

**THE RELATIONSHIP BETWEEN PERFORMANCE  
MANAGEMENT AND EMPLOYEE PERFORMANCE AT  
THE NATIONAL MEDICAL STORES OF UGANDA.**

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## **DECLARATION**

I, Paul Njala, declare that this dissertation is my original work and has never been submitted for any academic award at any other university. All other sources of information have been cited and authors acknowledged.

**Signed:**

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# APPROVALS

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Signed..... Date.....

## **DEDICATION**

I, dedicate this work to my mum, Mrs. Mary Leorkardia Njala who sacrificed a good amount of time to inculcate in me values that have propelled me to success. This work also goes to my family Liz, Alex and Josiah who have been a source of inspiration and from whom I took valuable time to complete this work.

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## **LIST OF ACRONYMS**

APSC – Australian Public Service Commission

BOD – Board of Directors, NMS

CIPD - Chartered Institute of Personnel and Development.

MOH – Ministry of Health

NMS – National Medical Stores

PPDA – Public Procurement and Disposal Authority of Uganda

SMART – Specific, Measurable, Achievable, Relevant and Time bound.

SPSS – Statistical Package for Social Scientists.

UOMDFA – University of Missouri Division of Finance & Administration

UMI – Uganda Management Institute

USAID – United States Agency for International Development

## **ABSTRACT**

The study was an investigation into the relationship between performance management and employee performance at the National Medical stores of Uganda at Entebbe. The study specifically sought to examine the contribution of four performance management dimensions: performance planning, performance review, performance support and performance rewards on employee performance at NMS. The study was motivated by the lack of empirical evidence on the effect of the previously introduced performance management system on employee performance at NMS. A case study design was used. Both questionnaires and interviews were used to collect data from management and non management staff respectively, who constituted a sample of 79 persons chosen by stratified random sampling out of a population of 108 NMS staff. A response rate of 78% to questionnaires was achieved. Data analysis established that of all four dimensions of performance management, only performance review statistically explained 45% of the variance in employee performance. Triangulation of data from interviews and the questionnaires indicated that both performance planning and performance rewards increase employee performance at NMS. There was no evidence to justify a relationship between performance support and employee performance. It was established that a poorly implemented performance management system was negatively affecting employee performance at NMS. It was the recommendation of this research, therefore, that NMS BOD and Management revamp the performance planning, review, support and reward systems in order to put in place a comprehensive performance management system that will improve employee performance at NMS.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

The study was an assessment of the relationship between performance management and employee performance at the National Medical Stores of Uganda. Performance management was the independent variable in the study while employee performance was the dependent variable. This chapter presents the historical, theoretical, conceptual, and contextual backgrounds, the problem statement, and purpose of the study, specific objectives, research questions, and hypotheses. This is followed by the conceptual framework, significance, justification and scope of the study, as well as operational definition of terms and concepts.

### **1.1 Historical Background**

National Medical Stores (NMS) is a government parastatal organization established in 1993 by Parliament to procure, store, and distribute medical supplies to all government health units in Uganda. On establishment, NMS took over the role and infrastructure at Entebbe of Central Medical Stores, which had been a department of the MOH. These changes were part of a restructuring exercise which was meant to set up NMS as an independent organization in order to, among other things, improve its performance on its mandate. NMS has since then embarked on a number of projects aimed at improving its performance, including reviews of operational efficiency by the World Bank in 2004, USAID in 2007, and an MOH taskforce committee in 2007. Performance management was one of the areas highlighted for improvement, in order to enable NMS effectively achieve its mandate through improved performance of individual employees.

According to Armstrong (1999), the term “performance management” was introduced by Beer and Ruh in 1976, but was only concretely used as an approach in the mid 1980’s after realizing that performance related pay and appraisal systems were not delivering the results expected to organizations. There was a need for a continuous and integrated approach to manage and reward performance of employees. According to CIPD (2009), a survey carried out by Bevan and Thompson amongst human resource practitioners in 1991 revealed that performance management was being confused with its tools i.e. performance appraisals and performance related pay. CIPD (2009) adds that a subsequent survey on performance management done by Armstrong and Baron in 1997 established that performance management practice then was understood to include a range of activities geared towards managing individual performance. These activities were divided into those that supported pay led performance management systems and those that favoured development led systems. A web based survey by CIPD (2009) however revealed that current practice in performance management consists of objective setting, performance appraisals, regular feedback and reviews and assessment of employee development needs.

NMS took on performance management as a way of improving employee performance. Performance review appraisals started in early 2008 at a time when management and the board pronounced their discomfort in renewing employee contracts without assessing their past performance. Apart from this effort, little else has been accomplished by NMS in the area of performance management. As an example, NMS has for long held a policy dubbed “quality at the gate”. This policy meant that NMS recruits individuals who are developed to the extent that they will need no other development especially in the form of training in order to perform their

jobs to satisfaction. As a result, NMS has had no- training policy in the period 2005 – 2010.

## **1.2 Theoretical Background**

The research was guided by Douglas McGregor's theories X and Y of management, outlined by Kreitner (1995). Theory X assumes that most people dislike work and must be coerced or threatened with punishment in order to work. It further assumes that most people avoid responsibility, prefer to be directed, have little ambition, and are interested only in security. Theory Y on the hand assumed that many people are creative, ingenious, proactive, and will readily take on responsibilities. They are capable of self control and direction if committed to organizational objectives and will perform if rewarded appropriately Kreitner (1995). NMS has in the past operated a laissez faire management style similar to Theory Y. It is suspected that this is one of the causes of the past poor performance.

The Goal Theory put forward by Locke as cited in (Mullins, 2007) holds that preset goals usually guide the behaviour and performance of individuals to a large extent. (Mullins, 2007) further explains that individuals with specific, measurable, and challenging goals will perform better than people who have easy to achieve, vague or no goals at all. He adds that goals motivate people to achieve in order to satisfy their emotions and wants. The Goal Theory therefore suggests that there should be a positive relationship between performance planning and employee performance.

The study was further guided by Adam's Theory of Equity, which attempts to predict the relationship between reward and individual performance (Gibbs, 1980). According to Adams' Equity Theory, underpaid individuals may reduce their work input by decreasing the quality and quantity of their work. Persons compensated on an

incentive or piece rate basis may decrease quality of performance and may or may not increase quantity depending on the input / outcome ratio for each additional unit of production. Adams Theory helped the researcher put forward a hypothesis that rewards affect performance of individuals at NMS.

### **1.3 Conceptual Background**

The study was based on Douglas McGregor's theories X and Y of management, Locke's Goal Theory and Adam's Theory of Equity. These theories gave rise to performance management and employee performance as the independent and dependent variables of the study and attempt to explain the relationship between the variables. The Goal Theory supports a positive relationship between setting individual goals at NMS (performance planning) and the eventual performance of employees at NMS. Theories X and Y are also useful in predicting the behaviour and performance of individuals when subjected to varying styles of performance management. The theories imply that individual performance will improve when employees' goals and targets are clearly laid out, performance reviewed and feedback given to employees together with appropriate performance support and rewards.

