Research Article   Open Access

Assess the Effect of Performance-Based Rewards Appraisal Technique on Employee Performance in Public Universities in Kenya

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ABSTRACT: Employees are important assets to organizations and their Performance is paramount. Fair appraisal techniques should be employed to enhance employee Performance. Performance is important for an organization to achieve its objectives and goals. The paper sought to assessthe effect of performance based rewards appraisal technique on employee Performance in public universities in Nakuru county, Kenya. The paperwas anchored on the Expectancy theory which links the requirement for employees to perform as a result of the motivation attained from being rewarded. Thepaperadopted descriptive research design. With a population comprising all the four public universities operating in Nakuru county, Kenya. A total of 1,330 employees were targeted as our respondents. The researcher used Stratified sampling and coefficient of variation Nassiuma formula to get a sample of 201 respondents from the total population. To test validity and reliability of the study, a pilot study was carried out at Kabarak University and Mount Kenya University Nakuru campus. A questionnaire with closed ended questions wasused to collect primary data Questionnaires.The researcher used the Statistical Package for Social Sciences (SPSS) software version 25. The paper established that the performance based rewards appraisal technique was implemented to a larger extent in the universities according to the mean of 3.8 > 3. The employees were found to perform highly according to the majority of the respondents (44.8 %). The inferential statistics resulted to correlation coefficient r (181) = 0.719, p-value = 0.000 < 0.05, coefficient of regression β = 0.132, p-value = 0.000 < 0.05 and Pearson Chi-Square of χ^2 (16, N = 181) = 62.028, p = 0.000 < 0.05.This implies that there is a strong positive relationship between Performance-Based Rewards Appraisal Technique and Performance of Employees in public universities that is significant at 5% levels of significant. Different stakeholders in the human resource management function such as government and employer organizations such as Federation of Kenya Employers (FKE) need to formulate new policies or amend existing policies and procedures and devise best in class methods of increasing employee Performance from the findings of this study. There is need for the human resource departments to formulate policies on employee rewards since it is a significant influencer of performance.

Key Words: Performance-Based Rewards Appraisal Technique, Performance of Employees, Policy Formulation

I.   INTRODUCTION

Human resource appraisal techniques and employee Performance are subject of immense interest among researchers and practitioners. There is an increasing use being made of the human resource appraisal techniques, generally motivated by an organizational desire to affect employee behaviors and attitudes and, ultimately, organizational performance (Bond&Fox, 2017). This occurs because of the establishment of goals at the beginning of the evaluation cycle, which provides employees with clear performance targets, the monitoring of performance during the evaluation cycle and the reinforcement provided for good performance through the provision of rewards, usually in the form of higher pay.

Human resource appraisal techniques is a review and discussion of an employee Performance of assigned duties and responsibilities (Mullins, 2014). According to Simotwo (2018), appraisal is a systematic, periodic and impartial rating of an employee's excellence in matters pertaining to his present job and his potential for a better job. A good appraisal

system is so fundamental to the management of people in any organization. The success of the organization itself depends largely on a good appraisal system. With a good appraisal system those who contribute more adequately be rewarded and the right type of people are likely to be promoted into positions of higher responsibilities (Kihama, & Wainaina, 2019). Thus, for any evaluation system to work well, the employees must understand it, must feel it as fair, and must be work oriented enough to care about the results.

In Europe, a number of HR practices used have impacted significantly on employees Performance as well as job satisfaction in the public sector and the range of these practices include; knowledge management, human capital management, organization development, resourcing (human resource planning, recruitment and selection, and talent management), performance management, learning and development, reward management, employee relations and employee well-being (Armstrong 2017). In china, HRM practices such as appraisal are among the factors that influence employee Performance, job satisfaction and organizational commitment (Rode, Huang&Flynn, 2016). The institutions have viewed HRM practices as crucial assets that are geared towards creating and maintaining skillful and committed workforce for achieving organizational goals by improving employee Performance. Steynand Matookchund (2019) found that HRM practices had positive influence on job satisfaction and employee Performance in the Dutch public sector, whereas individual characteristics, such as age, gender, and education, had insignificant influence on the same.

