative Union. Mbale is approximately 225 kilometers (140 mi), by road, northeast of Kampala, Uganda's capital and oldest city, on an all-weather tarmac highway. The city lies at an average elevation of 1,156 meters (3,793 ft) above sea level. The coordinates of the city are 1°04'50.0"N, 34°10'30.0"E (Latitude: 1.080556; Longitude: 34.175000). The city also lies on the railway from Tororo to Pakwach. Mount Elgon, one of the highest peaks in East Africa, is approximately 48 kilometers (30 mi), north-east of Mbale, by road.

1.6.3 Time Scope

The research will cover a period of 5 years which will be between 2018 and 2022. This time will be considered by the researcher to be enough in providing employee performance information to the topic under study. This period will be chosen because Elgon Millers was facing employee performance challenges as well as declining productivity and management difficulties.

1.7 Significance of the study

The study enabled the researcher gain skills in writing research proposals and reports after studies. In addition, it also helped the researcher to graduate as one of the requirements by the university leading to an award of Master's Degree in business administration.

There is often a concern about existing policies and their ability to meet current and future challenges. Strong policies make stable governments and prosperous countries. Failed policies cost the state a significant amount regarding monetary or otherwise and have potential to stunt economic growth. This study will provide decision makers with adequate information on performance appraisal and organizational performance to improve existing policies and their functions. The study will also allow decision makers to define, rationalize, and develop policies for organizations to improve economic growth.

The study will allow Elgon Millers to achieve a competitive edge in the market by increasing the available knowledge on how to improve their performance and hence raise their market value. The relevant knowledge provided by this research will help improve organizational performance for the firm, in turn, increases profit margins, and improving company image.

To the government the study will help in policy formulation in regardless to performance measurement in public institutions and will provide input when drafting the framework for consolidated regulation on staff appraisal

1.8 Conceptual framework

Figure 1: Conceptual frame work showing relationship between Independent Variable, Dependent Variable and Moderating Variable.

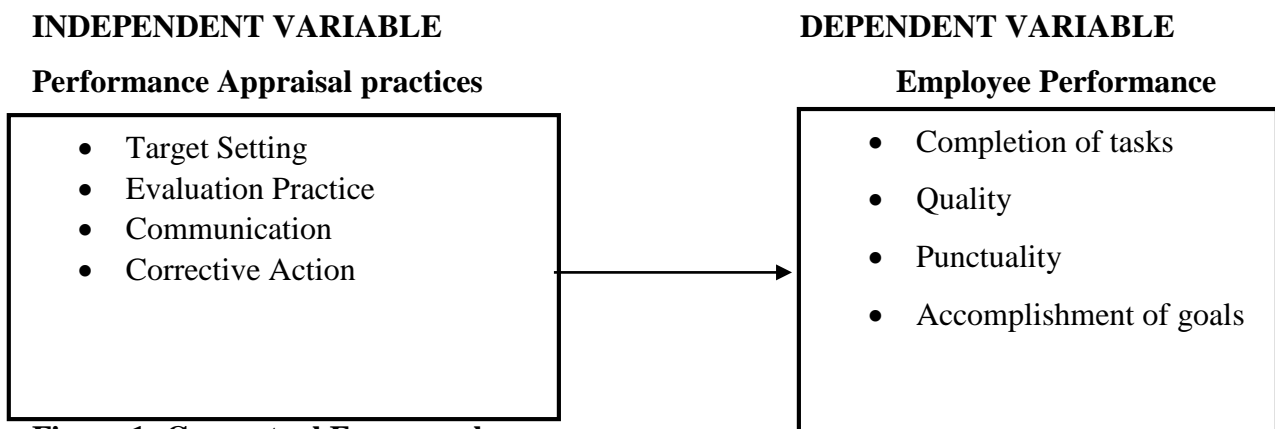


Figure 1: Conceptual Framework

Source: *Source: Adopted from* (Aubrey, Daniels, James & Daniels, 2000) and modified by the researcher **Author, (2021)**

Figure 1 above explain the relationship between independent variable, dependent variable and moderating variable.

1.9 Definitions of key words.

Appraisal Practices Refers to the customary, habitual or expected procedure or way of doing of performance appraisal process.

Target setting is defined as establishment of performance standards to assess entire facets of performance of a business firm’s undertakings and objectives as established in the mission statement (Kemboi, 2015).

Evaluation It is a formal process by which employee productivity is measured and documented.

Communication The process by which a manager investigates and analyzes an employee's work behavior by comparing it to pre-determined standards, notes the results, and uses the information to deliver feedback to the employee on where and why adjustments are needed.

Employee Performance. This relates to work or/and activities expected of an employee and how the employees execute the assignments

Corrective Action It's the process of identifying and eliminating the causes of a problem so as to prevent a recurrence.

1.10 Summary of the chapter

This chapter introduced the study background, theoretical, conceptual, and contextual contexts, problem statement, objectives of the study, scope of the study, research questions, significance of the study and conceptual framework

CHAPTER TWO:

LITERATURE REVIEW

2.0 Introduction

This chapter covers theoretical assessment of the study empirical evaluation based on the reviewed literature, a critique of the existing literature, and a summary of the literature assessment are all included in this chapter. Finally, the chapter covers the study's goal of filling research gaps.

2.1 Theoretical Framework

This section discusses the various theories in support of the study. A theoretical review, according to Armstrong (2016), provides the researcher with a lens through which to observe the world. Goal setting theory, expectancy theory, and social cognitive theory were all used in the research.

2.1.1 Goal Setting Theory

The main proponent of this theory was Lotham and Locke (1979). It arose from the idea that the goals that a business sets for its employees can encourage them and, as a result, increase their performance. Employees are required to self-evaluate and, as a result, adjust their behavior in order to meet the goals. Performance and motivation are substantially improved when specific goals are set. At the same time, the targets need to be a bit more challenging but achievable and feedback given on their performance. According to the two theorists, when employees are involved in setting the targets, they are more committed to them.

At the same time, Locke and Lotham (2002) hold the view that setting challenging and specific targets only does not ensure that employees will perform but that they should be motivated to achieve the targets. In this case, there is a comparatively higher goal achievement when goals are made open and not imposed on employees. Basically, the theory emphasizes having targeted action where workers are given objectives that make it possible for them to meet their aspirations (Drummond, 2000).

According to Luthans (2011), this targets direct employee behavior and steer their efforts toward specific goals. Goal setting theory identifies four mechanisms that link goals to performance

results: first, it directs attention to what is priority in terms of performance; second, it stimulates employee effort; third, it challenges employees to channel their expertise to the success of the organization; and finally, people tend to employ all of their skills when they know they have a challenging goal to achieve. The method emphasizes the need of setting objectives against which performance is measured and managed. (Armstrong, 2009).

The Goal Setting Theory is relevant to this study in that it addresses the target setting practice and it unpacks the motivation that come with an effective feedback process. The theory stresses on the significance of involving employees in setting performance targets. The theory supports target setting, communication and evaluation practices variables in the study.

2.1.2 Expectancy Theory

The expectation valence theory is another name for this theory. Vroom was the one who proposed it (1964). Its core principle is that people's performance expectations are influenced by the type of reward they want. According to Vroom, organizational behavior evaluation is critical since people's motivation is highly influenced by their expectations.

To Vroom (1964), when people perceive and accept a certain goal as true, they tend to be motivated and therefore focus their efforts towards achieving it through their actions. In other words, according to Vroom's, people's motivation towards doing anything stems from the value individuals put on the goal and the possibility of achieving it. As a result, this theory aids managers in comprehending the relationship between motivation, performance, and reward. Simply put, motivation is founded on the anticipation of a positive outcome. As a result, people will be driven to work if their rewards are clearly related to their performance. This theory therefore provides a framework within which to understand the interrelationships that abound between incentive pay, reward system and performance. This method of motivation has been and continues to be widely used. As a result, the theory backs up the study's corrective action and employee performance variables.

2.1.3 Social Cognitive Theory

The third theory is the Social cognitive theory. The main proponent of this theory was Bandura (1986). According to this theory, people's beliefs about what they can or cannot do affects their

performance. It is thus about self-efficacy. In this respect, an organization needs to have a positive self-belief in its workers as a strategy towards performance management objective. This theory emphasizes the impact of social-structure factors on the observed behavior as influenced by the interaction of employee personal attributes, behavioral attributes or the response an individual based on the traits, and finally the external environment, which refers to outcomes or consequences and individual traits carried by the person. Bandura (1986) illustrated that in Social Cognitive Theory it is not the inner forces of external factors that drive people. Human beings (in this case, employees) so act within a network of interests and influences based on their own contribution to their own motivation, conduct, and development, according to the theory.

This theory is relevant to the study as it addresses the influence of the management approach to communication and reward practice as aspects of appraisals and performance. The theory therefore supports the communication practices, target setting and employee performance variables of the study

2.2 Empirical Review

2.2.1 Target Setting practices and Employee Performance

Goal-setting is a very popular concept in work planning and assessment, and it is useful as a fundamental component of organizational management in general (Ogbeiwi, 2018; Tech & Low, 2016). Several authors (Draft, 2016; Locke & Latham, 2006; Obasan&Sotunde, 2011; Ogbeiwi, 2018; Openstax, 2019; Sides & Cuevas, 2020; Williams, 2016) have attempted defining the concept of goal setting. These authors see goal setting as a process by which goals are achieved, a process of identifying specific accomplishment to be made in a specific area with measurable outcomes, such as actions and timelines for achievement. Further, goal setting is defined as a formal program of setting numerical or quantitative performance goals for individuals, groups and organizations, and all formal goal setting programs share the common objectives of increasing employee motivation and performance

In terms of target setting and performance of teachers, Muhammad (2013) contends that for any organization to be successful, the employer and employee must set and agree on the performance standards that will apply to each activity as well as how the standards will be achieved. Meanwhile, Aswathappa (2003) asserts that setting effective performance standards energizes and empowers

the employee to take ownership of their positions yet the employers also become energized and inspired.

Notably, target setting involves setting goals that outline what employees are expected to accomplish, and a review and an agreement of a psychological contract because goals are crucial for initiating engagement to stimulate energy, focus, and intensity (Ganimian, Alejandro, & Murnane, 2014). In support of this, Chimombo, Meke, Zeitlyn, & Lewin, (2014) hypothesized that goal setting would impact employee engagement positively, and engagement would positively impact workplace optimism, which in turn would have a positive relationship with individual performance. To this end, Glewee and Muralidharan (2015) state that there should be an alignment between individual goals and organizational goals for engagement to occur to ensure that employees engage themselves in tasks that are important to achieve organizational goals.

An improvement in the performance of an organization accrues when its workforce is competent and performs at an optimum level (Bernardin&Wiatrowski, 2013). Walker, Damanpour, &Devece, (2011) argue that the new interest in the human resource as a strategic lever has a significant economic effect on the firm and there is need to shift the focus to value creation. Performance appraisal and management are the essences of organizational growth. A performance evaluation is a systematic process through which managers determine job-relevant strengths through identification, observation, measurement, and development (Kuvaas, 2006). It helps identify weaknesses in employees, measure and then developed. An accurate appraisal helps to diagnose the level of job performance through integrating human resource policies with the firm's strategic plan. Training and development programs are conducted to ensure that each task description is executed efficiently to improve the performance level of the human resource

In fact, Armstrong (2006) suggests that employees should be allowed to have a say in setting goals to increase the likelihood of producing engagement as this, claim Ganimian et al. (2014) stimulates energy, focus, and intensity or the feeling of engagement. Knight et al. (2001) opine that target setting and employee outcomes have positive impact and make employees efficient within the organizations. Indeed, management functions are characteristics of goal setting (Mehtabul &

Kingdon, 2015). The right goal for the right person should be set otherwise curiosity may set in and Loewenstein (2004) relates curiosity with natural human instinct to solve mysteries.

Serebwa (2017) carried out a study to investigate target setting and staff service delivery at Kirinyaga University in Kenya. The study's findings revealed that target-setting criteria had a significant impact on the University's service delivery and employee productivity. It was also revealed that target implementation significantly influenced service delivery. The identified study gap was that while the roles of employees were dynamic and constantly changing, the targets set to measure their performance remained static with evaluation procedures that were unstandardized as well as the lack of reward scheme to motivate those who performed well.

Mohamed (2009) went out and interrogated managers at the Kenya Revenue Authority in order to investigate the impact of target setting on organizational and employee performance. In its findings, the study established that all employees that understood the target setting scheme and had already met their targets with their reporting officers and this made it possible for KRA to maximize revenue collection, decrease customer turnaround time, and define and streamline reporting and operating structure. Employees became more dedicated to their jobs as a result. According to the findings, there is a connection between employee's performance, goals of an organization, and individual preset targets. The study, on the other hand, did not investigate relations between appraisal contract and the evaluation or assessment process and rewards for high performance.

