

**PERFORMANCE APPRAISAL AND EMPLOYEE PRODUCTIVITY
IN ORGANISATIONS**

BY

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DECLARATION

I Chandiru Sarah Agasi , declare that this Research Report is my own original work and that it has not been presented by any other person and will not be presented to any university in a similar or any other way.

Signature:..........

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APPROVAL

This report has been prepared by Chandiru Sarah Agasi (BHR/33348/111/DU), under my supervision.

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DEDICATION

This Report is dedicated to my beloved Father Mr. John Bunya Aiiia, and My Mother Mrs.Aiiia Irene Ayaro and My Brothers and Sisters.

May The Lord Bless them all

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Writing this report has involved various people whose contribution is highly acknowledged. First I thank the almighty God for seeing me through to the end of my studies.

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ABSTRACT

The report is a result of research conducted on performance appraisal and employee productivity in organizations. Thus the objectives of the study were; to examine the types of performance appraisal, to establish the roles of performance appraisal, to examine factors affecting employee productivity, to determine the relationship between performance appraisal and employee productivity in organizations.

To achieve these objectives the researcher mainly read and analysed the already existing data to gather the relevant information, which was further reviewed to ensure accuracy, reliability, and consistency with the study variables

The significance of the study was of great importance to organizations and researchers and would enable the organizations to improve on the ways of increasing productivity.

The findings of the study showed that there exists a positive relationship between performance appraisal and employee productivity though there were other factors that affected employee productivity in organizations.

Therefore recommendations were suggested to the management of the organizations to address the challenges that hinder effective appraisal.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter deals with the background to the study, statement of the problem, purpose of the study, objectives of the study, research questions, scope of the study and significance of the study.

1.1 Background of the study

Performance appraisal compares an individual's job performance to standards or objectives developed for the individual's position. Low performance may prompt corrective action such as additional training, demotion; separation while high performance may merit a reward such as a raise, bonus or promotion.

Since organizations exist to achieve goals, the degree of success that individual employees have in reaching their individual goals is important in determining organizational effectiveness. The assessment of how successful employees have been at meeting organizational goals therefore becomes a critical thing hence performance appraisal (Decenzo 2002).

Appraisal has been noted as one of the most important functions of a manager, yet the most ignored and difficult to discharge. Performance appraisal enables managers to find out formally how their staff are working and also to give a feed back to staff, on their performance with a view of improving it (Kikom, 1996).

However some organizations have considered it as a way to punish staff and consequently making appraisal look as a punishment tool.

Stonner (2000), states that performance appraisal can be formal /systematic that is conducted a semi-annually or annually on a formal basis and can also be formal, conducted on a day-to-day basis. He goes ahead to say that appraisals are concentrated on individual characteristics such as intelligence, decisiveness, creativity and ability to get along with others. There are behavioral aspects, but employees are also appraised on how they perform their tasks.

However studies have found out that formal appraisal by managers is often infective in improving the performance of subordinates since those given criticism about their performance tend to become defensive and resentful and thus then-productivity after appraisal tend to decline since productivity itself implies both efficiency and effectiveness which performance appraisal may affect. (Decenzo2002).

Davar (2002) believes that appraisal of the employee is undoubtedly necessary at a time of his employment. However, an appraisal on continuing basis during the working life of such an employee is also very desirable and useful. Actually evaluation is constantly being done although at an unconscious level. Employees appraise supervisors, fellow colleagues, and subordinates. What is needed to generate proper control is a formal procedure for evaluating personnel within the organization. Such appraisals are at times as ratings where one individual after comparison with the other is ranked excellent, normal, or average. Such merit rating is usually used for ascertaining an employee's eligibility in fixing the qualities and characteristics to be rated in determining the person who should make such appraisal as well as by prescribing the appropriate procedure. Performance appraisal can be used for basically three purposes of which one is for promotions, salary increases and

a basis for reward allocation. Secondly for identifying areas where development efforts are needed and lastly can be used as a criterion against which selection devices and development programs are validated.