According to Commission for University Education Section 28 (4) of the Act, there are Twenty-Three (23) Public universities and eight (8) Public University Constituent Colleges. Public universities in Kenya are established by an Act of Parliament (Cap 210b) to make better provisions for the advancement of university education and for connected purposes (Cap 210). With increased population of young men and women graduating from High School with excellent grades and desire for higher education, the existing public and private universities are not able to absorb all those qualified to join university to kick-start a new and rewarding career.

For public universities to achieve their objectives, they must have effective HR appraisal techniques. Most organizations in Kenya have adopted performance contracts, which the employees are expected to commit themselves. It is therefore very important for an organization to have effective HR appraisal techniques. It has been noted that employees working in public Universities serve in the same capacities for a longer period even after a performance appraisal has been done. This leads to highly skilled employees leaving these organizations since the mode of acknowledging their good work and rewarding them accordingly is not considered (Kelemba, Chepkilot & Zakayo, 2017).

The paper was anchored on Expectancy Theory proposed by Vroom in 1964, that posits the importance of mental choices touching on choices, expectations and rewards. It presents a connection between the people's wants, behavior expected of them and the organizational goals. The theory separates effort from outcomes and provides a perception about behavior in that it is a result of deliberate move among alternatives to maximize pleasure and minimize pain.The theory presents concepts such as expectancy to mean that when the effort increases, results will also increase, instrumentality to mean that a valued outcome is as a result of better performance and valence to mean that there is a value, which has been placed on an outcome. The theory posits that people will always adjust the way they behave in regard to the expected satisfaction of achieving a certain goal. Vroom (1964) demonstrated that based on the worth with which individuals perceive a certain goal; they will be motivated to achieve it. The theory indicates that the motivation of doing something is based on the value and worth with which people consider that goal. The scholar demonstrates that people are motivated if they feel that their effort will bring about better performance.

In line with this paper, it is considered that people think rationally and as a result, the way they perceive the importance of a performance appraisal system matters. A good performance appraisal system should be based on an entirely rational directive view of the organization, which links articulable HR processes to organization's strategic objectives. The theory was anchored on the variable of employee feedback since employee expectations are best influenced by managerial actions and organizational performance.

The research objective for this paper was to assess the effect of performance-based rewards appraisal technique on employee Performance in public Universities in Kenya.

II. METHODOLOGY

This paper adopted a descriptive research design, Kothari, (2004) describes descriptive research as including survey and facts finding enquiries adding that the major purpose of descriptive research is description of affairs, as it exists at present. The paper was carried out in Kenyan public universities with campuses in Nakuru County. Primary data was gathered using semi-structured questionnaires where the respondents were issued with the questionnaires. In testing

the questionnaire's reliability, the Cronbach's alpha coefficient was used. Data was analyzed using Statistical Package for Social Sciences (SPSS) version 25 computer software. Descriptive statistics was used to summarize the data.The effect of performance-based rewards appraisal technique on employee Performance was tested using inferential statistics namely multiple regression, correlation and Chi-square at 5% levels of significance so as to enable study conclusions.

Analysis was guided by the following set of hypotheses;

H_0:   There is no significant effect of performance-based rewards appraisal technique on employee Performance in public Universities in Kenya.

H_1:   There is a significant effect of performance-based rewards appraisal technique on employee Performance in public Universities in Kenya.

III.   RESULTS

Table 1: Cronbach's Alpha Results

Reliability Statistics	No. of Items	Cronbach's Alpha value
Performance of Employees	5	0.769
Performance-Based Rewards Appraisal Technique	5	0.792

The validity of the questionnaires was determined using both external and internal validity method. Validity is the degree to which test measures the required content (Mugenda, 2003). A coefficient of above 0.7 was obtained for all the five study variables and this indicated that the data collection instruments were valid (Kothari, 2005). Data validity played an important role towards generalization of the gathered data to reflect the true characteristics of the study problem.