Okech (2017) investigated the effect of target setting on service delivery efficiency in the public sector. The goal of the study was to determine the effect of target setting on resource utilization as well as the obstacles to target setting implementation. The study discovered a link between target setting and service delivery efficiency, as seen by lower operating costs, more income, and better resource usage and allocation. It did, however, find a flaw in the way performance targets are created, resources are allocated, and formal reward systems are implemented.

Idowu, Chibuzoh and Madueke (2014) carried out a study on the effects of goal-setting skills on students' academic performance in English language in Enugu Nigeria. The final sample for the intervention consisted of 80 participants. The findings showed that performance in English language was enhanced among participants exposed to goal-setting intervention compared to those

in the control group. However, the study used literature data in which documents may not be representative of the wider population.

Skaalvik and Skaalvik (2013) study focused on teachers' perceptions of the school goal structure: Relations with teachers' goal orientations, work engagement, and job satisfaction. Data were analyzed by means of structural equation modeling. Mastery goal structure was directly and positively related to teachers' work-related motivation (engagement and job satisfaction) whereas performance goal structure related to work-related motivation through the teachers' personal goal orientation.

Teo and Low (2016) study examined on the impact of goal setting on employee effectiveness to improve organization effectiveness: empirical study of a high-tech company in Singapore. The study established that there is a positive impact of goal setting on job performance is partially mediated by training and positive impact of goal setting on firm performance is significantly mediated by training. However, the study used convenience sampling technique which is highly vulnerable to selection bias.

Sahai and Srivastava (2012) assessed target setting in relation to performance assessment in talent management in India. The study indicated that the current plan had shared objective setting on quantifiable execution measurements. Objective setting was explicit, hence gave clarification to the representatives on what was required out of them. A nearer examination on Samridhi enterprises, stipulated that the essential defect in the objective establishment and execution evaluation framework had individual arrangement of qualities. It was additionally noticed that, in any event, for advancement between bunches execution; evaluation was among the criterion used that was time structured. This additionally demonstrated suggestion that, regardless of the exhibition and exertion, proportion profit that an individual acquired was advanced inside the gathering and among bunches dependent on the involvement. However, this aided in remunerating the individuals who remained for a lengthier duration of time with the firm, yet, it additionally made disparity and cacophony among the superior workers. This implied that in some instances, results of target setting were not strictly followed when rewarding employees. This hindered employee productivity.

A research on the positive effects of goal setting on employee productivity by Metezzenbaum (2006) weighed more in the private than in the public segment. The use of employment examination to create social measures, for which explicit significant standards were set, could be executed effectively on people in the private division. The author referred to phenomenal instances of the advantages of setting explicit high efficiency result objectives for administrative associations for at least one segment inside them. Metezzenbaum also noticed that measures for persuading a representative in people in general and private areas were to be seen with alert. Results gauges that were far reaching for instructing an individual representative were normally elusive; however, practices recognized through work investigation, indicated what a worker could do to actualize an association's methodology that influenced its net benefits (Metezzenbaum, 2006).

2.2.2 Evaluation Practice and employee performance

Companies may need to evaluate the employees against their set targets and hence appraisals are important. A study conducted by Ibeogu and Ozturen (2015) revealed that 20 in as much as the use of evaluation varies, it is mostly used to recognize the efforts of certain employees especially in small businesses and at the same time enable the organization point out areas for improvement. In Nigerian context, managers use evaluations to motivate their employees since it communicates to them feedback and expectations.

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

A study by Khuong and Tien (2013) indicated two critical roles of evaluation as either for administrative decisions such as promotions and rewarding of employees or for making planning decisions regarding the growth of employees which can involve coaching and career development. It was revealed that some of the steps in evaluation as measurement of the current performance, collection and analysis of data, interpreting the results of analysis and giving feedback for improvement.

In another interrogation, Lee and Chen (2013) base a good evaluation on three building blocks namely competencies, accurate duty statements and consistency in standards of practice. Its effect on employee performance was established to be positive and significant.

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

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

Kaburu (2010, in his study in the ministry of Energy, looked at the effect of performance appraisal evaluation on staff performance. In this study it was discovered that performance evaluations had a strong impact on the achievement of performance targets within the Ministry. The study realized a study gap that staff evaluations did not actually have an impact on employee personal development and that the evaluation needed to be tied to rewards system.

Chaponda (2014) looked at the impact of performance appraisals on employee motivation as an aspect of performance. The study findings indicated that performance appraisal and evaluation has aided in enhancing job performance, and regular assessment and evaluation contributes to

employee motivation. At the Ministry of East Africa Community, Labor and Social Protection, Muriuki (2016) intended to determine the impact of performance review on employee motivation. According to the findings, there was a strong positive and substantial relationship between employee performance and motivation as measured by performance appraisal. The highlighted research gap concerned the relationship between performance evaluation and performance-based compensation, as well as the importance of communication and feedback.

2.2.3 Communication Practice and Employee Performance

A case study done by Jain et al. (2015), on management responsibility for performance found that worker forums give a scene to address ambiguity of data and a technique for two-way interchanges. Employees are urged to round out assessment structures and give input with respect to the different themes and discourses. Effective communication designs incorporate two-way interchanges, worker commitment and assessment of techniques (Wolfe, 2005). Workers who feel they have a chance to give criticism to pioneers eye to eye have higher commitment components and double the activity fulfillment (Sopow, 2007; Chong, 2007; Stein, 2006).

An empirical analysis done by Robinson and Judge (2007) found that communications are more compelling where criticism is connected. It was found that gatherings specifically have an impressive favorable position of allowing this sort of input. Individuals in the working environment experience the ill effects of poor performance because of not getting criticism, an exceptionally normal situation and in many organizations. A deficiency of input happens even in little organizations, groups and in families. The 'criticism starvation' is a vacuum that happens when individuals get lacking data in connection to their performance. This worries continuous, standard and casual criticism which ought to be convenient and particular in order to enable people to discover their objectives.

A descriptive research done by Wang (2011) found that in many organizations, achievement is attempted to be driven by results/input, on the off chance that it intends to advance assets and boost yield. Specifically, the criticism should be SMART. Especially it needs to address the honest to goodness individual and the incite issue. The study states that it should not be general in case it is to be fruitful. It ought to be Measurable: where dynamic summit of a task or response to rule is taken after. It must be Acceptable: terms of reference are indisputably passed on and grasped

among sender and authority. It must be Realistic: the pined for effect of information transmission between organization, staff and understudies must be established on honest to goodness potential and constraintment, and not moving. It must be Time encompassed: feedback is significantly earth shattering when it is gotten at the right time, and followed up on inside certain range.

Eliphas et al., (2017) did a study on the influence of performance appraisal practices on employee productivity. The study focused on three aspects; recognition, feedback, and training and development. The findings of the study revealed that productivity in organizations is mainly influenced by recognition and feedback while training and development does not play a critical role.

Karimi (2013) conducted a case study at Kenya's Postal Corporation to investigate the effects of communication methods on employee motivation in the Kenyan Public Service. The study findings showed that communication was found to play a significant impact in deciding whether or not a business succeeds, as well as in influencing employee motivation toward performance, according to the study. The study discovered a gap in which a number of employees were dissatisfied with the organization's communication channels, limiting communication efficiency and negatively impacting their motivation to reach their aims and goals. The study was done outside Uganda and may not be applicable to Mt. Elgon Millers limited, Mbale city, Eastern Uganda.

At the Ghana Revenue Authority in Kumasi, Otoo (2015), evaluated the effect of communication techniques on employee performance. In effect, the study focused on existing communication systems in Ghana Revenue Authority with a view of measuring the performance of employees. Simultaneously, it tried to establish a link between successful corporate communication and employee performance, as well as identify the channels of communication that employees thought were most valuable. Finally, the Ghana Revenue Authority's communication mechanisms were noted as having hurdles and malfunctions. Employee performance indicators are correlated with several measures of effective organizational communication, according to the study. The study identified gaps on bottlenecks in the communication systems that if unchecked affect employee performance especially information distortions which must be addressed to improve communication. Unfortunately, the study was carried outside Uganda and at different circumstances which may not be applicable to Uganda and particularly Mt. Elgon Millers.

Oronje (2018) wanted to know how communication feedback affected staff performance. According to this study an organization's communication and feedback channels are among the factors that predict employee performance. The research gap identified was on how exactly employee attitude towards a given organizational communication system affects employee performance.

2.2.4 Corrective Action in Appraisals and Employee Performance

Greguras et al (2003) argue that the biases of those who rate workers account for a significant percentage in the performance of workers. This research study sought to illustrate the relationship between corrective action as an appraisal practice and employee performance. Jahawar and Williams (2003) observe that it is even possible that the appraisal purpose itself could be biased particularly in terms of administrative purposes such as pay rises or promotions. As a result, according to Robbins & DeCenzo (2010) employees see appraisals as that which affects their work lives directly and may lead to improved remuneration or even a promotion. Robbins & DeCenzo (2010) found that evaluators may not always give honest feedback to employees because they are afraid of hurting their feelings, especially when the appraisal scores or outcomes could affect their pay.

According to the past study by Badreddine and Aoun (2019), it implied that the task performance is performed when the employee possesses the behavior to complete his/her responsibilities that were included in the job description. While the study based on another past study by Pradhan and Jena (2017), contextual performance or organizational citizenship behavior (OCB) is the actions that are carried out voluntarily by the employees which will be contributed to the organization.

Several past studies showed that there is a positive relationship, as well as significant effect between performance appraisal system and employee performance (Khan, Mdyusoff, Ismail, Hussain, & Yunus, 2018; Ahmad, Danish, Ali, Ali, & Humayon, 2019; Badreddine & Aoun, 2019; Jain & Adlakha, 2019; Al-jedaia & Mehrez, 2020; Chahar, 2020). This study intended to establish such relationship by previous studies.

As in Atakpa, Ocheni, & Nwankwo, (2013) noted that performance is multidimensional. Its elements include effectiveness, economy, efficiency, productivity, quality and behavior.

Performance can thus be tangible or behavioral Gbeja, (1983). According to Ducker (1964), to an employee “Performance is the consistent ability to produce results over a prolonged period of time and in a variety of assignments”. There is, however a school of thought amongst modern management scholars which argues that ability is neither performance nor result/outputs (Kerman & Durham, 2009). According to the scholars, ability is an input like such factors/traits as initiatives, penetration, foresight, loyalty, integrity, leadership, etc. They have also pointed out that where these factors/traits/qualities are the basis for assessment, subjectivity becomes a significant problem.

Many organizations have come to contend with appraisals as a critical business tool when it comes to translating business strategy into results after all, as Scherer and Segal (2006) indicate, companies with good performance systems have generally embraced performance appraisal as part of their culture. In a study by Robbin and DeCenzo (2010), employee evaluation can create an emotionally charged event because most employees perceive any such evaluation as one that has a direct effect on their work lives. This is because evaluation and feedback could result in an improved remuneration, a promotion or personal development initiatives such as training.

Anyango (2011) discovered a relation between the reward system utilized by companies and employee work satisfaction in a study on the effects of incentive systems on employee performance. The goal of this study was to see how the employer-employee connection affects job satisfaction, as well as the impact of rewards on employee work satisfaction, employee maintenance on employee work satisfaction, and employee communication on employee work satisfaction. The study pointed out a gap in the role of recognition on job satisfaction by management as well as the influence of training of employees on job satisfaction.

Ndichu (2017) looked into how incentives and rewards affected employee productivity in Kenyan small banks. The study's purpose was to look at the effects of financial, non-financial, and reward systems on employee performance, as well as to figure out what employees value the most in order to spur productivity.

While all incentives and reward systems are vital, the study discovered that they mean various things to various types of individuals. The study indicated that different rewards affect employee productivity differently. The research gap identified the need for banks to develop a comprehensive

reward system that is well-structured and can be easily monitored and that includes where shareholders share profit with employees and career progression for all employees together with talent management that addresses development needs, succession planning, and employee growth that can eventually motivate employees to increase their productivity.

Osir (2009) investigated the effects of corrective action on employee performance. Despite the fact that traditional reward systems are supposed to inspire employees and increase their performance, the research discovered that employees were not driven to perform better, and their performance tended to diminish. There was therefore need to investigate forms of reward systems that have an adverse effect on employee performance.

Mulera (2012) conducted a descriptive survey study in which he investigated the effect of a performance-based compensation system on employee motivation in the Barclays Bank of Kenya Head Office. Employees were not encouraged to utilize their own judgment when performing their jobs, and they were not involved in the decision-making process. The research gap identified was on the role of recognition in encouraging employee performance.

2.3 Summary of the literature

Many studies done both in the global and local context have exhibited contextual, conceptual and methodological gaps. For instance, studies by Ljubsavijevic and Jovanovi (2011); Hutchinson and Zain (2009) were all done in other countries which is a different context from the current study which was carried out in Elgon Millers, private sector organization. The studies further did not determine the extent to which appraisal practices contributes on the overall employee performance of the firm by considering only one or two appraisal practices in a simple regression model resulting to methodological gaps. Therefore, the current study considers a conceptualized model of all the four appraisal practices and how each influences employee performance in Elgon Millers. The current study considered testing effect of target setting practices, Evaluation practices, Communication practices and corrective action practices on employee performance in Mbale city which other previous studies did not consider as part variables of appraisal practices.