Performance appraisal is said to have started way back between 1990 and 1930 by Taylor in USA in the scientific Management school, in his study of time and motion. He believed management and they had a common interest in increasing productivity thus after his study, he encouraged employers to pay more productive workers at a higher rate than others using a scientifically correct rate that would benefit both company and worker. Hence workers had to surpass their performance standards to earn more pay (stonner 2002).

Additionally (stonner2002) defines productivity as the ratio of output to input, it is also a measure of a manager or employees efficiency in using the organizations scarce resources to produce goods and services. The higher the numerical value of this ratio, the greater the efficiency.

There are two basic types of productivity ratios and they include total productivity which relates the value of all output to the value of all input and partial productivity which relates the value of all output to the value of major categories of input.

However, most productivity quoted by economists and business executives are infact, labour productivity indexes since labour is one of the greatest ongoing costs for most organizations. Productivity ratios can be used to measure efficiencies gains and losses.

Thus performance appraisal with constructive feedback to employees yield increasing productivity (stonner 2000).

Therefore it is upon the above background that the study will show the relationship between performance appraisal and employee productivity.

1.2 Statement of the problem

Appraisal is one of the most important activities carried out in almost all organizations in order to ascertain their employees and employers performance. Different appraisal techniques are used by different organizations while others combine all. Though appraisal has been introduced and applied with the aim of increasing employee productivity the appraised individuals have instead declined in productivity. Therefore this research will seek to establish more on the variables.

1.3 Purpose of the study

The purpose of the study is to determine the relationship between performance appraisal and employee productivity.

1.4 Objectives of the study

- i. To examine the types of performance appraisal
- ii. To establish the role of performance appraisal in organizations
- iii. To examine factors which affect employee productivity
- iv. To determine the relationship between performance appraisal and employee productivity in organizations.

1.5 Research questions

- i. What are the types of performance appraisal?
- ii. What is the role of performance appraisal in organizations
- iii. What factors affect employee productivity?
- iv. What is the relationship between performance appraisal and employee productivity?

1.6 Scope of the study

This study focused basically on the relationship between performance appraisal and employee productivity.

1.7 Significance of the study

This study will help managers learn and understand the role of performance appraisal in regard to employee productivity.

The management of organizations will use the findings for proper and strategic decision-making.

The study will add to the existing literature and knowledge on performance appraisal and serve as a basis for further research.

1.8 Structure of the report

Chapter one includes background to the study problem statement, research questions and objectives scope, significance of the study and structure of the report.

Chapter two includes methodology, type of information required sources of information, how the information will be processed, how it will be presented and limitations

Chapter three includes review of related literature about the topic of research

Chapter four involves interpretation and discussion of the findings as from the study.

Chapter five provides summary and conclusions and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is about review of literature authored by different scholars in respect to the study objectives and the underlying study variables. The source documents include journals, textbooks, research studies and publications.

2.1 Definitions of performance appraisal

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

Pattern (1982), additionally defines it as an administrative tool for planning and controlling the assignment of work and how well or poorly it is completed.

Performance appraisal has also been defined by (Wendel 1997) as the systematic assessment of how well employees are performing their jobs in relation to established standards and the communication of that assessment to employees.

Armstrong (2006) agrees with (Wendel 1997) view though he goes ahead to state that, employees' managers usually in annual review meetings do the assessment and rating of individuals.

Atikoro (1996) states that it is the continuous process of evaluating or assessing the

performance of subordinates, and providing information (a feedback) on how well or poorly they are performing. Therefore appraisal usually relates to the assessment of staff or managerial performance and not that of manual workers.

2.2 Developing an appraisal program

In designing an appraisal programme, attention should be given to relevant laws and court decisions and the choice of appraiser, though appraisal by immediate supervisors is considered to be most effective, the role of the human resource department and lastly the validity and reliability of the appraisal methods. Wendel (1997) additionally states that appraisal can be done on self-basis, subordinates appraisal customer/outside appraisal, group or committee appraisals with which (Stoner 2002 & Dessler 2003) also agree.