Performance management has been defined as "a means of getting better results from the organization, teams, and individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirements" (Armstrong, 1999). He also contends that performance management is a process of establishing a shared understanding of what is to be achieved by employees, while managing and developing them to ensure that they will help the organization achieve its objectives in the short and long run.



At NMS, individual performance plans are made during the biannual appraisals held between individuals and their supervisors. In the same sitting, a review of past performance is done. Performance support is however, not properly institutionalized, but involves adhoc short courses for selected individuals and consultation by staff members amongst themselves and their supervisors on work related problems. NMS human resource manual provides for performance bonuses, and salary increments to recognize good performance. Supervisors sometimes also thank staff for a job well done. Performance management in the study therefore involved the dimensions: performance planning, performance review, performance support and rewards as defined by Armstrong (1999), Mathis and Jackson (1999), and Bratton and Gold (2007).

Mathis and Jackson (1999) define employee performance as what an employee does or does not do. They argue that the performance of an employee that contributes to the organization includes the quantity of output, quality of output, timeliness of output, presence at work and cooperativeness. In their research on the effect of peer based reward on individual performance, Greg, Courtright, & Murray (2009) used the dimensions quantity of work, quality of work, initiative, cooperativeness and effort to represent and measure individual performance.

At NMS, individual performance is measured using both general factors and objective scores (NMS Appraisal form, 2009). Under general factors, the supervisor scores the employee for the period with respect to work quality, productivity, job knowledge exhibited, reliability in task completion, availability at work, and independence from supervision. A separate rating of objectives set at the beginning of the period is also done and together with the general factor ratings, they make up the average score of

the individual's performance over the period. Employee performance in the study was therefore measured by the dimensions effectiveness, effort, cooperativeness and initiative. Effectiveness represented achievement of objectives with respect to the quality, quantity and timeliness of work produced, while effort represented the perceived amount of energy expended by the employee on NMS work, and included attendance and time utilisation.

#### **1.4 Contextual Background**

NMS instituted performance appraisals in 2008. In these appraisals, performance objectives and targets are set and reviews are done of the previous period. Despite this, no research has been done to establish the effect of this performance management system so far introduced on the performance of employees. Instead, the Board and Management of NMS have continued to complain about the general performance of NMS staff members. A pre-study among NMS top management revealed that employees lack self initiative and usually accomplish tasks after several reminders. For example, a number of times, NMS experienced out of stock situations of up to 50% of its stock range because staff delayed to initiate procurement processes or failed to follow up suppliers to replenish stock even after reminders by management (NMS Management Minutes, 2008, and 2009). Management and board were also concerned that cartons which were part of over 200 separate consignments meant for delivery to customers were abandoned by drivers and dispatch staff and accumulated over a period of 3 years in the warehouse holding area until medicines within them expired, illustrating negligence and lack of initiative on the part of these staff members (Board minutes, 2008, Management Minutes 2008).

Management was further disturbed by the failure of staff members to achieve their objectives with regard to the amount of work done. In most cases for example, NMS lagged 2 or 3 months behind the schedule of delivery to customers because sales and warehouse staff process only half of the normal daily target of customer orders. This, according to management is most likely because the staff members do not utilize their working hours effectively as they spend a lot of time in personal face to face or telephone conversations as well as on the internet. To verify this, the researcher on several occasions witnessed staff who took hours downloading movies, or watching other fun material on the internet. There have been a number of attempts by management to control this behaviour, including reduction in the number of direct telephone lines. The remaining few direct lines are however still subject to frequent abuse as witnessed by finance and human resource managers.

Failure to maintain accurate and well organized records has been an area of concern in the performance of NMS staff. Management has for example complained a number of times about failure by warehouse staff to update manual stock records (management minutes 2007 and 2008). The researcher has also observed over the past 2 years that almost all NMS staff cannot retrieve records of transactions they have filed over time. This has negatively impacted on accountability in the organization.

Employee performance at NMS has been adversely affected by the following inadequacies in the performance management system: The practice of setting objectives and doing biannual performance appraisals at NMS only started in early 2008. On examination of a number of appraisal forms since 2008 to 2010, the researcher discovered that individual objectives were not specific or measurable, which most likely made performance reviews difficult. In all appraisal periods, for

example, over 80% of staff scored above 70% which is not a normal distribution. Management was in fact disturbed by more than two cases of supervisors complaining about failure of employees to perform their core tasks over time, yet their appraisal scores were over 80%. The researcher has also observed that apart from the appraisals twice a year, there are no other institutionalized mechanisms of measuring individual performance and giving feedback to employees on a more regular basis. These gaps in performance planning and review have negatively impacted on individual performance.

In addition to the above, performance support mechanisms were not in place in the 5 years ending 2010. Board and Management in this period supported a policy dubbed “quality at the gate” which did not support training of staff (NMS Human resource manual, 2004). The policy focused on recruiting and retaining staff with the full skills and competencies needed for their jobs and who needed no further training. This policy however has not helped staff to deal with the dynamic challenges typical of any job and for which employees may need to acquire new knowledge in order to perform better.

The NMS Human Resource Manual (2004) provided for merit awards to individual employees on the recommendation of management in case of outstanding efficiency. The manual also provided for performance bonus rewards of two or one month’s gross salary to employees with outstanding or gross performance respectively as assessed during the biannual performance appraisal. There is however no evidence that the mentioned awards or bonuses were ever applied to all qualifying staff in the 5 years ending 2010. This negatively impacted on the motivation of employees to

improve their performance. The study therefore sought to investigate the effect of performance management on employee performance.

### **1.5 Statement of the Problem**

In 2008, NMS Management started on performance appraisals, as part of an effort to institute a performance management system as directed by the Board. This was meant to improve the performance of employees on the understanding that performance appraisal results were to be used to determine whether employees should continue in their current jobs. Two years down the road, however, management had not empirically established whether the performance management systems introduced had any effect on the performance of individual employees. A pre-study among the NMS top management revealed that employees lacked self initiative and usually accomplished tasks after several reminders and that staff members rarely achieved their objectives especially with regard to the amount of work expected of them. Management was concerned that whereas staff generally adhered to the company policy on attendance, they did not utilize their working hours effectively and in addition, failed to maintain accurate and well organized records. It therefore became necessary to study how performance management affected employee performance at NMS. Unless this was done, NMS would continue to spend time and money on a performance management system whose benefits could not be justified.

### **1.6 Purpose of the Study**

The purpose of the study was to assess the relationship between performance management and employee performance at NMS.

### **1.7 Objectives of the Study**

1. To assess the contribution of performance planning to employee performance at NMS.
2. To assess the contribution of performance review to employee performance at NMS.
3. To assess the contribution of performance support to employee performance at NMS.
4. To establish the effect of performance rewards on employee performance at NMS.

### **1.8 Research Questions**

1. What is the contribution of performance planning to employee performance at NMS?
2. What is the contribution of performance review to employee performance at NMS?
3. What is the contribution of performance support to employee performance at NMS?
4. Do performance rewards have a significant effect on employee performance at NMS?