Ndege (2012) researched on appraisal methods used and its effect on employee performance in commercial banks in Kenya. This study had commercial banks as its context thus showing a

contextual gap which to the current study seeks to bridge by considering Elgon Millers in Mbale in the private sector as its context.

CHAPTER THREE:

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the research methods used to conduct the study and create responses to the research questions. The research design, study target population, sample and sampling methodologies, data collection instruments, research instrument validity and reliability, data gathering methodologies, data analysis methodologies, and ethical considerations are all covered.

3.1 Research Design

In study adopted a descriptive research design. According to Mugenda and Mugenda (2003), a descriptive survey is important when a researcher wants to know who, how, what, where, and when about a specific topic, and this information can be gathered through questionnaires. This study strategy helps researchers acquire, summarize, present, and analyze information for clarity purposes by describing the features of a certain population in a systematic and accurate manner (Mugenda and Mugenda, 2003). The study adopted both quantitative and qualitative approaches for the study.

3.2 Area of study

The area under study focused on Elgon Millers which is found in Doko cell Industrial Division Mbale City in Mbale city in Eastern Uganda. Mbale is approximately 225 kilometers (140 mi), by road, northeast of Kampala, Uganda's capital and oldest city, on an all-weather tarmac highway.

3.3 Target Population

Cooper and Schindler (2003) define a population as "the subjects from who the researcher intends to collect data." As a result, a target population is defined as all members of a real or fictitious group of people, events, or things that the researcher wants to generalize about. The study's target demographic consisted of 170 employees from Mt. Elgon Millers limited, Mbale city, in Eastern Uganda

Table 1: Target Population

Category	Target population
Senior Management	13
Middle Management	50
Lower Management	87
Total	170

Source; Elgon Millers Human Resource Records, 2021

3.5 Sampling techniques and Sample Size

3.5.1 Sample Size determination

A sample should be as accurate as if it were being used to investigate the full population (Kothari, 2004). Therefore 118 respondents formed the sample size of this study from the target population of 170. Determined using the Sample Table developed by Krejcie & Morgan (1970), see (Appendix III). The selection has been proportionately distributed as shown in Table 3.3.

Table 2: Sample size Distribution

Categories	Population	Sample size	Sampling techniques
Senior management	13	8	Simple random sampling
Middle management	50	40	Simple random sampling
Lower management	87	70	Simple random sampling
Total	170	118	

Source: Elgon Millers Staff Records (2021) & Krejcie & Morgan (1970)

3.5.2 Sampling Techniques

Sampling entails deciding on a target population and a sample size (Kumar, 2012). According to Levy and Lemeshow (2013), simple random sampling gives more precise estimates of overall population parameters and ensures a more representative sample is generated from a usually homogeneous population. Simple random sampling was used to divide the population into three categories based on their level of management. To pick responders from each population category, a simple random sampling method was utilized. The respondents came from the three different

levels. Level 1 senior management, level two middle level management and level three, Lower employees. This enabled actual representation of all the sub-groups in the target population.

3.6.0 Data Collection Methods

Information for this study was selected from both primary and secondary sources.

3.6.1 Questionnaire Surveys

A survey is a research method for collecting information from a selected group of people using standardized questionnaires. Surveys also require selecting populations for inclusion, pre-testing the survey questionnaire, determining delivery methods, ensuring validity, and analyzing results (Kothari, 2005).

3.7 Data Collection Instruments

Data collection instruments are the tools used to collect data. This study used the following instruments;

3.7.1 Questionnaire

This study used a questionnaire that follows recommended guidelines by various scholars that include Kothari (2014) and in line with the objectives of the study. Closed-ended Quantitative questions ranked on a Five-point Likert Scale (where 1=Strongly Disagree, 2=Disagree, 3= Not sure, 4= Agree and 5=Strongly Agree) to provide options of answers to questions were formulated. Where necessary the open-ended questionnaire was used to capture questions on the independent and dependent variables.

Questionnaire was preferred for this study because of the lesser costs involved, convenient for the respondent to fill at any time, covers a wider geographical area and gives a chance to obtain valid information (Amin, 2005).

3.7.2 Interview guide

A key informant interview was adopted because of its ability to structure conversations with the respondents who had specialised knowledge about the topic of study. The researcher had a face-to-face interview with 8 respondents of whom all were from the senior level of management. These

were interviewed on aspects of target setting, evaluation, communication and corrective actions in relation to employee performance of Mt. Elgon Millers limited in Mbale city. The study preferred to use face-to-face interviews because people tend to share a lot more information when someone is asking the questions in person; and because it is much easier to ask a follow-up question and get examples to support what people are saying. This method therefore helped in exploring the subject in depth and resulted in the discovery of the information that otherwise would not be revealed by the questionnaire. Key information from this interview method helped in redefining data whose findings clarified the quantitative research findings.

3.8 Data Collection Procedure

The researcher went to the field for data collecting after acquiring a letter from Business Department, Uganda Christian University. The researcher contacted the respondents and explained the investigation and its goal, as well as himself, before obtaining their informed consent to participate in the study. The surveys were distributed and collected using two enumerators and a pick-and-drop procedure.

3.9 Quality control

It is a test that is given in advance of a thorough research project with the goal of pre-testing a research instrument (Dikko, 2016).

3.9.1 Validity

The ability of an instrument to measure what it was designed to measure both outwardly and internally is defined as validity (Bryman, 2012). Internal validity was checked on the variables in the questionnaire to ensure that all important indicators were obtained, allowing it to acquire the essential data. To ensure a complete outcome for the entire population, the appropriate sample was chosen for external validity. The researcher submitted the questionnaire to the project supervisor for professional validation and assistance after completing the evaluation of the pilot study's results. In this study the researcher used Content Validity index through the use of ratings from experts to ensure validity of the instruments. The following formula of content validity index was used and all items scoring above 0.70 were considered to be valid as recommended by George and Mallery (2003).

$$\text{CVI} = \frac{\text{No. of items regarded relevant by expert}}{\text{Total Number of items}}$$

Table 3: Validity results

Expert	Items declared Valid	Total number of questions	Index
Expert 1	21	28	0.75
Expert 2	20	28	0.71
Expert 3	21	28	0.75
Average Total			(2.21/3) = 0.74

Source: Field study (2021)

Therefore, the researcher considered the research instrument valid since the CVI obtained of 0.74 is above 0.7 as recommended by George and Mallery (2003) as being acceptable

3.9.2 Reliability

Reliability refers to the degree to which a research instrument generates consistent results after multiple trials (Ngehu, 2004). In this study, Cronbach's coefficient of alpha was used to determine the instruments' internal consistency. In order to ensure the degree to which questionnaires produced consistent results if used under the same conditions, they were piloted on 20 respondents who were not part of the sample and the results subjected to Cronbach's alpha reliability. The questionnaires were given to 20 respondents to fill in and were collected for analysis. Raw data from these questionnaires were entered into a statistical program known as the Statistical Package for Social Scientists (SPSS). The alpha value could be anywhere between 0.70 and 0.95. (2011) (Tavakol & Dennick). The Cronbach Coefficient of Alpha, which ranges from 0 to 1, was employed to assess the internal consistency of the study instruments. Ideally, the values should be more than 0.70. (Tavakol & Dennick, 2011). The constructs' reliability is demonstrated in Table 4

Table 4; constructs' reliability

Scale	Cronbach's Alpha	Number of Items
Target Setting	0.811	6
Evaluation Practice	0.728	6
Communication Practice	0.791	6
Corrective Action	0.802	7
Average	0.783	

Source; primary data, 2021

For each objective that created a scale, Cronbach Alpha was constructed. Target setting had the highest reliability (0.811) in Table 4 above, followed by Corrective Action (0.802), Communication Practice (0.791), and finally Evaluation Practice (0.728). This shows that all four variables were trustworthy, as their dependability values, which averaged 0.783, were higher than the desired aim of 0.7. As a result, the research was trustworthy.

3.10 Data Analysis and Presentation.

Quantitative data analysis

After cleaning the collected data, the researcher checked for accuracy, uniformity, logical completeness and consistency before subjecting it to analysis. During the analysis, the general information of the respondents was by way of descriptive statistics such as percentages and frequency while Multiple Linear Regression Model was used in determining the effect of appraisal practices on employee performance at Mt. Elgon Millers. Findings have been presented in tables and graphs.

Qualitative data was analyzed as it was being collected. It involved an analysis of data such as statements and phrases of words from interviewees. According to Krippendorff, (2012), content analysis was used to enable the researcher analyze and make interpretations of the data simultaneously as it was being obtained. Qualitative data analysis aimed at providing explanations, interpretation and understanding of collected data on how performance appraisal practices affect employee performance in at Mt. Elgon Millers limited in Mbale city

3.11 Measurement of Variables.

The Likert scale was used in the measurement of all the variables in the self-administered questionnaire. The ordinal and the nominal scales were used in the measurement of quantitative variables under study. As Amin (2005) indicates, for nominal scales, numbers were assigned to observations such that, only ordinal measurement ranks were measured. The Likert scale assumed and used; “SA”(5) for Strongly Agree, “A”(4) for Agree, “NS”(3) for Not Sure, “D”(2) for Disagree and “SD”(1) for Strongly Disagree.

Table 5: Legend

Description	Mean range	Scale	Interpretation
Strongly Agree	4.10-5.00	5	Very high/very satisfactory
Agree	3.10-4.00	4	High/satisfactory
Uncertain	2.10-3.00	3	Moderate/Moderate
Disagree	1.10-2.00	2	Low/Unsatisfactory
Strongly Disagree	0.00-1.00	1	Very low/Very unsatisfactory

3.12 Ethical Consideration

Ethical measures are principles which the researcher should bind himself with in conducting research (Schulze, 2002). The researcher took all ethical issues very seriously and did all he could to acquire any data or knowledge, this study involved access to confidential financial and non-financial information which was handled with care and with confidentiality. All the aspects of ethics such as informed consent, privacy and confidentiality, anonymity and the researcher's responsibility were observed as below.

Informed consent; The researcher fully appraised the respondents with all the necessary information about the study like, the purpose of the study, privacy and confidentiality efforts, the period of participation in the study by the respondent, the possible benefits of the study, the meaning of key concepts.

Privacy and confidentiality; the researcher treated all private information and data acquired during this study with utmost confidentiality, the researcher did not disclose any data that was regarded private and confidential except for purposes of this study.

Anonymity; All respondents to this study that wanted to maintain anonymity were kept anonymous while using the data they provided.

Researcher's responsibility; The Researcher had a responsibility to ensure that the research meets high scientific and ethical standards that respect and protect the participants even after the approval or publication of the research paper. The research complied with all applicable laws and data safety and observed any copyright requirements during the study.

CHAPTER FOUR:

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

The chapter examines and summarizes the findings of a research conducted in Mt. Elgon Millers Limited, Mbale City with the goal of evaluating the relationship between appraisal practices and employee performance.

4.1 Questionnaire Response Rate

The researcher targeted 118 respondents drawn from staff of Mt. Elgon Millers Limited, Mbale City. The staff comprised of senior level managers, middle level managers and lower-level employees. Out of the 108 respondents, the researcher received 101 responses thereby recording a return rate of 86%. In research however, it has generally been agreed that a return rate of 50% rate is acceptable, 60% is good and anything above 70% is considered high rate (Mugenda (2012)). Therefore, this high response rate obtained in this study was attributed to the high sense of organization of the researcher and his research assistants and the fact that they followed the laid down procedures of data collection. On the other hand, it can be attributed to the participant's interest in the topic of study and their commitment unto it.

4.2 Demographic Characteristics of Respondents

This part contains the respondent's information. Each section contains an explanation of the study's findings.

4.2.1. Respondents' Designation

The respondents were divided into three categories based on their position within the company in the study. The results are summarized in the Figure 4.1 below.

Table 6: Designation of the Respondents

Category	Frequency	Percent (%)
Top level	6	5.9
Middle level	35	34.7
Lower level	60	59.4
Total	101	100

Source: Primary Data (2021)

As indicated in Figure 4.1, 5.9 percent of respondents were in the Senior Management group, 34.7 percent in the Middle Level Management category, and 59.4 percent in the lower-level Staff group. This showed that the study's focus was on lower-level management personnel. It demonstrates that the information provided was accurate because they are better familiar with the factors that influence employee performance in relation to appraisals.

4.2.2. Number of Years Worked

The purpose of the study was to determine how long the respondents had worked at Mt. Elgon Millers Limited, Mbale City. This was done to see how much their answers could be trusted when drawing conclusions for the study based on their job experience. Figure V below shows an overview of their findings.