2.3 Types of performance appraisal

Wendel (1997), & Stoner (2000) both agree that two types of performance appraisal exist. First is the formal / systematic type which occurs annually or semi-annually throughout that persons employment history for example when considered for a job, during the first few days on job, and of six months and each sixth month after review of salary and to determine needs for improvement. In this type four approaches are used that is managers rating an employee, a group of managers rating an employee, a group of peers rating a colleague and finally employees rating of bosses.

Secondly, they agree on the formal type where they state that it's an on going process with feedback to employees about how well they are doing their work for the organization. This can be carried out on a day-to-day basis where the manager spontaneously mentions that a given piece of work was performed well or poorly.

Due to the close connection between the behavior and feedback, Informal appraisal becomes an excellent way to encourage performance. Atikiro (1996), adds on formal appraisal that, it may involve use of various techniques that have been developed for the purpose.

2.4 The role of performance appraisal

Newstrom and Keith (2002) state that appraisal is necessary to achieve the following no order to motivate and reward employees so as to increase their morale.

They also say that appraisals maintain fair relationships within groups since employees fear being rated negatively by their peers or subordinates

Performance appraisal helps in coaching and developing employees, which is usually done after realizing the weak points after appraisal.

Additionally, it helps employees to comply with rules and regulations especially as concerns the set goals. They work hard and do what is supposed to be done so as not to be rated negatively.

Decenzo and Stephens (2002), however state that it is used as a means of conducting further analysis such as counseling, planning, retention and discharge, validation and composition. .

Davar (2002) states that performance appraisal helps to improve job performance since employees are corrected, get to know their weak points and hence look for better ways to perform.

He further say that it helps to determine promotions for those who are good

performers and transfers for those poor performers or those whom a change of environment would help.

He also believes that it helps in identifying areas for further training especially where a gap has been discovered by the supervisor or the appraiser

Lastly states that it reduces grievances, which is in agreement with (Newstrom and Keith 2002) especially where they try to coordinate with subordinates and top management to avoid bad records.

2.4.1 Limitations and Pitfalls of Performance Appraisal

Dessler (2003), assesses the under standards as a limitation. Here he says graphic rating scales seem objective but would probably result in unfair appraisals because the traits and degrees of merit are ambiguous for example, different supervisors would probably define "good performance, "fair" performance differently which is also true with "quality of work" and "creativity"

Decenzo& Stephens (2002), see central tendency as a pitfall or limitation where supervisors stick to the middle when filling in rating scales for example if the scale ranges from (1-7) they tend to avoid (6-7) and low (1-2) and rate most between 3 and 5. This means all employees are rated "average" thus distorting evaluations making them less useful.

The halo effect is another pit fall which is the influence of raters general impression on ratings of specific rate qualifies for example supervisors rating unfriendly employees lower on all traits rather than just for the tract hence make it unfair (Dessler 2003).

Pattern (1982), additionally says bias is another pitfall where personal characteristics can affect rating. This is seen where in one study researchers found a systematic tendency to evaluate older rates (over 60 years of age) lower on "performance capacity" and "potential for development" than young employees".

Davar (2002) and Dessler (2003), both agree that leniency or strictness as a limitation which occurs where supervisors tend to rate all their subordinates consistently high (or low), just as some instructors are notoriously high or low graders.

In grading since the rater is forced to say something about his or her subordinate, there is considerable resistance on the side of the evaluator (Dessler2003).

Davar (2002) adds that after discussing rating with employees particularly on the basis of traits such as initiative and reliability have been found to de-motivate them because of the negative feedback given.

He also says stereo typing is another limitation where judgements are affected when supervisors carry along with them a collection of mental pictures of what they imagine people to be like. These pictures are later used to classify employees.

Performance appraisal also depicts the rater as a judge rather than a teacher and coach. This spoils the coaching relationship, which should exist between a superior, and his subordinate (Pattern 1952 & Atikiro 1996).

2.5 Employee productivity

Koontz and Wehrich (1990) define productivity as the output input ratio which a

time period with due consideration for quality they expressed it as:

Productivity outputs (within time period, quality considered) Inputs.