### **1.9 Hypotheses of the Study**

#### ***1. Hypothesis 1***

H<sub>0</sub>1: There is no relationship between performance planning and employee performance at NMS.

#### ***2. Hypothesis 2***

H<sub>0</sub>2: There is no relationship between performance review and employee performance at NMS.

#### ***3. Hypothesis 3***

H<sub>0</sub>3: There is no relationship between performance support and employee performance at NMS.

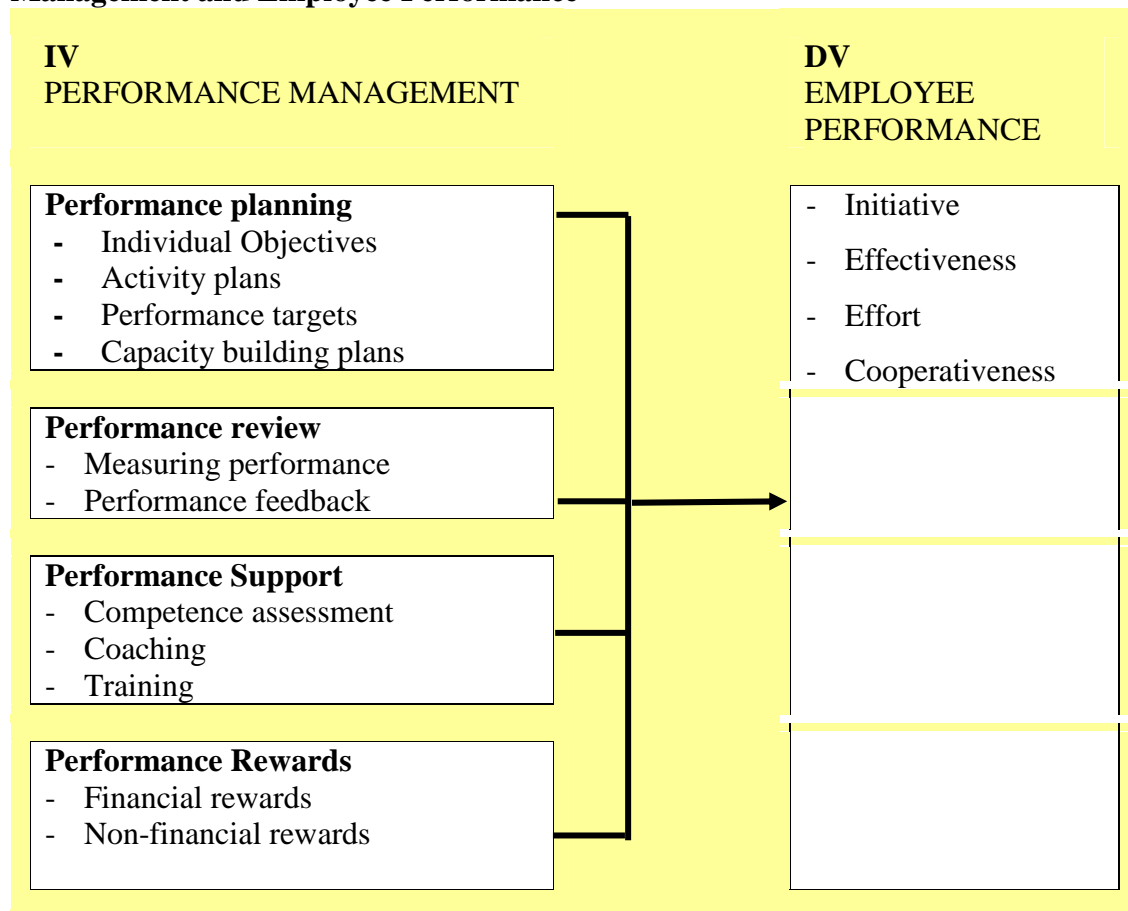
#### ***4. Hypothesis 4***

H<sub>0</sub>4: There is no relationship between performance rewards and employee performance at NMS.

### **1.10 Conceptual Framework**

The conceptual framework below illustrates the relationship between the independent and dependent variables and their dimensions and indicators which guided the study.

**Figure 1: Conceptual Framework of the Relationship between Performance Management and Employee Performance**



Source: McGregor as cited in Kreitner (1995), Locke as cited in Mullins (2007) and Adam as cited in Gibbs (1980).

Performance management was conceptualized as the independent variable and operationalised as performance planning, performance review, performance support and rewards dimensions. Performance management was conceptualized to affect employee performance, which was measured by initiative, effectiveness, effort and cooperativeness.

Performance planning was hypothesized to affect employee performance since employees who have clear goals targets and properly laid out action plans perform better than those without (Mullins, 2007). Mullins further suggested that clear goals and targets help individuals focus better on the tasks ahead of them as they do not have to waste time finding out what to do. Performance reviews if done regularly

reinforce the focus of employees on their targets by reminding them of how much of their targets had been achieved. This motivates employees to do whatever is possible to achieve the desired level of performance.

Performance support, which involved assessment of employee competences, coaching and training, was hypothesized to affect employee performance by, boosting the knowledge and skills of employees. Lastly, it was hypothesized that performance rewards would have a positive impact on employee performance.

### **1.11 Significance of the Study**

Since the effect of performance management on employee performance at NMS was established, management may now be in a better position to improve on performance management practices including performance planning and review, performance support, and rewards. This may in turn improve NMS employee behaviour, attitudes and job performance and thus lead to enhanced performance of NMS as a whole in carrying out its mandate of procurement, storage and distribution of medicines and supplies countrywide. This may lead to greater motivation of health workers and improved healthcare for all Ugandans. The research will also benefit the academia by adding to the body of knowledge on how performance management affects employee performance and may be used as a reference point for further research in the same area.

### **1.12 Justification of the Study**

A pre-study carried out at NMS indicated gaps in performance management and employee performance. Individual objectives were not specific enough, performance reviews were not regularly done, and there is no structured training or coaching plans. In addition, apart from the salary, no other performance reward system exists. This



gap has resulted into deteriorating employee attitude to work, job commitment and performance over the years. Furthermore, the effect of performance management on employee performance has not attracted much research attention at NMS since previous studies by the Euro Health Group and Supply Chain Management System focused on operational efficiency, warehouse and distribution improvements. The study should give management important insights about performance management in order to help them improve decision making in this area.

### **1.13 Scope of the Study**

The study was limited to the contribution of performance management to employee performance at NMS, with performance management as the independent variable and employee performance as the dependent variable. The study was carried out at the NMS head offices at the Entebbe municipality within Wakiso district in Uganda. The study focused on the past five years ending 2010, a period for which the current management and staff have institutional memory and for which employee performance had reportedly been a major concern to board and management.

### **1.14 Operational Definitions of Terms and Concepts**

**Performance management:** The process of ensuring that employees achieve their individual objectives in order to collectively achieve the NMS mission.

**Performance planning:** a subset of performance management which deals with setting individual objectives, targets and measures to ensure that employees understand what they have to achieve within a given period.