The researcher sought to find out the effect of performance-based rewards appraisal technique on performance of employees in public universities in Kenya. The response was categorized in an ascending order into a scale of 1to 5 with 1– Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree and 5 – Strongly Agree. The response was also summarized using descriptive statistics namely mean (μ) and standard deviation (σ). A mean value that is less than 3 depicts that respondents were in dispute with the stated question. On the other hand, mean which is greater than implies that the respondents agree with the statement at high extent. The results are presented in Table 2.

Table 2: Performance-Based Rewards Appraisal Technique on Employee Performance

Statements	Percentage (n=181)						
	SD	D	N	A	SA	μ	σ
The institutions have set a culture where employees are rewarded according to their performance.	0.8	4.1	28.9	62.8	3.3	3.6	0.66
Employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve Performance	5.8	3.3	23.1	19	48.8	4.0	1.18
Performance based reward technique minimizes biasness when rewarding employee's	7.4	14.8	16.4	23	38.5	3.7	1.32
Supervisors and senior employees are asked to rate employees based on their own performance	7.4	4.9	19.7	25.4	42.6	3.9	1.22
Employees do self-evaluation to rate themselves based on the extent to which they think they have performed.	0.8	3.3	23	55.7	17.2	3.9	0.77

As indicated in Table 2, the selected public universities have set a culture where employees are rewarded according to their performance according to 62.8 % and mean of 3.3 > 3. Employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve performance as opined by 48.8 % and mean of 4.0 > 3. Similarly, performance based on reward technique was said to minimize biasness when rewarding employee's   according to 38.5 % and mean of 3.7   > 3. Supervisors and senior employees were considered to rate employees based on their own performance as stated by 42.6 % and mean of 3.9 > 3. Employees were found to do self-evaluation to rate themselves based on the extent to which they think they have performed .as it was stated by 55.7 % of the respondents and mean of 3.9 > 3. This agrees with McClelland (1961) who identified three motivators hat he believed we all have a need for achievement, a need for affiliation and a need for power.This agrees with Armstrong and Tina (2005) who postulate that reward strategy that embraces development of employee relationship and the work environment goes a long way to enhance commitment and engagement to provide more engagement and opportunities for people to be valued and recognized by the organization.
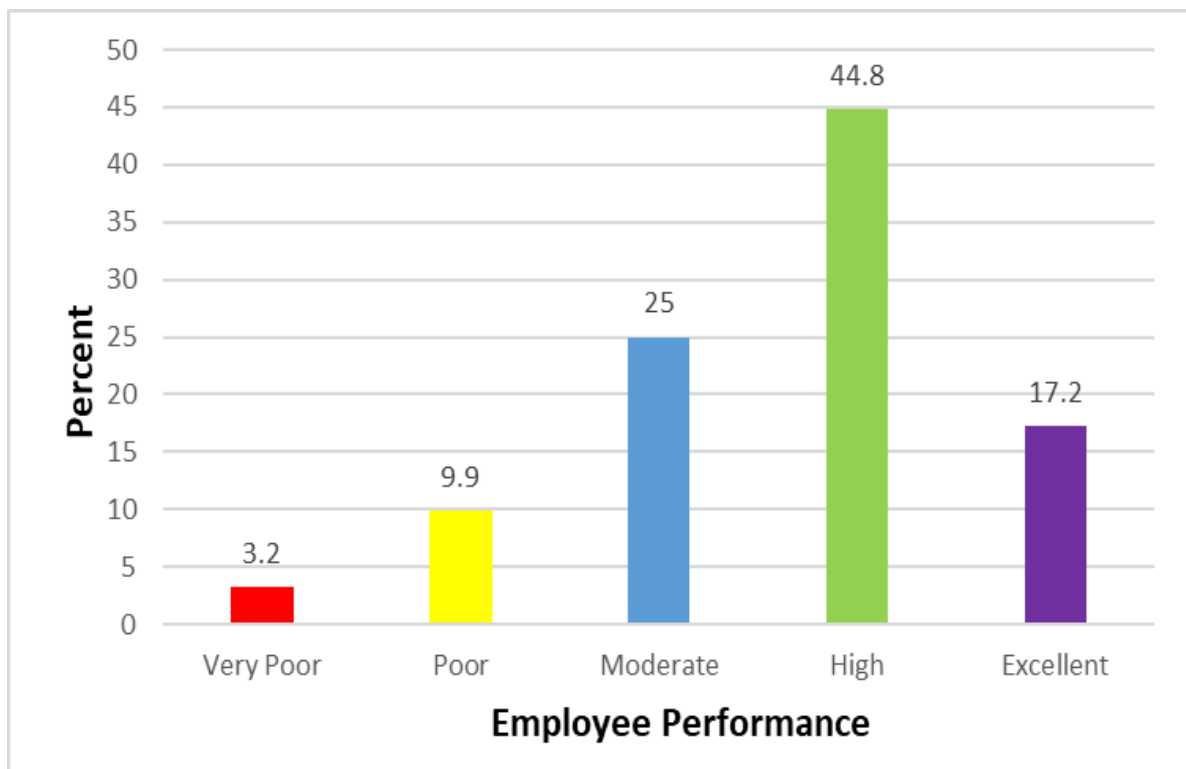
Figure 1: Employee Performance