While Drucker (1999) defined it as an increase in the level of output produced by workers for smallest effort put in as well as in the quality of output which is in line with what (Koontz & Wrihrich 1990) suggest.

Though Stoner (2000) also agrees with (Koontz & Weihnch 1990) that it is the ratio of input to output he however goes ahead to say it measures employees' efficiency in using the organizations scarce resources to produce goods and services. The higher the numerical value of this ratio, the greater the efficiency.

Stoner (2000), continues that there are two basic types of productivity ratios the first being total productivity which relates the value of all output to the value of all input, using the ratio total output/total input. He additionally notes the second as being partial productivity which relates the value of all output to the value of major categories of input using the ratio total output/partial input.

2.6 Factors affecting employee productivity

Productivity can be affected by the following:

Degree of individual creativity here (Stoner, 2000), states that creative people tend to be more flexible than non creative ones they are able to switch from one approach to another when tackling a task or problem and they prefer complexity to simplicity. Thus when such an employee is given a chance to be creative he will be motivated thus increasing his productivity while if given a job that does not make him creative, he will get bored hence reduction in productivity.

Decenzo&Robbms (2000), believe that training also affects productivity in that when an employee's weak points in a job are discovered and he or she is trained in that particular aspect, such an individual will get a feeling of attachment to the organization hence with the required skills imputed in him work so hard meaning an increase in his productivity unlike the one whose weakness is discovered and left to learn on his work such an employee will deter productivity due to lacking skills and the feeling of being left out.

The type of management also contributes to productivity as researched upon by (Stoner 2000). He admits that where the organization encourages participatory management where employees and their views are considered, such employees usually yield high productivity since they realize that they have a hand in all decisions made while those who are not involved feel left out and since the decisions are implemented through them, they usually reject and when forced they work but at a low pace thus low employee productivity.

He also talks about teams and he especially dwells on self-managed teams to whom tasks are given to be accomplished. Here they have to find ways of how to perform, which resources to use, its quality and finally give a feed back to management such teams or individuals in the team feel they are trusted and try their best to yield high results hence high employee productivity. While those who work individually and are over supervised feel they are not trusted hence not worth the job their morale declines leading to low productivity.

Work simplification as by (Koontz & Weihch, 1990), they define it as the process of obtaining the participation of workers in simplifying their work. Here employees are made to pick which tasks of their jobs they can perform better and tasks are

broken in to smaller doable parts productivity goes up since work is made easier.

Daft (1997), talks about time management as a factor that affects employee productivity of which he says that unlike other resources time is the only one that can never be replenished and therefore should be used to create competitiveness and increase productivity by avoiding late coming to work. The more time is kept, the greater each employees productivity.

Koontz & Wehrich (1990), consider effectiveness of quality circles, which are groups of people from the same organizational area, who meet regularly to solve problems they experience at work members are trained in solving problems, statistical quality control and in working groups. The fact that employees participate in solving work related problems, they are motivated to work harder and hence increase their productivity.

While Decenzo & Robbins (2000), agree on working conditions to them, an organizations with an aim to improve their employee productivity should have the responsibility to ensure that the work place is free from unnecessary hazards and that conditions surrounding employees physical and mental health are favourable such employees productivity will increase due to uninterrupted sessions during their work performance while those who work under poor conditions usually yield low productivity due to accidents and time off to heal among others.

Stoner (2002) strongly believes that leadership style also affects employee productivity especially the participatory or democratic type If workers are involved in decision-making or issues that affect them day-by-day and goals to achieve, they become motivated and put in more efforts to achieve the goals which

they set hence employee productivity is likely to be high compared to autocratic leadership style that is strict, bureaucratic and coercive.

Reward and compensation policies by (Daft 1997), he says these policies include monetary and non- monetary payments. Employees usually compare what they are paid with what others are paid or benefit and at the end perceive an organization as being fair or unfair. Those who perceive it as fair will work with zeal and confidence hence increase productivity while those who see it as unfair will try their best to avoid work leading to low output with which (Koontz & Weinhch, 1990) agree.