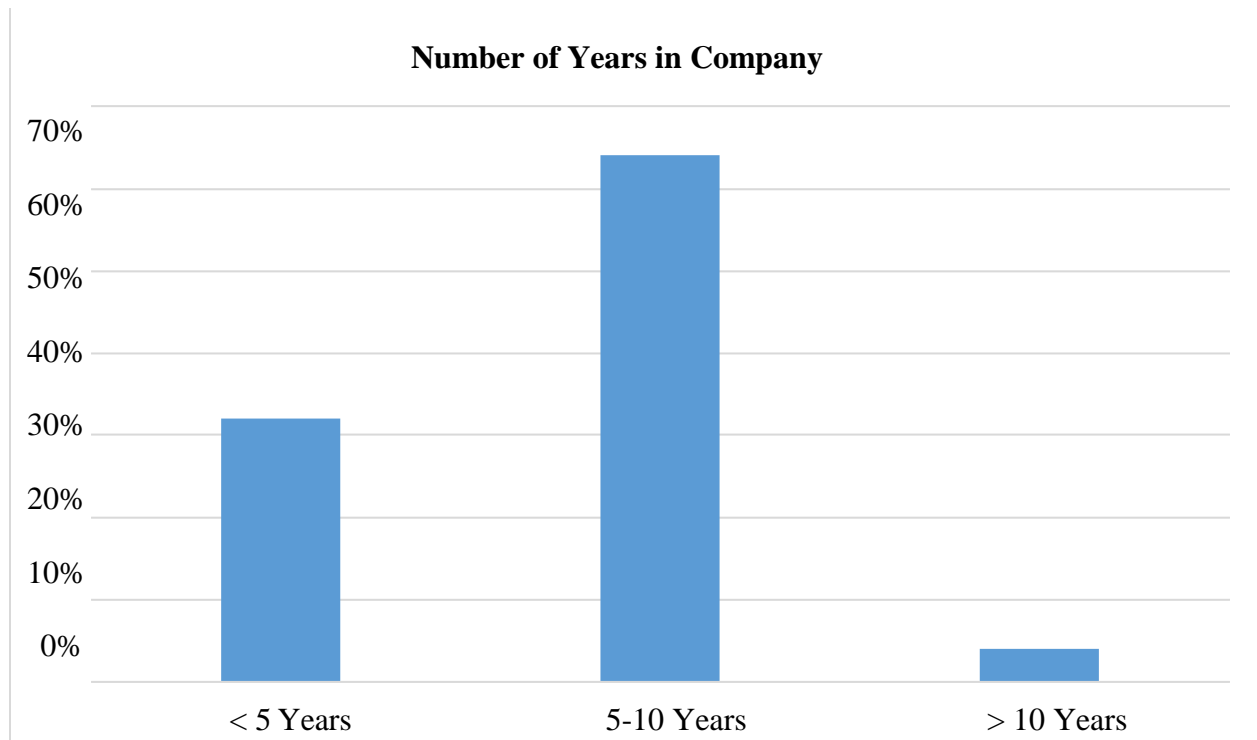


Figure 2: Respondents' Number of Years Worked

Source: Research Data (2021)

According to the information gathered, the majority of the employees have worked at Mt Elgon millers for between five and ten years, which is the usual number of years for a competent employee (see Figure 4.2). Respondents with a lot of work experience, according to Braxton (2008), help provide credible data on the challenges that an organization faces since they have technical familiarity with the difficulties that the study is looking at. As shown in Figure 4.2, more than half of the respondents had worked for Elgon Millers for more than 5 years and so had a thorough understanding of assessment methods and their effects on employee performance.

4.2.3. Age of Respondents

The respondents were also asked to show their average age and the summary of their age is as shown in table 4.2 below.

Table 7: Age Distribution

Age Bracket (In Years)	Frequency	Percentage (%)
Below 25	7	6.9
25 - 35	60	59.4
36 - 45	10	9.9
Over 45	24	23.8
Total	101	100

Source: Primary Data (2022)

According to Table 7, the average age of the respondents at the time of the survey was between 25 and 45 years, accounting for 76.2 percent of the total, while those beyond 45 years accounted for 23.8 percent. This shows that majority of the employees are mature youth with enough experience in their areas of expertise. They are also in the age group who are more vibrant and innovative hence are more productive in terms of work performance. The findings support those of Price and Banham (2011), who claim that there are two natural age peaks in the late 20s and mid 40s, which are linked to employee performance. Furthermore, the findings suggest that any strategy aimed at improving employee performance at Mt. Elgon Millers Limited, Mbale City should attempt to be age inclusive, even going beyond youth affirmative action, which targets employees between the ages of 18 and 35 as well as those over 35.

4.3 Analysis of Employee Performance

The purpose of this section was to find out what the respondents thought about employee performance. This section identifies the precise factors influencing employee performance and are linked to appraisal practices. The responses were recorded below

Table 8: Status of Employee performance

Statement	SD	D	N	A	SA	Mean	Standard Deviation	Comment
1. There are improvement programs (PIP) in Elgon millers	8(7.9)	17(16.8)	31(30.7)	(41)40.6	4(4.0)	3.16	1.017	High
2. The resources provided to you for your job are adequate	9(8.9)	24(23.8)	10(9.9)	25(24.8)	33(32.6)	3.49	1.390	High
3. Employees meet their goals at work	11(10.9)	26(25.7)	39(38.6)	17(16.8)	8(7.9)	2.85	1.081	Moderate
4. Employees are regularly summoned for performance hearing	14(13.9)	16(15.8)	42(41.6)	22(21.8)	7(6.9)	2.92	1.102	Moderate
5. Employee skills set match their current job	10(9.9)	23(22.8)	42(41.6)	20(19.8)	6(5.9)	2.89	1.029	Moderate
Average mean and Std. Deviation						3.06	1.124	Moderate

Source: Field Data 2022

Key:SD- strongly Disagree, D- Disagree, N-Not Sure, A- Agree, SA- Strongly Agree

From the analysis above, it is established that majority of the respondents 41(40.6%) and 4(4.0%) agreed and strongly agreed with the statement ‘there are performance improvement programs at Elgon millers.’ 17(16.8%) and 8(7.9%) of the respondents disagreed and strongly disagreed while 31(30.7%) of the respondents were not sure about the statement. The mean value of 3.16 indicates

agreement to a large extent and the standard deviation of 1.017 indicates a high variance in responses. The findings imply that the existence of performance improvement programmes in Elgon millers promotes better employee performance.

Findings in the table above show that 25(24.8%) and 33(32.6%) of the respondents agreed and strongly agreed with the statement 'The resources provided to you for your job are adequate,' 24(23.8%) and 9(8.9%) of the respondents agreed and strongly disagreed with the statement respectively, while 10(9.9%) were not sure about the statement. The mean value obtained is 3.49 indicating agreement to a large extent and the standard deviation is 1.390 which shows a high variance in responses. The findings mean that Management of Elgon millers provides employees with adequate resources for their jobs.

On finding out whether Employees meet their goals at work, findings in the table above reveal that 17(16.8%) and 8(7.9%) agreed and strongly agreed with the statement, 26(25.7%) and 11(10.9%) disagreed and strongly disagreed, 39(38.6%) of the respondents who were the majority were not sure about the statement. The mean value of 2.85 indicates disagreement about the statement and the standard deviation of 1.080 indicates a high variance among the responses. The findings mean that employees in Elgon millers do not meet their work goals.

From the findings in the table above, it is established that 22(21.8%) and 7(6.9%) of the respondents agreed and strongly agreed with the statement 'Employees are regularly summoned for performance hearing,' 14(13.9%) and 16(15.8%) of the respondents strongly disagreed and disagreed with the statement, while 42(41.6%) were not sure about the statement. The mean value of 2.92 indicates disagreement and the standard deviation is 1.102 indicating a high variance in responses. The findings imply that employees in Elgon millers are regularly summoned for performance regularly.

Findings in the table above determined that 20(19.8%) and 6(5.9%) of the respondents agreed and strongly agreed with the statement 'Employee skills set match their current job,' 23(22.8%) and 10(9.9%) disagreed and strongly disagreed with the statement while 42(41.6%) of the respondents were not sure about the statement. The mean value obtained of 2.89 indicates disagreement to a wide extent and the standard deviation is 1.029 indicating a high variance in responses. This implies that the employee skills set does not match their current jobs at Elgon millers.

However, the average mean value obtained of 3.06 indicates agreement to a wide extent and the standard deviation is 1.124 indicating a high variance in responses. This implies that the employee performance is achieved at Elgon millers.

4.4.1 Statements on Target Setting Practice

The following assertions concerning Mt. Elgon Millers Limited, Mbale City's target setting practice were given to respondents to score their level of agreement with.

To what extent do you agree with the following statement on target setting process in your organization?

Table 9: Statement on Target Setting Practice

Statement	SD	D	N	A	SA	Mean	Standard deviation	Comment
1. The company involves staff in strategy and goal formulation	2(2.0)	9(8.8)	2(2.0)	33(32.7)	55(54.5)	4.29	1.013	Very high
2. Management involves individual employees in goal setting of their own work targets	1(1.0)	3(3.0)	1(1.0)	53(52.5)	43(42.5)	4.33	.736	Very high
3. Employees get chance to discuss their individual targets before sign-off	6(5.9)	14(13.9)	2(2.0)	36(35.6)	43(42.6)	3.95	1.244	High
4. All employees understand their individual targets as signed	4(4.0)	3(3.0)	8(7.9)	25(24.7)	61(60.4)	4.35	1.024	Very high

5. The opinion of employees count when it comes to setting their work targets	3(3.0)	4(4.0)	16(15.9)	22(21.7)	56(55.4)	4.23	1.048	Very high
6. Employees signed a clear job description	1(1.0)	5(4.9)	20(19.8)	71(70.3)	4(4.0)	3.71	.668	High
Average mean and Std. Deviation						4.14	0.955	Very high

Source: Field Data 2022

Key:SD- strongly Disagree, D- Disagree, N- Not Sure, A- Agree, SA- Strongly Agree

From the analysis above, it is established that majority of the respondents 55(54.5%) and 33(32.7%) both strongly agreed and agreed with the statement ‘The company involves staff in strategy and goal formulation.’ 9(8.8%) of the respondents disagreed and 2(2.0%) strongly disagreed while 2(2.0%) of the respondents were not sure about the statement. The mean value of 4.29 indicates agreement to a large extent and the standard deviation of 1.013 indicates a high variance in responses. This implies that at Elgon millers employees are involved in strategy and goal formulation.

Findings in the table above show that 53(52.5%) of the respondents agreed with the statement ‘Management involves individual employees in goal setting of their own work targets,’ 43(42.5%) of the respondents strongly agreed with the statement, 3(3.0%) and 1(1.0%) of the respondents disagreed and strongly disagreed respectively while 1(1.0%) were not sure about the statement. The mean value obtained is 4.33 indicating agreement to a large extent and the standard deviation is 0.736 which shows a low variance in responses. The findings mean that Management involves individual employees in goal setting of their own work targets.

On finding out whether Employees get chance to discuss their individual targets before sign-off, findings in the table above reveal that 36(35.6%) agreed with the statement, 43(42.6%) strongly agreed, 6(5.9%) strongly disagreed, 14(13.9%) of the respondents disagreed while 2(2.0%) of the respondents were not sure about the statement. The mean value of 3.95 indicates agreement about

the statement and the standard deviation of 1.244 indicates a high variance among the responses. The findings mean that employees are given chance to discuss their individual targets.

From the findings in the table above, it is established that 25(24.7%) of the respondents agreed with the statement ‘All employees understand their individual targets as signed,’ 61(60.4%) of the respondents strongly disagreed with the statement, 3(3.0%) and 4(4.0%) of the respondents disagreed and strongly disagreed while 8(7.9%) were not sure about the statement. The mean value of 4.35 indicates agreement and the standard deviation is 1.024 indicating a high variance in responses. The findings imply that employees understand their targets and this can be attributed to the existence of the target setting practices at Elgon Millers.

Findings in the table above determined that 22(21.7%) of the respondents agreed with the statement ‘The opinion of employees count when it comes to setting their work targets,’ 56(55.4%) strongly agreed with the statement, 4(4.0%) and 3(3.0%) disagreed and strongly disagreed with the statement while 16 (15.9%) of the respondents were not sure about the statement. The mean value obtained of 4.23 indicates agreement to a wide extent and the standard deviation is 1.048 indicating a high variance in responses. This implies that the opinions of employees count in setting their work targets.

On finding out whether ‘Employees signed a clear job description,’ results in the table show that 71(70.3%) of the respondents agreed with the statement, 4(4.0%) strongly agreed, 1(1.0%) and 5(4.9%) of the respondents strongly disagreed and disagreed while 20 (19.8%) were not sure about the statement. The mean value of 3.71 indicates agreement to a large extent and the standard deviation of 0.668 indicates a close variance in responses. The clear job descriptions help to reduce the risk of confusion and conflicts.