**Individual objectives:** Specific, quantifiable goals or outputs in line with the employee's job that are agreed on between an NMS employee and his supervisor to be achieved within a specified timeframe.

**Activity plans:** Schedules of actions to be accomplished by employees within

specified timelines in order to achieve individual objectives.

**Performance targets:** Quantifiable levels of achievement set in line individual objectives.

**Capacity building plans:** Written plans made by employees to acquire skills and knowledge that will help enhance their performance at NMS.

**Performance review:** The process of measuring and discussion of individual employee performance, as well as discussion between supervisors and individuals on ways to improve performance. This involves scheduled or continuous formal appraisals and informal discussions about the employees' performance.

**Performance support:** Effort by NMS management and supervisors geared towards developing individuals to help them meet or exceed the expectations of their performance agreements. This includes skills assessment, on and off the job trainings.

**Coaching:** Advice and instructions given to an employee by his or her supervisor or another person on a daily or as needed basis to help the employee identify and resolve obstacles to performance and ultimately achieve his performance objectives.

**Performance Reward:** A monetary or non monetary benefit given by the organization to an NMS employee to recognize and encourage good performance. This includes bonuses, salary increment, certificates of recognition, and training opportunities.

**Employee performance:** Employee achievements against their objectives as well as the effort, initiative and teamwork employed by an individual to produce work. Examples of performance include number of orders processed by the employee per unit time, accuracy of stock when reconciled, timeliness, presence at work and cooperativeness.

**Initiative:** the level of self drive and proactive behaviour within employees. The ability of employees to take action, resolve work related problems and invent ways of achieving their objectives without waiting for their supervisors to tell them what to do.

**Effectiveness:** achievement of objectives by employees with respect to the quality, quantity and timeliness of work produced.

**Effort:** Amount of hard work, thought, and time dedicated on a daily basis to the achievement of individual objectives by NMS employees.

**Cooperativeness:** Willingness of an individual to work with others in order to achieve both individual and NMS objectives.

**Stock Range:** the list of medicines and supplies that must be held in stock by NMS in order to fulfill customer orders on time.

# **CHAPTER TWO**

## **LITERATURE REVIEW**

### **2.0 Introduction**

This chapter reviews relevant literature on the theories guiding the study and previous related work on the study. It consists of a review of theories guiding the study as well as a review, objective by objective of the literature on the relationship between performance management and employee performance. The literature is derived from primary and secondary sources. The chapter also includes a summary of the literature review.

### **2.1 Theoretical Review**

Kreitner (1995) argues that managers usually adopt a management style based on either of two extremely different assumptions about the attitude and behaviour of the individuals they manage. These assumptions are adopted from the Theory X and Theory Y put forward by McGregor in 1960. Kreitner (1995) further explain that Theory X, based on the thinking of traditional organizations, assumed that most people are lazy, inherently dislike work and must be controlled, directed or threatened with punishment if the organization is to achieve its objectives. It further assumes that most people avoid responsibility, prefer to be directed, have little ambition and are interested only in security. This view about individuals would therefore require managers to exercise strong direction and control over employees, emphasizing rewards and punishment in order to motivate employees to achieve their objectives.

Theory Y on the other hand assumed that work is as natural as play and rest and that many people are creative, ingenious, and proactive and will readily take on responsibilities (Kreitner, 1995). He adds that according to Theory Y, employees are

capable of self control and direction if committed to organizational objectives and will perform if rewarded appropriately. In relation to the study, Theory Y predicts that if people are given clear objectives, given feedback on their performance and rewarded appropriately, their performance will improve.

Whereas Kreitner (1995) associates Theory Y with the current and recommended high achievement democratic style of management, in practice, a mix of Theory X and Y are required to explain a positive relationship between performance management and employee performance for the following reasons. First, individuals with Theory X, or Y behaviour or a mix of the two are bound to naturally exist in organizations in almost equal proportions, therefore requiring a mix of management strategies. There is in fact a danger of underperformance of employees associated with a laissez faire or Theory Y style of management being applied to Theory X individuals. Secondly, whereas the setting of objectives may seem to be enough motivation for Theory Y individuals to perform well, the possibility of negative consequences if objectives are not achieved (Theory X thinking) would most likely be required to motivate both Theory X and Y individuals to achieve. Thirdly, the use of rewards to motivate people in Theory Y thinking may require withholding rewards as a punishment for failure to achieve objectives as is held in Theory X thinking.

Locke's Goal Theory holds that preset goals usually guide the behaviour and performance of individuals to a large extent (Mullins, 2007). The author further explains that individuals with specific measurable and difficult goals will perform better than people who have easy to achieve goals, vague goals or no goals at all. He argues that goals motivate people to achieve in order to satisfy their emotions and

wants. The Goal Theory therefore suggests that there is a positive relationship between performance planning and employee performance.

Adam's Theory of Equity attempts to predict the relationship between reward and individual performance. (Gibbs, 1980). The author argues that individuals will perceive equity or inequity in an individual-organizational relationship as a result of a social comparison process of a person's input / outcome ratio to the ratio of another individual or group of people who are engaged in a similar task or job. Inputs are all factors such as effort, education and age that are perceived as influencing the probability of a certain outcome. Outcomes are benefits to the individual in terms of monetary compensation, prestige and other desired rewards related to job inputs. The value of the exchange to the individual is defined in terms of a ratio of perceived inputs to outcomes.

The author suggests that a person experiencing inequity such as underpayment will act so as to maximize desirable outcomes and minimize effort and cost of the input. He proposes that there are several courses of action an individual may pursue to reduce inequity through the altering of ratios. First, the individual may cognitively distort inputs and/or outcomes. Second, he may act on the "other" or the object of the comparison to affect a change in their inputs or outcomes. Third, the individual may actually change his own inputs or outcomes. Fourth, the individual can switch from one "other" or object of comparison to another. Fifth, and last, the person may leave the exchange relationship.

According to Adams' Equity Theory, individuals underpaid on an hourly basis may reduce their inputs by decreasing quality and quantity of performance depending on which reduces inputs the most. Persons compensated on an incentive or piece rate

basis may decrease quality of performance and may or may not increase quantity depending on the input/outcome ratio for each additional unit of production. Adams Theory helps put forward a hypothesis that rewards or outputs may affect performance of individuals.

## **2.2 Performance Management and Employee Performance**

Price (2004) contends that the aim of performance management is to increase the effectiveness of organizations by improving the performance of people who work in them by developing their capabilities as individuals and within teams. Performance management is a multidimensional process involving setting SMART objectives for employees, giving coaching support to employees to help them identify and overcome performance barriers, giving continuous feedback on performance against objectives and recognition and encouragement of superior performance by giving appropriate rewards (Armstrong 1999, UOMDFA, 2008).