Lastly Koontz & Weinhch (1990) talk about the effect of technology. They state that due to the ever increasing competition, demand for an organizations products increases thus a need to reduce the product life cycle or covering up demand use of capital intensive technology will increase output levels, reduce product life cycles meaning organizations produce more or enough to cover demand, thus increasing productivity unlike labour intensive which is time wasting low output and low quality leading to low productivity.

2.7 Relationship between performance appraisal and employee productivity

Davar (2002), says appraisal when carried out objectively helps the organization to discover weak points of an employee for purposes of training or identifying areas for further training needs, when this is done employees are imparted with the required skills hence improving or increasing their productivity.

Knootz&Weihnch (1990) additionally say that it aids employee productivity in a way that, through appraisals managers are able to draft reward and compensation policies

basically based on performance. (Performance based pay) which most organizations employees see as fair thus such employees will be forced to work harder while those who receive lower pay will work hard to reach the highest pays thus increasing or enhancing employee productivity.

Appraisal when carried out and constructive feedback is provided to an employee to know his level of job performance, this will help an employee who is a low performer and one who is a good performer but puts less effort to improve meaning increase in productivity (Davar 2002).

Additionally appraisal aids potential identification of required skills as suggested by (Koontz & Wehrch, 1990). They say that when appraisal is done, those who are able to succeed are those who can perform and the fact that those brought to

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter is concerned with various methods that have been used in data collection, sources of data, data processing data analysis, presentation of findings and limitations that the researcher faced.

3.1 Research design

The research design used was an analytical research design. In addition, the research was descriptive largely based on documentary review.

3.2 Sources of data

The source of data was secondary information. This is data that already exists or written by other scholars and researchers about performance appraisal and employee productivity from the Internet, newspapers, textbooks, journals and many other relevant materials related to the area of study.

3.3 Data collection method

Data was collected basing on the library research and extensive review of different works of different authors since the data was secondary source and some of the information also obtained from the Internet.

3.4 Data processing

The data was edited by the researcher at the end of each day editing is the examination of collected data to detect error. This was done through checking grammar, spellings and mistakes made while collecting data; this was to ensure accuracy and consistency in information.

3.5 Data analysis

This was done by making reference to the available literature in order to compare, and contrast different opinions presented by different authors. The focus was to identify gaps that exist in the available literature.

3.6 Presentation of findings

The findings were presented by qualitative presentations and illustrations.

3.7 limitations of the study

The researcher encountered the following problems in the study

- i. Financial constraints which included surfing, typing, printing and photocopying.
- ii. Difficulty in assessing the required information from the place of research
- iii. Inadequate time since it is done concurrently with other course units
- iv. Some public libraries and organizations are usually reluctant to help in availing the needed information.

CHAPTER FOUR

DISCUSSION AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter contains the interpretation and discussion of findings in relation to the study variables and the objectives.

4.1 Findings on the types of performance appraisal

The first objective of this research was to establish the types of performance appraisal. Therefore in regard to the above objective the following were the findings.

Finding by Bratton & Gold (2007), revealed that it is the analysis of employees' capabilities and potentials drawn from assessment of past data and current work behaviors and performance allowing decisions to be made in relation to the human resource needs.

Wendell (1997) agrees with (Bratton and Gold 2007), though he says it is a systematic assessment of how well employees are performing their jobs in relation to established standards and communication of that assessment to employees. While (Armstrong 2006) adds that their managers usually in annual review meeting do the assessment and rating of individuals.

Therefore from the above definitions of performance appraisal, it can strongly be urged that appraisal is all about assessing and comparing current and expected results in relation to the set objectives and finally providing constructive feed back to the rated.

Findings basically reveal two types of performance appraisal as seen below.

Wendel (1997), & Stoner (2000), agree on the first type as the formal / systematic which occurs annually or semi annually throughout that persons employment history for example when considered for a job during the first few days on job, after six months and each six month after review of salary and to determine needs for improvement. In this type four approaches are used that is managers rating of employee, a group of managers rating an employee, a group of peers rating a colleague and finally employees rating bosses.