The average mean value of 4.14 signifies agreement with existence of target setting practices in Elgon millers to a great extent and the standard deviation of 0.955 indicates a low variance in responses

The above findings were in agreement with one interviewee who said; “It is true we have set performance target which outline what employee intend to achieve in order to remain focused.

This enable employees to avoid deviation at the same time being accountable on job” (Key Informant, D, 23thJuly 2022)

The findings were also supported by interview results where one interviewee said; “Ideally I do relate with setting targets in regards to my performance if they are well stated and clearer and the more motivation we as staff get and vice versa” (Key informant B, 9th July, 2022)

4.4.2. Statements on Evaluation Practice

The following statements about Evaluation Practice in Mt. Elgon Millers Limited, Mbale City and evaluation as an appraisal practice were given to respondents to rate their level of agreement with. The results are presented in Table 4.5.

To what extent do you agree with the following statement on target setting process in your organization?

Table 10: Statement on Evaluation Practice

Statement	SD	D	N	A	SA	Mean	Standard Deviation	Comment
1. The ratings on the score card is clear and easy to understand	7(7.0)	17(16.8)	47(46.5)	24(23.8)	6(5.9)	3.05	.963	High
2. Staffs are allowed to rate themselves before meeting with manager for discussion	0(00)	1(1.0)	0(0.0)	92(91.1)	8(7.9)	4.06	.341	High
3. Peer evaluation is effective as colleagues are given a chance to	19(18.8)	17(16.8)	51(50.5)	10(9.9)	4(4.0)	2.63	1.027	Moderate

rate each other during appraisal								
4. employees feel that calibrations process is fair	9(8.9)	0(00)	3(3.0)	59(58.4)	30(29.7)	4.00	1.068	High
5. My manager is unbiased during appraisal	54(53.5)	3(3.0)	0(0.0)	41(40.5)	3(3.0)	2.37	1.521	Moderate
Average mean and Std. Deviation						3.22	0.984	High

Source: Field Data 2022

Key:SD- strongly Disagree, D- Disagree, N-Not Sure, A- Agree, SA- Strongly Agree

Findings on whether the ratings on the score card is clear and easy to understand in the table above indicate that 24(23.8%) of the respondents agreed with the statement, 6(5.9%) strongly agreed with the statement, 17(16.8%) and 7(7.0%) of the respondents disagreed and strongly disagreed while 47(46.5%) of the respondents were not sure about the statement. The mean value of 3.05 means that the ratings in the score card are clear and easy to understand. However, a minimal deviation of 0.963 presents a low variance among the responses. The findings therefore imply that having clear and understandable ratings in the score card makes it easy to ascertain the level of employee performance.

On finding out whether Staffs are allowed to rate themselves before meeting with manager for discussion, findings in the table above reveal that 92(91.1%) of the respondents agreed with the statement, 8(7.9%) strongly agreed with the statement, 1(1.0%) disagreed and 0(0.0%) strongly disagreed while 0(0.0%) of the respondents were not sure about the statement. The mean value is 4.06 which indicate agreement a very large extent and the standard deviation is 0.341 which indicates a low variance in responses. The findings imply that staffs in the organization are allowed to rate themselves before meeting with managers for discussion and therefore, this improves on the quality of work that they produce.

The study indicated that 10 (9.9%) agreed with the statement that Peer evaluation is effective as colleagues are given a chance to rate each other during appraisal, 4(4.0%) strongly agreed with the statement, 19(18.8%) strongly disagreed, 17(16.8%) disagreed while majority 51(50.5%) were not sure about the statement. The mean score of 2.63 signifies that peer evaluation is not effective and the standard deviation of 1.027 indicates a high variance among the responses. The findings mean that peer colleagues in Elgon millers are not objective in their peer evaluations when given chance to rate each other.

On finding out whether calibrations process is fair, results in the table above indicate that 59(58.4%) of the respondents agreed with the statement, 30(29.7%) strongly agreed with the statement, 9(8.9%) strongly disagreed, 0(0.0%) disagreed while 3(3.0%) of the respondents were not sure about the statement. The mean value obtained of 4.00 indicates agreement to a very great extent and the standard deviation is 1.068 indicates a high variance in responses. This implies that the organization calibrations are fair enough.

Findings in the table above indicate that 41(40.5%) of the respondents agreed with the statement that my manager is unbiased during appraisal, 3(3.0%) strongly agreed, 3(3.0%) disagreed and 54(53.5%) strongly disagreed with the statement while 0(0.0%) of the respondents were not sure about the statement. The mean value of 2.37 signifies disagreement to a larger extent and the standard deviation is 1.521 indicates a wide variance in responses. The findings mean that managers are most times biased during appraisal of their subordinates.

However, the average mean value 3.22 signifies agreement that evaluation practices in Elgon millers to a great extent promote employee performance. Standard deviation of 0.984 indicates a low variance in responses. This implies that with evaluation practices in place, the employee performance can easily be measured and ascertained.

The findings are supported by interview results where one interviewee said

'The above findings show that Mt. Elgon Millers provide a clear indication that with unbiased evaluations , employee performance is greatly enhanced and this aspect need to be upheld in totality though some levels of improvement is needed for the case of the minority to improve and have clear unbiased evaluation measures.' Key informant, A, 9th July, 2022)

The findings are also supported by interview results where one interviewee said;

“This is an area that Mt. Elgon Millers has done well since we have a performance criteria which clearly known to all staff an example we do quarterly evaluations for all levels of the staff” (Key informant H, 30th July 2022)

4.4.3 Statements on Communication Practice

The following assertions about Mt. Elgon Millers Limited, Mbale City's communication as an appraisal practice were given to respondents to score their level of agreement with. The results are presented in Table 4.6.

To what extent do you agree with the following statement on target setting process in your organization?

Table 11: Statement on Communication Practice

Statement	SD	D	N	A	SA	Mean	Standard deviation	Comment
1. My manager discusses with me my appraisal /evaluation outcome	0(00)	1(1.0)	1(1.0)	42(41.6)	57(56.4)	4.53	.576	Very high
2. The organization clears communicates the expectations during the appraisal process	0(00)	3(3.0)	1(1.0)	50(49.5)	47(46.5)	4.40	.665	Very high
3. Employees clearly understand the tool used for appraisal	4(4.0)	14(13.9)	3(3.0)	34(33.6)	46(45.5)	4.03	1.187	High

4. Employees receive feedback on my performance after appraisal	3(3.0)	13(12.8)	9(8.9)	14(13.9)	62(61.4)	4.18	1.212	High
5. Employees feel that appraisal process is biased against some staff	0(0.0)	0(0.0)	5(5.0)	29(28.7)	67(66.3)	4.61	.583	Very high
6. Employees contend with the feedback process before, during and after appraisal	51(50.5)	6(6.0)	0(0.0)	41(40.5)	3(3.0)	2.40	1.504	Moderate
Average mean and Std. Deviation						4.025	0.9545	High

Source: Field Data 2022

Key:SD- strongly Disagree, D- Disagree, N- Not Sure, A- Agree, SA- Strongly Agree

From the analysis above, it is established that majority of the respondents 57(56.4%) and 42 (41.6%) both strongly agreed and agreed with the statement ‘My manager discusses with me my appraisal or evaluation outcome.’ 1(1.0%) of the respondents disagreed and 0(0.0%) strongly disagreed while 1(1.0%) of the respondents were not sure about the statement. The mean value of 4.53 indicates agreement to a large extent and the standard deviation of 0.576 indicates a low variance in responses. This implies that at Elgon Millers managers discuss with their subordinates about their appraisal or evaluation outcomes.

Findings in the table above show that 50(49.5%) of the respondents agreed with the statement ‘The organization clearly communicates the expectations during the appraisal process,’ 47(46.5%) of the respondents strongly agreed with the statement, 3(3.0%) and 0(0.0%) of the respondents disagreed

and strongly disagreed respectively while 1(1.0%) were not sure about the statement. The mean value obtained is 4.40 indicating agreement to a large extent and the standard deviation is 0.665 which shows a low variance in responses. The findings mean the organization clearly communicates the expectations during the appraisal process.

On finding out whether respondents clearly understand the tool used for appraisal, findings in the table above reveal that 34(33.6%) agreed with the statement, 46(45.5%) strongly agreed, 4(4.0%) strongly disagreed, 14(13.9%) of the respondents disagreed while 3(3.0%) of the respondents were not sure about the statement. The mean value of 4.03 indicates agreement about the statement and the standard deviation of 1.187 indicates a high variance among the responses. The findings mean that employees clearly understand the tool used for appraisal.

From the findings in the table above, it is established that 14(13.9%) and 62(61.4%) of the respondents agreed and strongly agreed with the statement 'respondents receive feedback on their performance after appraisal,' 3(3.0%) and 13(12.8%) of the respondents strongly disagreed and disagreed with the statement, while 9(8.9%) were not sure about the statement. The mean value of 4.18 indicates agreement and the standard deviation is 1.212 indicating a high variance in responses. The findings imply that respondents receive feedback on their performance after appraisal at Elgon Millers.

Findings in the table above determined that 29(28.7%) and 67(66.3%) of the respondents agreed and strongly disagreed with the statement 'the respondents feel that appraisal process is biased against some staff,' 0(0.0%) strongly agreed and disagreed with the statement, while 5(5.0%) of the respondents were not sure about the statement. The mean value obtained of 4.61 indicates agreement to a wide extent and the standard deviation is 0.583 indicating a low variance in responses. This implies that the appraisal process is not biased against some staff.

On finding out whether 'respondents contend with the feedback process before, during and after appraisal,' results in the table show that 41(40.5%) and 3(3.0%) of the respondents agreed and strongly agreed with the statement, 51(50.5%) and 6(6.0%) of the respondents strongly disagreed and disagreed while 0(0.0%) were not sure about the statement. The mean value of 2.40 indicates disagreement to a large extent and the standard deviation of 1.504 indicates a wide variance in

responses implying that respondents do not contend with the feedback process before, during and after appraisal.

The average mean value of 4.025 signifies agreement with existence of communication practices in Elgon millers to a great extent and the standard deviation of 0.955 indicates a low variance in responses

The findings are supported by interview results where one interviewee said; “communication is done at 3 levels so all the levels might not be biased to an individual which a plus to employee performance measures applied and a good indicator of achieving objectivity to staff at our Elgon Millers offices” (Key informant C, 9th July, 2022)

4.4.4. Statements on Corrective Action Practice

Respondents were asked to rate their level of agreement with the following assertions concerning Corrective Action as an evaluation practice and its relation to employee performance at Mt. Elgon Millers Limited, Mbale City. The results are presented in Table 4.7.

To what extent do you agree with the following statement on target setting process in your organization?

Section F: Correction action

Table 12: Statement on Correction Action Practice

Statement	SD	D	N	A	SA	Mean	Standard deviation	Comment
1. Salary increments and incentives are pegged on appraisal results	4(4.0)	14(13.9)	3(3.0)	34(33.6)	46(45.5)	4.03	1.187	Very high
2. Incentives and bonuses are performance based	0(00)	0(00)	5(5.0)	29(28.7)	67(66.3)	4.61	.583	Very high
3. Employees clearly understand the reward system used	3(3.0)	13(12.8)	9(8.9)	14(13.9)	62(61.4)	4.18	1.212	Very high

4. Employees feel the performance improvement plan is clear	1(1.0)	0(0.0)	1(1.0)	42(41.6)	57(56.4)	4.52	.626	Very high
5. Termination process based on performance is clear to employees	14(13.9)	6(6.0)	7(6.8)	12(11.9)	62(61.4)	4.01	1.480	Very high
6. Employees always look forward to appraisal due to its impact on salary	29(28.7)	0(0.0)	0(0.0)	5(5.0)	67(66.3)	3.79	1.805	High
Average mean and Std. Deviation						4.19	1.149	Very high

Source: Field Data 2022

Key:SD- strongly Disagree, **D-** Disagree, **N-** Not Sure, **A-** Agree, **SA-** Strongly Agree

From the analysis above, it is established that majority of the respondents 46(45.5%) strongly agreed and 34(33.6%) agreed with the statement ‘Salary increments and incentives are pegged on appraisal results.’ 14(13.9%) of the respondents disagreed and 4(4.0%) strongly disagreed while 3(3.0%) of the respondents were not sure about the statement. The mean value of 4.03 indicates agreement to a large extent and the standard deviation of 1.187 indicates a high variance in responses. This implies that at Elgon Millers salary increments and incentives are pegged on appraisal results and employee performance.

Findings in the table above show that 29(28.7%) of the respondents agreed with the statement ‘Incentives and bonuses are performance based,’ 67(66.3%) of the respondents strongly agreed with the statement, 0(0.0%) of the respondents disagreed and strongly disagreed respectively while 5(5.0%) were not sure about the statement. The mean value obtained is 4.61 indicating agreement to a large extent and the standard deviation is 0.583 which shows a low variance in responses. The findings mean incentives and bonuses are performance based at Elgon Millers.