The paper revealed that majority of the employees who were sampled recorded high performance (44.8 %) followed by those with moderate performance (25.0 %), excellent (17.2 %) with only 9.9 % said to have poor and 3.2 % very poor performance. The performance was manifested by the employees being satisfied and motivated with the way appraisal system is used to evaluate their performance. They further stated that any time they were appraised, they tend to show desirable competence in their work by exceeding job organizational expectations. It was found that after each appraisal, it would be noted that their clients (who are mainly students) were happy and satisfied with the performance of their peers in most of the other departments. This agrees with Asfaw, Argaw and Bayissa(2015) who emphasizes that Performance is at the center stage of any organization in ensuring that the resources are efficiently in realizing the targets. It is therefore a hard task for the managers to ensure that they reap more benefits given a certain level of resources.

IV.   CONCLUSION AND RECOMMENDATION

The paper sought to assess 'How does performance-based rewards appraisal technique affect employee Performance in public Universities in Kenya?' The analysis on the relationship between performance-based rewards appraisal technique and performance of employees yielded correlation coefficient r (181) = 0.719, p-value = 0.000 < 0.05. The effect of Performance-Based Rewards Appraisal Technique and Performance of Employees recorded a coefficient of regression **β** = 0.132, p-value = 0.000 < 0.05 and Pearson Chi-Square ofχ^2 (16, N = 181) = 62.028, p = 0.000 < 0.05. This implies that there is a strong positive relationship between performance-based rewards appraisal technique and performance of employees in public universities that is significant at 5% levels of significant.

Universities have set a culture where employees are rewarded according to their performance. Employees receive feedback from senior employees and their peers to identify their strengths and weaknesses, so that immediate corrective action is taken to improve performance. Performance based on reward technique minimizes biasness when rewarding employee's. Supervisors and senior employees rate employees based on their own performance. Employees were conduct self-evaluation to rate themselves based on the extent to which they think they have performed.

From the study findings, the policy policymakers are sensitized to ensure that they consider the human resource management appraisal techniques on employee Performance in institutions of higher learning for this case public Universities in Kenya. Different stakeholders in the human resource management function such as government and employer organizations such as Federation of Kenya Employers (FKE) need to formulate new policies or amend existing policies and procedures and devise best in class methods of increasing employee Performance from the findings of this

study. There is need for universities to consider the findings of this study when formulating performance management systems. The human resource departments need to adopt effective assessment and appraisal tools as a basis for improvement and provide constructive feedback on how best to attain organization goals and objectives.

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