The success of an organization in applying the scientific elements of performance management is found in the success of its employees in serving customer needs, meeting their targets, producing desired impact and creating a culture of respect and commitment, with a focus on active learning, inclusion, and shaping. Organizations that implement performance management create high and steady rates of discretionary effort by all employees; they model best practices and take measures on their work from customers and employees, using the feedback openly to make improvements (Wikipedia, 2008). The authors also suggest that managing employee or system performance facilitates the effective delivery of strategic and operational goals. They argue that there is a clear and immediate correlation between using performance management systems and improved business and organizational results.

Effective performance management enables employees and teams to understand the goals of the organization and to identify how individual and team outputs contribute to the achievement of organizational objectives. According to APSC (2001), integrating people, planning and performance with organizational objectives develops individual and organizational capability and leads to higher performance. They argue that the performance appraisal process articulates the standards of work expected and the values and behaviours employees are expected to uphold in meeting their job requirements and in communicating and working with others. Feedback also assists employees to understand what work they do well, where their development needs are and how they can improve their performance.

Despite the above evidence, a survey done by CIPD in 2009 amongst HR practitioners, however, only 20 % of the respondents said that performance management has a positive impact on individual management, 59 % were neutral and 21 percent disagreed. Whereas this puts the relationship between performance management and employee performance in doubt, the previous authors on the subject present overwhelming justification of a positive relationship. In this research, therefore, a positive relationship was predicted between performance management and employee performance.

Mathis and Jackson (1999) define employee performance as what an employee does or does not do. They argue that the performance of an employee that contributes to the organization includes the quantity of output, quality of output, timeliness of output, presence at work and cooperativeness. They also suggest that the job of every employee is defined by job criteria on which performance is measured. For example, a



college professor's job criteria can be teaching, research and service. Each of the criteria usually can be weighted based on its relative importance to the organization.

### **2.2.1 Performance Planning and Employee Performance**

Armstrong (1999) states that a performance agreement covers objectives and standards of expected performance expressed as targets. Targets are quantifiable and can be measured in such terms such as output, sales and levels of service delivery. He affirms that good objectives should be specific, measurable, achievable, relevant, and time bound. In a study of nine government institutions in Uganda and Tanzania, Therkildsen et al (2007) established that setting realistic objectives and constant feedback to employees on performance were some of the important motivators of employees to perform better. In support of the above mentioned research, Locke's Goal Theory in Mullins (2007) also affirms that individuals who have set goals perform better than those without. The current study was in agreement with the literature reviewed and established that employee performance at NMS was being negatively affected by the failing of the existing performance management system.

Myles (2004) however argues that humans intrinsically possess a spirit of dominion, which causes them to rebel against any person or system that tries to control their lives. Setting of individual objectives for individuals without their full involvement might be viewed by staff as one such system that needs to be resisted, leading to a negative impact on employee performance. This kind of resistance against objectives may however be overcome by involving the employees fully in the performance planning processes that concern them in order to make them own the objectives arising out of the process. In the study, three respondents asked management to involve staff while making performance plans, which further stressed the importance of employee involvement.

### **2.2.2 Performance Review and Employee Performance**

Armstrong (1999) contends that formal annual performance reviews are part of the performance management framework but are not the most important part. He suggests that more prominence should be given to continuous management of performance. This includes continuous assessment of achievements against objectives, establishing any shortfalls in performance and their causes, and agreeing on any actions required to improve performance or on changes in objectives. He also argues that whereas feedback may be provided by managers, employees should be able to measure their own performance in order to take timely action.

Crowell, Sergio, Dawn and Anderson (1988) conducted an experimental study on task clarification, performance feedback and social praise, and their effect on the performance of bank tellers in a number of measurable areas including service time, courtesy, friendliness, empathy, and professionalism in service. Feedback entailed presentation of ongoing verbal and visual information regarding teller performance. Praise consisted of verbal recognition of teller performance by branch managers. Results showed that task clarification effects emerged quickly, producing an overall increase in desired behaviors of 12% over baseline. Feedback and praise effects occurred more gradually, resulting in overall increases of 6% and 7%, respectively. A suspension of all procedures led to a decline in overall performance, whereas reinstatement of feedback and praise was again accompanied by performance improvement. It was also noted that during the investigation, the bank experienced a 75% growth rate in deposits, and customer complaints decreased steadily to a near-zero level. In addition, branch management reported that customer compliments regarding friendly service increased during the same period. The current study was in agreement with these findings and established that performance feedback increased

employee performance.

Pearce and Porter (1996) however established that low performance ratings caused a significant drop in the attitude within both management and non management employees toward the organization within 2 months of feedback in a study of employee responses to formal performance appraisal feedback. The attitudes of employees getting high performance ratings remained unchanged. This was expected to have similar effects on their performance by working through motivation. The current study was partly in agreement with these findings since the performance of employees was shown to decline with increasing performance measurement at NMS.

### **2.2.3 Performance Support and Employee Performance**

Grant (2006) defines coaching as helping people to find better ways to set and reach their goals in their work and lives, and is focused on enhancing employees' abilities to self regulate and move systematically towards goal attainment. He suggests that coaching includes a collaborative relationship between coach and coachee with a primary focus on constructing solutions. He illustrates this with the Socrates methods of coaching where the role of the coach is to ask questions which prompt the coachee to reexamine their assumptions about the situation or task in hand and in this way develop a greater understanding.

In a study, Grant (2006) established that a cognitive-behavioural coaching program improved study related self regulation and academic performance. This is supported in a study of management by objectives in 36 organizations listed on the Pakistani stock exchange where Tahir, Shafkat, and Mohammad (2008) found out that coaching and mentoring of staff had a positive correlation with employee and organizational performance. At NMS however, the study failed to establish a

relationship between performance support and employee performance probably because performance support mechanisms were not properly established.

#### **2.2.4 Performance Rewards and Employee Performance**

Armstrong (1999) states that a reward system is made up of both financial and non financial rewards. He clarifies that whereas financial rewards include fixed and variable pay as well as benefits, non financial rewards include recognition, praise, achievement, responsibility and personal growth. He identifies pay as a strategic issue that can be used as a lever for performance improvement and culture change. He illustrates this with contingent pay, which consists of payments related to individual performance, contribution, competence or skill. The rationale of contingent pay system is to motivate people to achieve high levels of performance by sending a message that the organisation regards performance, skill and contribution as important. In addition to contingent pay,

Mello (2006) proposes an individualised reward system which allows individuals a choice in the rewards they receive as a step toward creating a strategic reward system that boosts employee motivation. Therkildsen et al (2007) established that monetary rewards were the most highly regarded as a motivational factor by employees of all the nine government institutions studied in Uganda and Tanzania. The monetary rewards included pay and allowances. According to the authors, allowances had become even more important than pay since management in some organisations was using allowances to implement their own pay reform structure. The authors also established that non monetary rewards including job security, careers prospects, recognition of work done and working conditions were important motivators. Whereas the study recognised that rewards are good motivators of employees, it does

not indicate the relationship between rewards and performance at NMS, which the current study intended to establish.