On finding out whether employees clearly understand the reward system used, findings in the table above reveal that 14(13.9%) agreed with the statement, 62(61.4%) strongly agreed, 3(3.0%) strongly disagreed, 13(12.8%) of the respondents disagreed while 9(8.9%) of the respondents were not sure about the statement. The mean value of 4.18 indicates agreement about the statement and the standard deviation of 1.212 indicates a high variance among the responses. The findings mean that employees clearly understand the reward system used.

From the findings in the table above, it is established that 42(41.6%) and 57(56.4%) of the respondents agreed and strongly agreed with the statement 'employees feel the performance improvement plan is clear,' 1(1.0%) and 0(0.0%) of the respondents strongly disagreed and disagreed with the statement, while 1(1.0%) were not sure about the statement. The mean value of 4.52 indicates agreement and the standard deviation is 0.626 indicating a low variance in responses. The findings imply that employees feel that performance improvement plan is clear at Elgon Millers.

Findings in the table above determined that 12(11.9%) and 62(61.4%) of the respondents agreed and strongly disagreed with the statement 'Termination process based on performance is clear to employees,' 14(13.9%) strongly agreed and 6(6.0%) disagreed with the statement, while 7(6.8%) of the respondents were not sure about the statement. The mean value obtained of 4.01 indicates agreement to a wide extent and the standard deviation is 1.480 indicating a high variance in responses. This implies that termination process based on performance is clear to employees.

On finding out whether 'Employees always look forward to appraisal due to its impact on salary,' results in the table show that 5(5.0%) and 67(66.3%) of the respondents agreed and strongly agreed with the statement, 29(28.7%) and 0(0.0%) of the respondents strongly disagreed and disagreed while 0(0.0%) were not sure about the statement. The mean value of 3.79 indicates agreement to a large extent and the standard deviation of 1.805 indicates a wide variance in responses implying that employees always look forward to appraisal due to its impact on salary. The average mean value of 4.19 signifies agreement with existence of corrective action practices in Elgon millers to a great extent and the standard deviation of 1.149 indicates a high variance in responses

The findings are supported by interview results where one interviewee said; "Ideally I do opine with the statement corrective is very key in pointing out employees strengths and weaknesses as

these are key as they align employees to the set standards and all employees work on areas of weakness since there is room to consult or seek training in that field of interest and better salary”
(Key informant F, 9th Sept, 2022)

4.5 Correlations Analysis

The strength of the link between the dependent variable (Appraisal procedures and employee performance at Mt.Elgon Millers) and the independent factors was determined using Pearson correlation analysis in this study (target setting practices, evaluation practices, communication practices and corrective action practices). The Pearson correlation coefficients vary from 0 to 1. In this investigation, the Taylor (2018) criteria was used, with 0.80 to 1.00 denoting a very strong relationship, 0.60 to 0.79 denoting a strong association, 0.40 to 0.59 denoting a moderate link, and 0.20 to 0.39 denoting a very weak link.

Table 13: Relationship between Appraisal practices and Employee performance

		Correlations				
		Target setting practices	Evaluation practices	Communication practices	Corrective Action practices	Employee Performance
Target setting practices	Pearson Correlation	1	.897**	.952**	.960**	.903**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	101	101	101	101	101
Evaluation practices	Pearson Correlation	.897**	1	.934**	.871**	.976**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	101	101	101	101	101
Communication practices	Pearson Correlation	.952**	.934**	1	.958**	.934**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	101	101	101	101	101
Corrective Action practices	Pearson Correlation	.960**	.871**	.958**	1	.913**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	101	101	101	101	101

Employee Performance	Pearson Correlation	.903**	.976**	.934**	.913**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	101	101	101	101	101

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

Findings in table 13 above reveal that there is a strong positive and significant relationship between target setting practices and employee performance at $r = 0.903^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when targets are set, employee performance is enhanced. Therefore, the management Elgon Millers should emphasize target setting to improve on financial performance. This is in line with Serebwa (2017) who carried out a study to investigate target setting and staff service delivery at Kirinyaga University in Kenya and his study findings revealed that target-setting criteria had a significant impact on the University's service delivery and employee productivity.

Findings also reveal that there is a strong positive and significant relationship between evaluation practices and employee performance at $r = 0.976^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when evaluation practices are emphasized, employee performance is enhanced. Therefore, the management Elgon Millers should encourage evaluation of employees to improve on their performance.

Findings still reveal that there is a strong positive and significant relationship between communication practices and employee performance at $r = 0.934^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when communication is done effectively, employee performance is enhanced. Therefore, the management Elgon should communicate effectively to improve on employee performance.

Findings further reveal that there is a strong positive and significant relationship between corrective Action practices and employee performance at $r = 0.913^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when corrective actions are done effectively, employee performance is enhanced. Therefore, the management Elgon should emphasize implementation of corrective actions to improve on employee performance

4.6 Multiple Regression Analysis

The study used multiple regression analysis to assess the dependence of measures of employee performance on dimensions of appraisal practices in order to better understand the effect of appraisal practices on employee performance Mt. Elgon Millers limited Mbale city (target setting practice, evaluation practice, communication practice and corrective action practice). The percentage of variance in employee performance scores explained by independent variable scores was discovered through this analysis.

Table 14: Multiple Regression Analysis Model

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.989 ^a	.978	.977	.16492

a. Predictors: (Constant), target setting practices, evaluation practices, Communication practices, Corrective action practices,

The model summary findings in table 14 above using predictors; target setting practices, evaluation practices, communication practices and corrective action practices reveals that an R Square value is 0.978. This implies that 97.8% (0.978*100) variations in employee performance is explained by predictors of target setting practices, evaluation practices, communication practices and corrective action practices while the remaining 2.2% is explained by other factors not covered in this study.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.831	.091		-9.159	.000
Target setting practices	-.314	.073	-.261	-4.281	.000
¹ Evaluation practices	1.196	.057	.941	20.852	.000
Communication practices	-.387	.096	-.309	-4.053	.000
Corrective action practices	.687	.072	.640	9.574	.000

a. Dependent Variable: Employee Performance

Results reveal that evaluation practices are the greatest contributor to employee performance with beta values = 0.941 at 0.000 level of significance. This means that evaluation practices have a positive and significant effect on employee performance.

Also, findings above indicate that corrective action practices are the second contributor to employee performance in Elgon millers with beta values = 0.640 at 0.000 level of significance. This means that corrective action practices have a positive and significant effect on employee performance.

Findings above still reveal that communication practices are the third contributor to employee performance with beta values = -0.309 at 0.000 level of significance. This means that communication practices have a negative and significant effect on employee performance.

Findings further reveal that target setting practices are the least contributor to employee performance with beta values = -0.261 at 0.000 level of significance. This means that target setting practices have a negative and significant effect on employee performance.

CHAPTER FIVE:

SUMMARY AND DISCUSSION OF THE FINDINGS

5.0 Introduction

This chapter presents the summary and discussion of the study guided by the study objectives. The discussion of this study findings was done by reviewing related literature, and comparing and contrasting with other previous studies.

5.1 Summary of findings

5.1.1 Target setting practices and employee performance

Findings reveal that there is a high positive and significant relationship between target setting practices and employee performance at $r = 0.903^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when target setting practices are emphasized, employee performance is improved. Therefore, the management Elgon millers should promote target setting practices to improve on employee retention.

It can be further deduced from regression analysis that target setting practices are the least contributors to employee performance at Elgon millers with a Beta value of -0.261 at 0.000 level of significance. This implies that target setting practices have a negative and significant effect on employee performance.

5.1.2 Evaluation practices and employee performance

Findings reveal that there is a high positive and significant relationship between evaluation practices and employee performance at $r = 0.976^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when evaluation practices are carried out, employee performance is enhanced. Therefore, the Elgon Millers should encourage evaluation practices to enhance employee performance.

From regression analysis, it can be deduced that evaluation practices are the greatest contributor to employee performance in Elgon Millers with a Beta value of 0.941 at 0.000 level of significance.

This means that evaluation is the first contributor to employee performance. The findings further reveal a strong positive and significant effect of evaluation practices on employee performance.

5.1.3 Communication practices and employee performance

Findings also reveal that there is a high positive and significant relationship between communication practices and employee performance at $r = 0.934^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when communication practices are encouraged, employee performance is improved. Therefore, the management Elgon Millers should encourage communication to enhance employee performance through provision of feedback.

However, from regression analysis, it can be deduced that communication practices are the third contributor to employee performance in Elgon Millers with a Beta value of -0.309 at 0.000 level of significance. This implies that communication practices have a negative and significant effect on employee performance.

5.1.4 Corrective action practices and employee performance

Findings further reveal that there is a high positive and significant relationship between corrective action practices and employee performance at $r = 0.913^{**}$, $p\text{-value} = .000$ given by Pearson Correlation coefficient at the 0.01 (2-tailed) level of significance. This means that when corrective action practices are done, employee performance is improved. Therefore, the management Elgon Millers should promote implementation of corrective action practices to enhance employee performance through constructive criticism.

However, from regression analysis, it can be deduced that corrective action practices are the second contributors to employee performance in Elgon Millers with a Beta value of 0.640 at 0.000 level of significance. This implies that corrective action practices have a strong positive and significant effect on employee performance.

5.2 Discussion of the Findings

5.2.1 Target setting practices and employee performance

The study revealed that target setting practices had a significant effect on employee performance. This was attributed to the fact that performance targets are set for employee's thus encouraging hard work among employees in order to hit the required targets thus employee performance is boosted. These findings coincide with the study by Mohamed (2009), whose finding showed that there is a connection between employee's performance, goals of an organization, and individual preset targets. In addition, Okech (2017) in his study discovered a link between target setting and service delivery efficiency, as seen by lower operating costs, more income, and better resource usage and allocation. It did, however, find a flaw in the way performance targets are created, resources are allocated, and formal reward systems are implemented.

5.2.2 Evaluation practices and employee performance

The study revealed that evaluation practices had a strong significant effect on employee performance. This was attributed to the fact that the Elgon millers encourages peer evaluations among the employees which promotes objective rating. These findings are consistent with Kaburu (2010), who in his study in the ministry of Energy looked at the effect of performance appraisal evaluation on staff performance and discovered that performance evaluations had a strong impact on the achievement of performance targets within the Ministry.

Similarly, the findings of this study agree with Chaponda (2014) whose findings indicated that performance appraisal and evaluation aided in enhancing job performance, and regular assessment and evaluation contributes to employee motivation. On the same note findings by Muriuki (2016) showed that there was a strong positive and substantial relationship between employee performance and motivation as measured by performance appraisal which backs up the results of this current study.

5.2.3 Communication practices and employee performance

The study revealed that communication practices had a significant effect on employee performance although it was the third contributor to employee performance. This was attributed to the fact that

feedbacks were communicated to the employees after the appraisal process. This study findings are consistent with findings of Eliphas et al., (2017) whose findings revealed that productivity in organizations is mainly influenced by feedback. On the same note Oronje (2018) in his study found that an organization's communication and feedback channels are among the factors that predict employee performance.

Similarly, the results of the current study get strong support from the findings of Karimi (2013) whose study findings showed that communication was found to play a significant impact in deciding whether or not a business succeeds, as well as in influencing employee motivation towards performance.

Another study done at the Ghana Revenue Authority in Kumasi by Otoo (2015) established a link between successful corporate communication and employee performance, as well as identified the channels of communication that employees thought were most valuable. The same study found out that the Ghana Revenue Authority's communication mechanisms were noted as having hurdles and malfunctions thus employee performance indicators are correlated with several measures of effective organizational communication, according to the study.

5.2.4 Corrective action practices and employee performance

The study revealed that corrective action practices had a significant effect on employee performance although it was the second contributor to employee performance. This was attributed to the fact that corrective actions were used as the basic spots where errors are identified and employees are encouraged to work on them to avoid similar trends in the future. These findings are consistent with Greguras et al (2003) who in their findings argue that there is a strong relationship between corrective action as an appraisal practice and employee performance.

However, Osir (2009) in his study on the effects of corrective action on employee performance deviates from the findings of this study as in his study he shows that despite the fact that corrective actions are supposed to inspire employees and increase their performance, the research discovered that employees were not driven to perform better, and their performance tended to diminish in case the corrective actions are punitive in nature which discourages employee performance.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter presents conclusions and recommendations of the study based on the study objectives

6.1 Conclusions

6.1.1 Target setting practices and employee performance in Elgon Millers

Target setting practices are the least contributors to employee performance with beta values = - 0.261 at 0.000 level of significance. This means that target setting practices have a negative and significant effect on employee performance. This therefore rejects the hypothesis which stated that ‘there is insignificant effect of target setting practices on employee performance in Elgon Millers’

Although target setting practices are the least contributors to employee performance, the study concludes that there is a clear correlation between target-setting practice and employee performance. When employees are involved in the goal-setting process from the beginning, their performance improves. Thus, independent variable (Target setting) and the dependent variable exhibit a significant relationship. The fundamental argument here is that when employees actively participate in the target-setting process, employee performance is bound to improve.