As for the informal appraisal, the above authors still agree that it's an on-going process with feedback to employees about how well they are doing their work for the organization. This can be carried out on a day to day basis where the manager spontaneously mentions that a given piece of work was performed well or poorly because of the close connection between the behavior and feedback on it informal appraisal becomes an excellent way to encourage performance with which (Cole, 2007) also agrees.

Hence from the above authors, it can therefore be believed that only two types of performance appraisal exist that is the formal, which occurs annually, and the informal being an ongoing process. An organization can decide to use one at a time or both depending on its capacity.

4.2 Findings on the roles of performance appraisal in organisation

Findings show that performance appraisal plays the following roles in the organization as by (Keith and Newstrom 2002)

- Appraisal maintains fair relationships within groups since employees' fear being rated poorly by their subordinates or peers.
- Also helps in coaching and developing employees which is usually done after realizing their weak points after appraisal
- They add that it helps employees to comply with rules and regulations especially as concerns the set objectives they work hard and do what they are supposed to so as not to be rated negatively.

Davar (2002), additionally stated that appraisal helps to improve job performance since employees are connected, get to know their weak points and hence look for better ways to perform.

- He further says that it helps to determine promotions for those who are good performers and transfers for the poor performers or those whom a change of environment would help.

Performance appraisal helps in identifying areas for further training especially where the supervisor or the appraiser has discovered a gap.

Newstrom and Keith (2002) finally state that it reduces grievances which are in agreement with (Davar 2002). This happens especially where employees try to coordinate with subordinates and top management to avoid bad records. Thus, it can be urged and believed that performance appraisal can be used as a basis for carrying out a variety of activities such as counseling, planning, retention and discharge, validation and composition, reward and compensation, promotions among others.

4.2.1 Findings on Limitations/ Pitfalls of Performance Appraisal

Dessler (2002) assesses the unclear standards as a limitation. He says that graphic rating may seem objective but would result in unfair appraisal and this is because the traits and degrees of merit are ambiguous for example good and bad performance are defined differently. Therefore without a proper definition of the degrees of merit and traits appraisal results are not fair.

Decenzo and Stephens (2002) consider central tendency where raters stick on middle figures such as 3 and 5 for low and high consecutively because of fearing to use very low or very high figures.

Thus with this most employees will be rated "medium" which is not right hence a limitation for effectiveness.

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4.3 Findings on factors affecting employee productivity

Being the third objective, productivity was found to be the ratio of input to outputs by (Stoner 2000).

While (Drucker 1999) defines it as an increase in the level of output produced by workers for smallest effort put in as well as increase in the quality of output. Koontz & Weinhch (1990), define productivity as the output input ratio within a time period with consideration for quality.

From the above definitions, it's therefore right to urge that employee productivity is basically the input output rate with regard to quality. Therefore factors affecting employee productivity are as follows.

Degree of individual creativity by Stoner (2000), where he believes that creative people tend to be more flexible in task performance than non-creative ones. They can switch from one approach of performing a task to another thus when he is given a chance to be creative his productivity will go high. Thus its right to judge that creative individuals when given the chance are productive.

Decenzo and Robbms (2000) say that training too can affect productivity this is basically when an employees weak points are discovered and he is helped to improve such an employee will get a feeling of attachment to the organization hence with this feeling and the training his productivity will shoot high this, thus means that training an employee in his weak points to make him better will increase his productivity.

The type of management as reviewed by (Stoner, 2000) he admits that where the organization encourages employees' participation in decision making such employees usually yield high productivity. This therefore lays a ground to agree that participative management increases productivity since it's the employees who implement thus feeling responsible for everything they do.

He additionally talks of teams and dwells mostly on self managed teams these are teams to whom tasks are given and they decide how to perform the task, what methods to use and only give a feed back to management. Individuals in such teams usually feel motivated and attached to the organization loading to high employee productivity.

Koontz & Weihnch (1990), reveal task simplification have employers seek

workers participation in simplifying their work. They are made to pick each task in a job that they can perform best, these tasks are broken in to small and do able parts. With this it can be concluded that simplifying of tasks for workers makes it easy to achieve high productivity since the tasks are made easy.