Tahir et al (2008) also found that performance based reward was positively correlated with organizational productivity and employee performance in Pakistani organizations. Gibbs (1980) confirms that for increased productivity, reward situations providing extrinsic rewards and intrinsic motivation are superior to circumstances offering only intrinsic motivation. The evidence however also indicates that other factors like motivation influence the effect of rewards on performance.

In a randomized field experiment where first year university students would earn financial rewards for passing all first year requirements within one year, Leuven, Oosterbeek, and Van der Klaauw (2005), established that high ability students had higher pass rates and collected significantly more credit points when assigned to higher reward groups. Low ability students on the other hand achieved less when assigned to the high reward group. On average therefore, the authors found a small and non-significant positive effect of the high reward on achievement, both measured by pass rates and numbers of collected credit points. This evidence showed that other factors like ability may have influenced the relationship between rewards and performance giving paradoxical results. The current study at NMS however concurred with the evidence which found that performance rewards positively influence employee performance.

### **2.3 Summary of the Literature Review**

In summary, the evidence in the literature establishes a positive relationship between performance management and performance of employees and organizations as a whole. First a number of authors established a positive relationship between

performance planning and employee performance, arguing that clear performance plans guide individuals on the performance expected of them.

In addition, several authors suggest that performance reviews enhance employee performance by helping employees understand any shortfalls between their performance and the performance standards expected of them, thereby encouraging them to strive to achieve the desired performance.

According to the literature sources above, Performance support given by the organization to employees especially by coaching helps employees better identify challenges and construct solutions to surmount them. This in turn helps employees perform better than they would have without this support.

Finally, it was established that performance rewards had a range of effects on individual performance. In most sources it was established that rewards have a positive effect on individual performance. Leuven, Oosterbeek, and Van der Klaauw (2005) however found out that performance rewards had either a positive or negative effect depending on the ability of the individuals subjected to the rewards.

# **CHAPTER THREE**

## **METHODOLOGY**

### **3.0 Introduction**

This section explains how the research was designed and carried out. It explains the overall research design, describes the population, sample size, data collection methods and instruments used in the study as well as how they were pre-tested. The section also explains how variables were measured and the resultant data analyzed.

### **3.1 Research Design**

A case study design was applied in this research to examine the contribution of performance management to employee performance taking the case of NMS. This allowed a deep analysis into the relationships between the variables using quantitative and qualitative methods as advised by Mugenda and Mugenda (2003) and Denscombe (2000). Triangulation of both quantitative and qualitative methods was used during data collection and analysis to give the research both a wide and deep perspective as follows. The use of the questionnaire method helped to collect views from a wide section of non management staff in a short time, whereas interviews were useful for collecting in-depth information from management.

### **3.2 Study Population**

The study population consisted of 108 individuals broken down in the following strata: the NMS general manager (1), NMS heads of departments (7), NMS officers (18), NMS assistants (32), and NMS support staff (50). NMS staff members were chosen as they were expected to possess the relevant information on performance management and employee performance at NMS over the past 5 years ending 2010.

### **3.3 Sample Size and Selection**

Out of the population of 108, a sample of 79 individuals was selected for data collection. The appropriate sample size was derived from Krejcie and Morgan's table,

1970, as cited in Amin (2005). Mugenda and Mugenda (2003) advise that stratified random sampling be used if the researcher intends to achieve representation from various subgroups of the population in the sample. Using this method, the researcher stratified the population by hierarchical level at NMS. Subjects were then randomly selected from each stratum. The table below shows the breakdown of the study population in their strata, the accessible population and sample size.

**Table 1: Population and sample size table**

<b>Level /Position</b>	<b>Target Population</b>	<b>Sample</b>	<b>Sampling Technique</b>
NMS General Manager	1	1	Census
NMS Heads of Departments	7	5	Stratified random sampling
NMS Officers	18	13	Stratified random sampling
NMS Assistants	32	23	Stratified random sampling
NMS Support Staff	50	37	Stratified random sampling
<b>Totals</b>	<b>108</b>	<b>79</b>	

### **3.4 Sampling Techniques and Procedure**

A sampling frame was drawn up from NMS' full staff list. After determining the sample size as 79, the sample was chosen from the population using stratified random sampling, which according to Sekaran (2003) involves stratification of the population into mutually exclusive categories and then randomly selecting subjects from each category. In this case, the researcher stratified the whole population into groups by level in the organization for two reasons. Because performance management and employee performance were the subject of the study, it was thought wise to get adequate representation from all levels in the organization in order to get their views. Proportionate sampling was thus used to select 73% of all members from each stratum



as subjects to ensure equal representation. Secondly, there was a need to distinguish between respondents who were to be surveyed using a questionnaire and those in management who had to provide detailed key information through interviews. This again was because performance management deals with the relationship between supervisors and subordinates and the line of questioning was different for the two groups.

### **3.5 Data Collection Methods**

The questionnaire and interview methods were used in the research as described below.

#### **3.5.1 Questionnaire**

This method involved designing of a set of questions constructed in such a way as to measure the dimensions of the variables under study. According to Amin (2005), questionnaires are not expensive, are convenient for subjects to fill, are free from researcher bias and produce quick results. A questionnaire was thus used in view of the limited time scope of the study.

#### **3.5.2 Interviews**

In this method, the researcher solicited for responses from the respondents in a face to face discussion, aided by a pre-designed interview guide. Mugenda & Mugenda (2003) contend that interviews are flexible, can collect more in depth, personal or sensitive information than questionnaires, yield higher response rates, and guard against confusing questions as the interviewer can give clarification where necessary. Interviews in the study were therefore used only for staff above officer level at NMS, as they were expected to have key information by virtue of their supervisory positions.

### **3.6 Data Collection Instruments**

According to Amin (2005), data collection instruments help translate concepts and variables of the study into quantifiable measures and are used to collect the required information. In the study, a questionnaire and interview guide were used in data collection.

#### **3.6.1 Questionnaire**

In the study, quantitative data was collected using a structured questionnaire. Amin (2005) affirms that a structured questionnaire, which consists of close ended questions followed by alternatives or short responses to the questions, elicits specific responses, takes less time, and is therefore easy to fill. This especially holds for big groups of people who are good at reading but not writing, which conditions matched the wider part of population under the study. Amin (2005) also contends that structured questions are preferred if some comparison among groups is to be done. This helps to provide uniform content to all groups. The questions also take less time to analyze. Amin (2005) however warns that this structure of questionnaire may bias the subjects if not all the appropriate alternatives are available. This may deny the subjects a chance to give their true opinions. The questionnaire thus consisted of a few open ended questions to allow subjects express their other opinions in a less restricted way.

#### **3.6.2 Interview Guide**

Qualitative data was collected using an interview guide which consisted of open ended questions. Whereas these types of questions may provide lengthy answers which are difficult to analyze, according to Amin (2005), they offer any missing information that the researcher may not have anticipated. They give spontaneity and freedom of expression to subjects in order to make the study richer, which characters were required of the key informants.

### **3.7 Pre-testing of Data Collection Instruments**

Pre-testing of the data collection instruments was done to ensure that they were capable of yielding data that are both correct and relevant to the research hypotheses. Relevance and correctness in the instruments was measured using validity and reliability as explained below.