6.1.2 Evaluation practices and Employee performance in Elgon Millers

Evaluation practices are the greatest contributor to employee performance in Elgon Millers with beta values = 0.941 at 0.000 level of significance. The findings further reveal a positive and significant effect of evaluation practices on employee performance. This therefore rejects the hypothesis which stated that ‘There is insignificant effect of evaluation practices on employee performance in Elgon Millers’

The study concludes that the practice of performance evaluation and how it gets conducted plays a significant role in the promoting employee performance. The study sought to illustrate the role

of role of managers and supervisors during the evaluation process and also the significance of peer-to-peer performance review and how it relates to employee performance. The unbiased approach of the managers to the evaluation practice, according to the findings of this study, allowed employees to have a positive view of the entire process. This serves to motivate performance. Respondents however indicated that Elgon Millers hasn't promoted peer to peer evaluation so as to allow a horizontal mutual criticism of employee performance. Furthermore, evaluation practice provides an opportunity to review performance with the view to giving corrective action and how it's done can either spur behavioral change or otherwise.

6.1.3 Communication practices and Employee performance in Elgon Millers

Communication practices are the third contributor to employee performance in Elgon Millers with beta values = -0.309 at 0.000 level of significance. This means that communication practices have a negative and significant effect on employee performance. This therefore rejects the hypothesis which stated that 'There is insignificant effect of communication practices on employee performance in Elgon Millers'

The communication practice in Elgon Millers also played a vital role in employee performance. The communication culture pre, during and post appraisal process plays a crucial role in shaping the employees' view on the expectations. The findings illustrate that a proper communication practice ensures that there is a clear and structural feedback process and an effective corrective action process. It also gives credence to the process and promotes acceptability of the process amongst employees. It is therefore concluded that an effective communication and feedback process during appraisal affects the performance of employees.

6.1.4 Corrective Action practices and Employee performance in Elgon Millers

Corrective action practices are the second contributor to employee performance in Elgon millers with beta values = 0.640 at 0.000 level of significance. This means that corrective action practices have a positive and significant effect on employee performance. This therefore rejects the hypothesis which stated that 'There is insignificant effect of corrective action practices on employee performance in Elgon Millers'

The study established that corrective action practice contributed to the performance of employees. Respondents had a view that Elgon Millers had a performance-based reward system that was aimed towards encouraging employees to perform to be rewarded. The study established that corrective action practice and its tenets contributed to the performance of employees. A view of the majority of the respondents that Elgon Millers had a performance-based reward system encouraged employees to perform better. The study concluded therefore that corrective action program in an organization and how it is implemented plays an important role in employee performance.

6.2 Recommendations

6.2.1 Target setting practices and Employee performance in Elgon Millers

It is recommended that Elgon Millers should put more emphasis on target setting practices by trying as much as possible to involve the employees in the target setting process, Elgon Millers should find a way to actually incorporate their views in the final target document. Involving the employees through the process of target setting and considering positively their input serves to motivate employees towards achieving their performance goals. This shall bring in sense of belongingness and commitment as well as employee engagement thus promoting a good working relationship between the employees and management within the organization.

6.2.2 Evaluation practices and Employee performance in Elgon Millers

The management of Elgon Millers should continue to promote Evaluation practices inform of peer evaluation reviews in order to ensure objectivity throughout the appraisal process. The study therefore recommended that Elgon Millers adopts a peer-to-peer appraisal evaluation practice. This is also called a 360 degrees method of appraisal. This will create a culture of performance whereby an employee can freely but in a structured way receive and give feedback on performance to colleagues/peers and not just from managers and supervisors. An independent view of performance from a peer is an ingredient to motivate employee performance. Elgon Millers should also consider implementing quality circles to manage appraisal.

6.2.3 Communication practices and Employee performance in Elgon Millers

Management of Elgon Millers should also put much more emphasis on communication practices by providing an acceptable means by which the employees can raise their grievances as concerns how feedback is given to them and how they are treated during the appraisal process. This shall help bring in a sense of being valued in organization among employees thus they perform to expectations of the organization.

6.2.4 Corrective action practices and Employee performance in Elgon Millers

The study also recommends that Elgon Millers should implement a main corrective action towards non-performance. Having a clear corrective action practice helps to deter employees from exposing themselves to negative rewards. Elgon Millers should also ensure that there is no bias when conducting performance reviews and that the managers and supervisors are properly and frequently trained to manage the appraisal feedback process. A biased manager creates a negative impact on general employee performance.

6.3 Suggestions for Further Research

According to the findings, the independent factors analyzed account for only 98.7% percent of the appraisal practices that affect employee performance at Elgon Millers. This study suggests that other variables not explored in the study should be researched to determine the factors that were not addressed in this study. Another researcher should do a comparable study to see if the same results are reached.

REFERENCES

- Al-jedaia, Y., & Mehrez, A. (2020). The effect of performance appraisal on job performance in governmental sector: The mediating role of motivation. 10, 2077–2088. <https://doi.org/10.5267/j.msl.2020.2.003>
- Ahmad, A., Danish, R. Q., Ali, S. A., Ali, H. F., & Humayon, A. A. (2019). A Comparative Study of Banking Industry Based on Appraisal System, Rewards and Employee Performance. *Seisense Journal of Management*, 2(1), 1–11.
- Badreddine, Z., & Aoun, M. (2019). Performance Appraisal Systems in Hiram Hospital and Its Relationship with Employees' Performance: Empirical Study. *Journal of Business and Social Review in Emerging Economies*, 5(2), 275–286. <https://doi.org/10.26710/jbsee.v5i2.771>
- Chahar, B. (2020). Performance Appraisal Systems and Their Impact on Employee Performance: The Moderating Role of Employee Motivation. *Information Resources Management Journal*, 33(4), 17–32. <https://doi.org/10.4018/IRMJ.2020100102>
- Groen, B. A. C., Wouters, M. J. F., & Wilderom, C. P. M. (2017). Employee participation, performance metrics, and job performance: A survey study based on self-determination theory. *Management Accounting Research*, 36, 51–66. <https://doi.org/10.1016/j.mar.2016.10.001>
- Jain, A., & Adlakha, N. (2019). An Empirical Study on Performance Appraisal System and Individual Performance of Employees of Selected Private Sector Banks in Jaipur. *Journal of the Gujarat Research Society*, 21(9), 314–324. Retrieved from <https://gujaratresearchsociety.in/index.php/JGRS/article/view/596/479>
- Khan, M. A., Yusoff, R. M., Ismail, F. B., Hussain, A., & Yunus, F. B. M. (2018). The Impact of Performance Appraisal on Employee Job Performance in Public Sector Universities of Khyber. *International Journal of Engineering & Technology*, 7(3.25), 544–548. Retrieved from www.sciencepubco.com/index.php/IJET
- Tabiu, A., Pangil, F., & Othman, S. Z. (2016). Examining the link between HRM Practices and Employees' performance in Nigerian public sector. *Management Science Letters*, 6(June), 395–408. <https://doi.org/10.5267/j.msl.2016.4.006>
- Bernardin, H. J., & Wiatrowski, M. (2013). Performance appraisal. *Psychology and Policing*, 257.

- Bersin, J. (2012). *The business case for performance management systems: A handbook for human resource executives and managers*. *Bersin and Associates Research Reports*, 10, 9– 22.
- Brown, M., J.S. Heywood (2005): Performance Appraisal Systems:Determinants and Change, *British Journal of Industrial Relations* (43),659-679.
- Daonis, L. E. (2012). Performance appraisal system: Its implication to employee performance. *International Journal of Economics & Management Science*, 2 (3), 55-62
- DeNisi, A.S., & Murphy, K.R. (2017). Performance Appraisal & Performance Management: 100 years of Progress? *Journal of Applied Sycology*, 102 (3), 421-433
- Essays, UK. (2013). Performance Appraisals and Motivation Theories. Retrieved from <https://www.ukessays.com/essays/business/literature-review-of-performance-appraisalsand-motivation-theories-business-essay.php?vref=1>
- Jackson, S. &Schuller, R. (2012). *Managing Human Resources through Strategic Partnership* (8th ed.). Toronto, Canada: Thompson. *Journal of Human Resource Management*, 4 (3), 1-15
- Latham, G.P; Borgogni, L &Petitta, L. (2008). Goal Setting and Performance Management in the Public Sector. *International Public Management Journal*. 11(4), 385–403
- Lindsey, J.A. (Ed.) (2005), *Performance Evaluation: A Management Basic for Librarians*, Oryx Press, Phoenix, AZ.
- Locke, E.A., & Latham, G.P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American Psychologist*, 57, 705–717.
- Mwema, N. W., & Gachunga, H. G. (2014). The influence of performance appraisal on employee productivity in organizations: A case study of selected WHO offices in East Africa. *International Journal of Social Sciences and Entrepreneurship*, 1(11), 324- 337.
- Paul, S.O., Abeguki, O.E, Hezekeah, F., Dirisu, J. (2014). Modelling the relationship between performance appraisal & organizational productivity in Nigerian public sector.
- Pruitt, W. Frazier (May 2019). *"A Disciplined Approach"*. *Quality Progress*. 52 (5): 64. Retrieved 31 October 2019
- Rock, David B. J. (2015). *Why More and More Companies Are Ditching Performance Ratings*. *Harvard Business Reviews*, 20-22.
- Salaman, G; Storey, J &Billsberry, J. (2005). *Strategic Human Resource Management: Theory and Practice*. 2nd Edition. London: Sage Publications Ltd.

- Selden, S.C. and Sowa, J.E. (2004) 'Testing a multidimensional model of organizational performance: Prospects and problems', *Journal of Public Administration Research and Theory* 14 (3), pp. 395-416.
- Senyah, M. M., Coffie, R. B., & Adu – Pakoh., K. (2012). Assessment of the effectiveness of performance appraisal on work productivity: A case study of Kumasi polytechnic. *Global*
- Singh, V.K., Kochar, B. and Yüksel, S. (2015). An Empirical Study on the Efficiency of Performance Appraisal System in Oil and Natural Gas Commission (ONGC), *India Isletme Arastirmalari Dergisi*, 2/2
- Watson, W. T. (2016). Employers move to pay providers based on greater value. *Willis*
- Almawali, H., Adha Hafit, N. I., & Hassan, N. (2021). Motivational Factors and Job Performance: The Mediating Roles of Employee Engagement. *International Journal of Human Resource Studies*, 11(3), 67. <https://doi.org/10.5296/ijhrs.v11i3.18856>
- Anstey, E., Fletcher, C. & Walker, J. (1976). Staff Appraisal and Development. Riytkedge Library Editions; Human Resource Management; Riytledge Taylor & Francis Group, London and New York
- Armstrong, M. (2006). Performance Management, 3rd edn, Kogan Page, London.
- Armstrong, M. (2009). Armstrong's Handbook of Human Resource Management Practice, 11th Ed, Kogan Page, London.
- Armstrong, M. (2012). Armstrong's Handbook of Human Resource Management Practice, 11th Ed, Kogan Page, London.
- Armstrong, M. (2014). A Handbook of Personnel Management Practice; Kogan Page; London.
- Armstrong, and Baron, A. (2004). Managing Performance; Performance Management in Action. CIPD. London.
- Bandura, A. (1986). Social Boundaries of Thought and Action; Prentice Hall; Englewood.
- Basset, G. A., & Meyer, H. H. (1968). Appraisal based on self-evaluation. *Personnel Psychology*, 21(4), 421–430. <https://doi.org/10.1111/j.1744-6570.1968.tb02042.x>
- Butchner, T.W. (2007). Performance Management Theory: A look from the performer's perspective with implications from HRD, Human Resource Development, e-reward.co.uk, Stockport.
- Campbell, J.P. (1990). Modeling the performance prediction problem in Industrial and al psychology, Cambridge, MA, Blackwell

- CBK (2018). Bank Supervision and Banking Sector Reports: Central Bank of Kenya
- Chowdhury, S.N. (2008). “Developing Performance Appraisal System for Performance Leadership in Banks” docs.google.com
- DeNisi & Peters (1996). “Organization of Information in Memory and Performance Appraisal Process: Evidence from the field,” *Journal of Applied Psychology* 81, no. 6 (1996), pp.717-737.
- DeNisi, A.S., Pritchard, R.D., 2006. Performance appraisal, performance management and improving individual performance: a motivational framework. *Management and Organization Evaluation* 2(2), 253–277
- Dessler, G. (2011). *Human Resource Management* 12th Edn, New Jersey; Pearson
- Dusterhoff, C., Cunningham, J. B., & Macgregor, J. N. (2014). The effects of performance rating, leader-member exchange, perceived utility, and organizational justice on performance appraisal satisfaction: Applying a moral judgment perspective. *Journal of business ethics*,
- Eliphas, M., Mulongo L. S. and Razia, M. (2017). The influence of performance appraisal practices on employee productivity: A case of Muheza District, Tanzania, May, 2017
<https://www.journalissues.org/IBME/> <https://doi.org/10.15739/IBME.17.006>
- Glesne, C. (2006). *Becoming Qualitative Researchers* (3rd Ed.), New York: Allyn & Becon,
- Greguras et al (2003). “A Field Study of the Effects of Rating Purpose on the Quality of Multisource Rating,” *Personnel Psychology* 56 (2003), pp. 1-21
- Heilman et al (2004) “Penalties for Success: Reactions to Women Who Succeed at Male Gender Type Tasks,” *Journals of Applied Psychology* 89, no 3 (2004), pp. 416-427
- Henderson, R (2003) *Compensation Management in a Knowledge –Based World*, 9th Ed. (Upper Saddle River, NJ: Prentice Hall, 2003), Ch.13
- Huselid, M. A. (2015). The Impact of Human Resource Management Practices on Turnover, Productivity and Corporate Financial Performance. *Academy of Management Journal*, 635-672
- Ihugba, O. A., Bankong, B., & Ebomuche, N. C. (2014). The impact of Nigeria microfinance banks on poverty reduction: Imo State experience. *International Letters of Social and Humanistic Sciences*, 16, 92-113.