Additionally (Daft 1997), talks about time management in that it is the only resource that can never be replenished. When used to create competitiveness, it leads to increased productivity this can be done by avoiding late coming thus when time is consistently kept in the organization, it is a based for increasing productivity.

Decenzo& Robbins (2000), looked at working conditions to them, for an organization to increase productivity employees should be working under conditions that are not harmful to their physical and mental health this makes them feel cared about and hence increase productivity.

It is upon this point that working conditions when improved and quality at the gate kept, productivity can be raised.

4.4 Findings on the relationship between performance appraisal and employee productivity

Research findings have revealed that there exists a relationship between the variables under study and they include the following.

Dessler (2003), observed that through appraisal a superior is able to know the behaviors and performance of the appraised better especially when traits are used in graphic rating scale. Thus meaning that when appraisals are carried out objectively

its true that ones character and performance can be known.

Through performance appraisal that has been carried out objectively, demotions and separations are aided to increase productivity (Stoner, 2000). It can therefore leads to increased productivity this can be done by avoiding late coming thus when time is consistently kept in the organization, it is a based for increasing productivity.

Decenzo& Robbins (2000), looked at working conditions to them, for an organization to increase productivity employees should be working under conditions that are not harmful to their physical and mental health this makes them feel cared about and hence increase productivity.

It is upon this point that working conditions when improved and quality at the gate kept, productivity can be raised.

4.4 Findings on the relationship between performance appraisal and employee productivity

Research findings have revealed that there exists a relationship between the variables under study and they include the following.

Dessler (2003), observed that through appraisal a superior is able to know the behaviors and performance of the appraised better especially when traits are used in graphic rating scale. Thus meaning that when appraisals are carried out objectively its true that ones character and performance can be known.

Through performance appraisal that has been carried out objectively, demotions and separations are aided to increase productivity (Stoner, 2000). It can therefore an employee who is a low performer to aim higher and a higher performers to further

increase productivity.

From the above findings it is therefore right to say that through appraisal training needs can be realized and required training given just as feedback makes an employee work harder.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter contains conclusions, recommendations and areas for further research.

The conclusions and recommendations will be derived from the literature review and chapter four.

5.1 Conclusion

In respect to performance appraisal and employee productivity in organizations the following conclusions can be made: -

Performance appraisal and employee productivity have a strong positive relationship.

Appraisal is carried out in all organizations that is consciously or unconsciously to establish the progress of employees' performance so as to determine their productivity.

This process can either be formal or informal being on the regularity in which it is carried out.

From researched data, the researcher concluded that performance appraisal when objectively carried out plays a role of helping in designing the reward and compensation policies, designing training needs, promotions demotions,

separations, grievance reductions, maintain fair relationship among employers and employees but when carried out subjectively it can cause a decline in productivity. Subjectively it can cause a decline in productivity especially when it's biased, presence of stereotyping central tendency, under standards among others.

Productivity was found not only to be affected by performance appraisal but other factors too, such as working conditions, leadership style, nature of technology and work simplification.

Thus the productivity of an organization depends on the objectivity of the performance appraisal process carried out, its effectiveness and finally how often it is carried out. This will form part of the organizations image because an organization that closely watches and corrects its employees maintains high productivity hence good image.

5.2 Recommendations

According to the researcher, management of organizations should take into account the following measures for efficient and effective performance appraisal results.

Management should clearly define the aspects to be appraised so as to create uniformity in the process.

Management should make sure that the performance appraisal is continuously carried out in that the supervisors should continuously assess how their staff are getting on with their job.

They should immediately motivate, promote and carry out any form of adjustments immediately after appraising so that the process achieves the purpose for which it was designed or carried out.

Management should involve more people in the performance management process so that those being assessed do not feel that they are at the mercy of their immediate supervisors. Training should be provided to officers on how to appraise and conduct appraisals. Management should make sure the appraisal system is simple to administer.

5.3 Areas for further research.

- Performance appraisal and employee performance.
- Performance appraisal and employee commitment.
- Performance appraisal and employee job satisfaction.

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