#### **3.7.1 Validity**

The validity of research instruments was checked using content validity in order to ensure that they provide adequate, comprehensive and deep coverage of variables and that they fully represent the constructs being measured. This was done by asking 3 judges that is, the UMI research supervisor, work based supervisor and one NMS head of department to rate all items in the instruments on whether all sub areas to include had been covered in the right proportions, as suggested by Amin (2005). A content validity index (CVI) was calculated as follows:

$$\text{CVI} = \text{No of items in instrument declared valid} / \text{Total number of Items.}$$

According to Amin (2006), an average CVI of 0.7 or above would render the instrument acceptable. The results of the validity test yielded a CVI of 0.98 which was deemed acceptable.

#### **3.7.2 Reliability**

In order to ensure that the instrument was capable of supplying consistent results, its reliability was checked using the internal consistency method. This determined the internal correlation between scores on items within the instruments by pre-testing them on a sample of 5 subjects as recommended by Mugenda and Mugenda (2003). Cronbach's coefficient alpha was computed as follows:

$$KR_{20} = (K) (S^2 - \sum s^2) / (S^2) (K-1)$$

Where:         $KR_{20}$  = Reliability coefficient of internal consistency  
                $K$      = Number of items used to measure the concept  
                $S^2$     = Variance of all scores  
                $s^2$     = Variance of individual items

Source: Mugenda and Mugenda (2003) pg 99.

According to Sekaran (2003), the closer the reliability coefficient to 1.0, the better. The researcher used SPSS to compute reliability using the pretest data and found that the reliability of the 19 performance planning items was 0.818, and that the reliability for 11 performance review items was 0.875. The researcher further established that 0.807 was the coefficient for 13 performance support items, 0.825 was the coefficient for 8 performance rewards items and 0.793 was the coefficient for 19 employee performance items. The reliability of the research instrument was found to be acceptable and it was thus declared fit for use as advised by Sekaran (2003).

### **3.8 Procedure of Data Collection**

Using an introduction letter from UMI, the researcher obtained approval from NMS authorities to conduct the research. The researcher then piloted the questionnaire on a sample of five respondents and the interview guide on two respondents. The researcher then used the comments from these respondents to improve the questionnaire and interview guide.

The researcher then used the sampling frame which was developed as shown above to distribute questionnaires to all officers, assistants and support staff in the sample. These individuals were instructed by the researcher in a ten minutes session on how to independently fill the questionnaire since the researcher felt they were literate enough to do so. The researcher used the sampling frame to collect filled in questionnaires from respondents or through their supervisors. Some respondents returned

questionnaires to the researcher's in tray. One week was dedicated to this process, after which, the researcher declared any staff who had not returned questionnaires non-respondents. The researcher then interviewed the General Manager and Heads of Departments, using the interview guide to take down notes. Filled questionnaires were collected and numbered in preparation for data analysis.

### **3.9 Data Analysis**

Data analysis involved the conversion of raw data into information that could be interpreted. Quantitative data was analyzed separately from qualitative data and the results of both analyses were triangulated to make conclusions.

#### **3.9.1 Quantitative Analysis**

After collection of data, it was edited to ensure that it was accurate, consistent, uniformly entered and complete. This was done by scrutinizing the questionnaire for completeness and accuracy immediately on collection as advised by Amin (2005). In order to rectify blank or unclear responses, the researcher contacted respondents for clarification where possible or reviewed other information in the questionnaire, would strike out the answer, or drop wrong responses from the final analysis altogether. The edited data was then entered into SPSS since it was already be pre-coded on the questionnaires.

##### **3.9.1.1 Descriptive statistical analysis**

First, demographic data from questionnaires were displayed using frequency tables. Then under each objective, descriptive statistics were presented to give a feel of how respondents scored each of the variables. The scores were based on a scale of 1 to 5 with 5 as the highest rating for each questionnaire item. The frequency of response, percentage response rate, a mean score and standard deviation were presented for each of the items in the questionnaire. An overall mean was also computed for each of the

dimensions: performance planning, performance review, performance support, performance rewards, and employee performance in order to judge the perception of respondents about how well each of those areas is handled at NMS. The standard deviations were used to understand how variable the responses were across various questionnaire items.

### **3.9.1.2 Inferential statistical analysis**

Correlation and regression analytical techniques described below were used to analyze the data in order to come up with inferences with respect to the relationship between performance management and employee performance. These were then used together with qualitative data to come up to reasonable conclusions.

#### **i) Pearson's Correlation index**

Using SPSS, the Pearson Product Moment Correlation Index was extracted. This index measures three essential characteristics of the relationship between two variables, which are: the direction, form and degree of the relationship. If the value of one variable increases with an increase in the second variable the correlation index is positive and vice versa for a negative index. The index also measures the extent of the relationship between the variables with +1 or -1 implying a perfect linear relationship between the variables whereas 0 means there is no relationship at all. Person's Correlation is the recommended method of determining correlations for data obtained using the interval scale (Sekaran, 2003).

#### **ii) Regression Analysis**

Multiple regression analysis was used to test the hypotheses by establishing the extent to which performance management predicts the outcome of employee performance. Each one of the four hypotheses was tested independently. The model of regression analysis is as follows:  $y = a + b x$  where y is the dependent variable, x the

independent variable,  $b$  is the slope or regression coefficient and  $a$ , the regression constant. Regression analysis works in such a way that once constants  $a$ , and  $b$  are established from the data using SPSS, then the researcher is able to predict the extent to which a change in performance management predicts a change in employee performance using the above equation.

### **3.9.2 Qualitative Analysis**

Qualitative data from the interview were analyzed in order to come up with patterns, which were used to support the results of analysis of the quantitative data in order to come to a reasonable conclusion. In this respect, data reduction techniques like coding and summarizing were used. Coding involved assigning codes or key words to sections of text in order to categorize them while summarizing involved making up summary sheets of answers collected so far.

Data were then presented as tabulated summaries of responses arranged by interviewee and dimensions of the variables of the study. The matrices helped the researcher get a quick overview of the data related to a certain dimension while comparing different respondents as advised by Sarantakos (1998).

### **3.10 Measurement of Variables**

Variables were measured using both Nominal and interval scales as described below. A nominal scale was therefore used in the first part of the questionnaire to group subjects into categories including gender and age. A likert scale, which is a type of interval scale, was then used to measure variables. Here, subjects were asked to indicate their level of agreement or disagreement with the statements provided using a scale of 1- 5 as shown: strongly agree (5), agree (4), neutral (3), disagree (2), or strongly disagree (1). The likert scale was used because it is easy to construct and

generates a greater volume of reliable interval data than other scales (Cooper & Schindler, 2006).



# **CHAPTER FOUR:**

## **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

### **4.0 Introduction**

In this section, the results of quantitative and qualitative data analysis are presented and interpreted. The section shows the response rate as well as the demographic composition of respondents. It also tabulates descriptive summaries of the scores for each of the dimensions as collected from the questionnaires. Correlation and regression results are displayed, the latter being used for testing hypotheses. Finally, data collected from interviews were summarized, displayed, triangulated with results from questionnaires and interpreted.