- Irungu, J. (2008). An analysis of factors influencing performance appraisal of staff in the tourism sector.
- Jääskeläinen, A., & Sillanpää, V. (2013). Overcoming challenges in the implementation of performance measurement: Case studies in public welfare services. *The International Journal of Public Sector Management*, 26(6), 440-454.119(2), 265-273
- Jahawar, I.M. & Williams, C. (1997) ‘Where All Children Are Above Average: The Performance Appraisal Purpose Effect,’ *Personal Psychology* 50, p 921.
- Jose, A. (2011). Does Performance Appraisal Motivate employees at Workplace; National College of Ireland; MA.
- Kaburu (2010), the Effects of Staff Appraisal on Employee Performance in the Ministry of Energy, MBA Kenyatta University.
- Kaiser & Kaplan (2005) “Overlooking Overkill? Beyond the 1-5 Rating Scale”, *Human Resource Planning*, Vol. 28 No.3, pp 7-11.
- Kanisa, N.O. & Makokha, E.N. (2017). Effect of performance appraisal on organizational Performances. *European Journal of Business and management*, 9 (26) 95-101.
- Kandula, M (2008), *Managing of Performance*, international edition; McGraw-Hill; India
- Kaplan & Norton (2005), “The Office of Strategy Management,” *Harvard Business Evaluation*, October 2005, pp. 72-80
- Kongere, H.A (2011). Challenges Managers Face in the Application of Performance Appraisal Results in Human Resource Management; a Case Study of University of Nairobi; MBA
- Latham & Locke (1979). Goal Setting - a motivational technique that works, *Organisational Dynamics*, autumn, pp. 68 – 80 Cliffs, NJ
- Latham, G. and Locke R (2004). Goal Setting and Motivational Techniques that Works, *Organisational Dynamics*, autumn, pp.68-80
- Locke, E.A & Latham, G.P (1979). *A Theory of Goal Setting and Task Performance*. Prentice- Hall; England
- Luthans, F. (2011). Reinforce for Performance: The need to go beyond pay and even reward; *Academy of Management Executive* 13, 49-57

- Lyness, K. & Heilman, M. (2006). When Fit is Fundamental: Performance Evaluations and Promotions of Upper Level Female and Male Managers,” *Journal of Applied psychology* 91, no 4 (2006), pp.767-775.
- Maimuna, J. (2011) Impact of Performance Appraisal on employee Motivation; *European Journal of Business and Management*
- Masden D and Richardson R (1994). Performance for Pay? The Effects of Merit Pay on Motivation in a Public Service; *British Journal of Industrial relations*, 32 (2) pp. 243-61
- Miller, J.S (2001). “Self – Monitoring and Performance Appraisal Satisfaction: An Exploratory Field Study,” *Human Resource Management (Winter 2001)*, pp. 321 – 333
- Mugenda. A. & Mugenda O. (2003). *Research Methods. Quantitative & Qualitative Approaches*. African Centre for Technology Studies (ACTS Press), Nairobi,
- Mullin, (2010). *Contemporary Human Resource Management*; Essex: Pearson Education Ltd.
- Muriuki, C.W (2016). Effects of Performance Appraisal on Employee Motivation at Ministry of East African Community, Labour and Social Protection; MBA; University of Nairobi
- Mutai, B. (2003) *How to write quality research proposal. A Complete and simplified Recipe*. Nairobi:
The Lley publications
- Mvumbi & Ngumbi (2015), *Companion to Research Methodology; Focus on Humanities, Education and Social Sciences*; CUEA Press; Nairobi
- Mwema, N.W., & Gachunga, H.G. (2014). The influence of performance appraisal on employee productivity in organizations: A case study of selected WHO offices in East Africa. *International Journal of Social Sciences and Entrepreneurship*, 1 (11), 324- 337.
- Newstrom, J.W. (2011). *Organisational behavior*, McGraw-Hill; New York, USA
- Ngolovoi, S.M, (2003). Perceived social and psychological effects on performance appraisal in selected international donor organizations in Kenya. Unpublished MBA Project. UoN.
- Noe, R. (2002). *Employee Training and Development*. 2nd Edition. McGraw-Hill. Boston.
- Nunnally, J.C. (1978). *Psychometric Theory (2nd Ed.)*, New York: McGraw Hill
- Nzuve, SNM (2010) *Management of Human Resources: A Kenyan Perspective (Revised 4th Edition)*:
Tech & Pro Associates Publishers; Nairobi

- Oaya, Z. C. T., Ogbu, J. & Remilekun., G. (2017). Impact of Recruitment and Selection Strategy on Employees Performance: A Study of Three Selected Manufacturing Companies in Nigeria, *International Journal of Innovation and Economic Development*, Inovatus Services Ltd., vol. 3(3), pages 32-42, September.
- Obiye, J. (2002). A survey of preferred methods, rates and uses of performance appraisal by employees in selected tertiary public institutions in Nairobi. An unpublished MBA project. UoN
- Park & Chong (2000), "A Comparison of Absolute and Relative Performance Appraisal Systems," *International Journal of Management* (September 2000), pp.423- 429
- Peperl, M. (2001) "Getting 360- Degree Job Feedback Right," *Harvard Business Evaluation*, January 2001, p. 147
- Peters, T., & Waterman, R. (1982). *In Search of Excellence*. Harpers & Row. Newyork.
- Risher, H. (2005) "Getting Serious About Performance Management," *Compensation & Benefits Evaluation*, November/December 2005, pp. 22-27
- Robbin & DeCenzo (2010) *Human Resource Management*, Tenth Edition; John Wiley & Sons Pte Ltd; Asia
- Selvarasu, A. (2011). A Study of Impact on Performance Appraisal on Employee's Engagement in an organization.
- Shaneberger, K. (2008). *From Job Description to Goal Setting*; Dennon; AORN
- Simmons, A. (2003). "When Performance Evaluation Fails," *Training and Development* 57, no. 9 (September 2003) pp. 47-53
- Thayer, F.C (1987). *Performance Appraisal and Merit Pay Systems*.
- Thompson, M. (1992). *Pay and performance, the employer experience*; IMS; Brighton.
- Trevor, J. (2011). *Can pay be strategic?* Palgrave Macmillan; Basingstoke.
- Tyler, K. (2005). "Performance Art," *HR Magazine* (August 2005), pp. 58 – 63
- Vasset, F. (2014). Various perspectives on performance appraisals in the health service. *Health*, 6(10), 929-967
- Vroom, V. (1964) *Work and Motivation*, Wiley, New York.
- Wingrove, C. (2003) "Developing an Effective Blend of Process and Technology in the New Era of Performance Management," *Compensation & Benefit Evaluation*, January/February 2003.

Wright, V. (1991) Performance related pay in (Ed) E needs, The Performance managerial Handbook.

London, Institute of Personnel Management.

Zhang, Y. (2009) "Performance appraisal for Chinese state-owned banking industry, volume 6, issue; 3 Dec 2009, page 189-200. <http://www.atyponlink.com/INT/doi/abs/10.1386/jots.6.3.189>.

APPENDICES

APPENDIX I: INTRODUCTORY LETTER

To whom it may concern,

Ref: Academic research to Mt. Elgon Millers Limited, Mbale City

I am a Dorothy Chelangat, a student of Uganda Christian University, Mbale University College doing a Master of Business Administration with a Management Option. **“APPRAISAL PRACTICES AND EMPLOYEE PERFORMANCE IN MT. ELGON MILLERS LIMITED, MBALE”** is the topic of my academic research. The research is one of the requirements for a Master of Business Administration degree, Management option

As a result, the goal of this letter is to ask that you please complete the enclosed questionnaire, which contains important research information. The information collected in the questionnaire will be used purely for academic reasons and will be kept in strict confidence.

Your help will be much appreciated.

Yours Sincerely

Dorothy Chelangat

APPENDIX I: QUESTIONNAIRE

Kindly fill your responses in the space provided or tick where appropriate. All the information provided here will be considered private and confidential for purpose of research

(Tick in the appropriate boxes)

Section A: Demographic Information

- 1. Organization
- 2. Position Held:
 - (i) Senior Management

--
 - (ii) Middle Management

--
 - (iii) Lower level employees

--
- 3. Indicate your Department.....
- 4. Years worked in the institution
 - (i) Less than 5 years []
 - (ii) 5 – 10 years []
 - (iii) Above 10 years []
- 5. Kindly Indicate your age
 - (i) Below 25 years []
 - (ii) 25-35 years []
 - (iii) 36 -45 years []
 - (iv) Over 45 years []

Section B: Employee Performance

Kindly respond as honest as possible

Statement	SD	D	N	A	SA
There are improvement programs(PIP) at Elgon millers					
The resources provided to you for your job are adequate					
Employees always meet your goals at work					
Employees are summoned for performance hearing					
Employee skills set march your current job					

Section C: Target Setting and Employee performance

To what extent do you agree with the following statement on target setting process in your organization?

Statement	SD	D	N	A	SA
The company involves staff in strategy and goal formulation					
Management involves individual employees in goal setting of their own work targets					
Employees get chance to discuss their individual targets before sign-off					
All employees understand their individual targets as signed					
The opinion of employees count when it comes to setting their work targets					
Employees are signed a clear job description					

Section D: Evaluation Practices and employee performance

Statement	SD	D	N	A	SA
The ratings on the score card are clear and easy to understand					
Staffs are allowed to rate themselves before meeting with manager for discussion					
Peer evaluation is effective as colleagues are given a chance to rate each other during appraisal					
Employees feel that calibrations process is fair					
My manager is unbiased during appraisal					

Section E: The Communication practice and employee performance

Statement	SD	D	N	A	SA
My manager discusses with me my appraisal /evaluation outcome					
The organization clearly communicates the expectations during the appraisal process					
Employees clearly understand the tool used for appraisal					
Employees receive feedback on my performance after appraisal					
Employees feel that appraisal process is biased against some staff					
Employees contend with the feedback process before, during and after appraisal					

Section F: Correction action and Employee performance

Statement	SD	D	N	A	SA
Salary increments and incentives are pegged on appraisal results					
Incentives and bonuses are performance based					
Employees clearly understand the reward system used					
Employees feel the performance improvement plan is clear					
Termination process based on performance is clear to employees					
Employees always look forward to appraisal due to its impact on salary					

**APPENDIX II: INTERVIEW GUIDE FOR KEY INFORMANTS OF MT. ELGON
MILLERS LIMITED**

Dear Respondent,

I am **Dorothy Chelangat** student pursuing a Master's Degree in Business Administration and Management, at Uganda Christian university ,I am conducting a research study on '***Performance appraisal practices and Employee Performance*** in Elgon Millers limited in Mbale City , Eastern Uganda' I kindly request you to spare some of your valuable time and answer these questions given below .The study is strictly for academic purposes and all answers given will be treated with utmost confidentiality and anonymous.

Your cooperation is highly appreciated

Kind regards

Interview Questions

1. Which types of goals are set in order to enhance employee performance at Elgon Millers limited in Mbale city in Eastern Uganda?
2. What is the effect of target setting on Employees Performance at Elgon Millers limited in Mbale city in Eastern Uganda?
3. How does evaluation influence on Employees Performance at Elgon Millers limited in Mbale city in Eastern Uganda?
4. Comment on how communication affect Employees Performance measures at Elgon Millers limited in Mbale city in Eastern Uganda?
5. What is the contribution of corrective actions towards Employees Performance at Elgon Millers limited in Mbale city in Eastern Uganda?
6. In your view, comment on Employees Performance at Elgon Millers limited in Mbale city in Eastern Uganda.

Thank you

APPENDIX III: TABLE FOR DETERMINING SAMPLE SIZE

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Source: Krejcie & Morgan (1970, as cited by Amin, 2005)

Note: *N* is population size.

S is sample size.