### **4.1. Response Rate**

Out of the 73 questionnaires given out, 57 were returned amounting to a response rate of 78% which was fairly good. The response rate could have been higher but was affected by the fact that some respondents preferred to return questionnaires anonymously to the researcher and thus he could not follow up effectively on the non respondents who then could not be identified. This implied that the research topic was a rather sensitive one at NMS. Returning questionnaires anonymously however implied that respondents did not want to disclose their identity since they had freely expressed their answers without any fear of disclosure. Three questionnaires were however disqualified from the analysis as they were less than 80% filled.

## 4.2. Demographic Composition of the Sample

The researcher tabulated information on the gender, age, department, tenure at NMS and highest education level of the respondents in order to get a feel of the characteristics of the population under study and whether these characteristics could have influenced the study. The findings are presented below.

### 4.2.1. Age

Table 2 below shows the age of people who responded to the questionnaire.

*Table 2: Table showing Respondents' Age*

Age(yrs)	Frequency	Percent
<26	2	3.7
26-30	20	37.0
31-35	10	18.5
36-40	17	31.5
>40	4	7.4
Non Respondents	1	1.9
Total	54	100.0

Source: Questionnaire Data

The biggest group of respondents was the 26 – 30 age group with 20 people corresponding to 37% of respondents, followed by age group 36-40 with 17 respondents, and then the 31-35 age group with 10 people. The smallest age group was the under 26 group with only 2 respondents, followed by the over 40 age group with 4 people. Since over 87% of employees lie between 26 – 40 years of age, they were in the process of learning within their careers and were most likely adaptive to changes in performance management aimed at improving employee performance. The age factor was thus not expected to have interfered with the research results.

#### 4.2.2. Time Spent at NMS

Table 3, shows the respondents' tenure at NMS.

**Table 3: Table showing Respondents Tenure at NMS**

Time at NMS	Frequency	Percent
<1 YR	5	9.3
1 - 1.9 YRS	8	14.8
2 - 2.9 YRS	9	16.7
3 - 3.9 YRS	14	25.9
>4 yrs	8	14.8
Non Respondents	10	18.5
Total	54	100.0

Source: Questionnaire Data

Only 5 respondents had been at NMS for under 1 year, 8 had made 1 – 1.9 years, 9 people had completed between 2 and 2.9 years, 14 had made 3 – 3.9 years and 8 had stayed for over 4 years. Over 72% of the respondents had spent more than 1 year at NMS, making them valuable sources of information on the effect of performance management and employee performance at NMS, since they were around when performance management was established in 2008. Ten respondents, however, did not include the time spent at NMS, probably for fear of identification, which gave an indication that they had most likely expressed their views without any inhibition and were a source of valuable information for the study.

#### 4.2.3. Education Level

Table 4 shows the highest education level of respondents.

**Table 4: Table showing the Highest Education level attained by Respondents**

Education Level	Frequency	Percent
BELOW O-LEVEL	1	1.9
O-LEVEL	5	9.3
A-LEVEL	7	13
ORDINARY DIPLOMA	9	16.7
BACHELOR'S DEGREE	21	38.9
POSTGRADUATE	5	9.3
MASTER'S DEGREE	2	3.7
Non Respondents	4	7.4
Total	54	100.0

The most frequent education level of respondents was the bachelor's degree with 21 people followed by ordinary diplomas with 9 people. A-level certificate holders followed with 7 respondents, followed by O -level certificate and postgraduate diploma holder each with 5 people. Respondents below O-level and a Master's degree were the rarest with only 1 and 2 people respectively. This indicated that most respondents were capable of understanding the subject at hand and were able to properly respond to the questions. The fact that over 68% of respondents had an ordinary diploma or above shows a high literacy level, necessary for proper comprehension of their duties and the performance management system in order to perform to NMS' expectations.

#### **4.3. Presentation, Analysis and Interpretation of Findings of the Study: The Relationship between Performance Management and Employee Performance**

In this section data collected from questionnaires were presented, analysed and interpreted objective by objective. For each objective, descriptive statistics i.e. frequency of response, percentage response rate, mean scores and standard deviations of scores for each questionnaire item are presented. Correlations between the independent variable questionnaire items and employee performance are then presented. Thirdly, the corresponding hypothesis is tested by presenting and explaining the results of the multiple regressions of all the components of the relevant dimension against employee performance. Qualitative data collected from interviews and open ended questions in the questionnaires are presented, analysed and interpreted. Lastly an integrated interpretation that triangulates both quantitative and qualitative data summarizes the findings for each objective.

#### **4.3.1. Findings on Objective 1: Effect of Performance Planning on Employee Performance**

The first objective was to assess the contribution of performance planning to employee performance at NMS. The findings are hereunder.

##### **4.3.1.1. Descriptive Statistics for Performance Planning and Employee performance**

Performance planning was measured by a series of questions grouped under four major indicators: individual objectives, activity plans, performance targets and capacity building plans. The measurement scale for responses to each question ranged from 1 – 5, with 1 representing the lowest and 5 representing the highest score for the attribute under consideration. Table 5 below shows a summary of how the respondent's rated each of items in the questionnaire.

**Table 5: Table summarizing performance planning scores**

Code	Item	Response frequency	No. of respondents	% Response	Mean	Std. Deviation
	<b>Individual objectives</b>				4.1911	
1.1	I have individual performance objectives set	44	54	81.48%	3.9545	0.56874
1.2	My performance objectives are specific	52	54	96.30%	4.2500	0.68241
1.3	My performance objectives are measurable	54	54	100.00%	4.3333	0.70040
1.4	My individual objectives have so far been relevant to my job	54	54	100.00%	4.3889	0.62696
1.5	In my view, my performance objectives are achievable	53	54	98.15%	4.2075	0.53200
1.6	I am involved in setting my individual performance objectives.	54	54	100.00%	3.8519	1.18811
1.7	Performance objectives inspire me to perform better	54	54	100.00%	4.3519	0.64887
	<b>Activity Plans</b>				3.7214	
1.8	Personal activity plans are drawn up in line with my performance objectives	45	54	83.33%	3.1111	1.24722
1.9	I am involved in drawing up my personal activity plans	54	54	100.00%	3.6481	1.15182
1.10	My personal activity plans have so far been useful in helping me achieve objectives	54	54	100.00%	4.1481	0.65610
1.11	I have at least one performance target set for each one of my objectives	46	54	85.19%	3.9783	0.71458
	<b>Performance Targets</b>				4.2374	
1.12	My performance targets have so far been realistic	53	54	98.15%	4.0000	0.75955
1.13	My performance targets are measurable	53	54	98.15%	4.2453	0.58526
1.14	I do understand my targets	53	54	98.15%	4.3585	0.52236
1.15	I know the consequences of achieving my targets	52	54	96.30%	4.2500	0.92620
1.16	Performance targets motivate me to achieve my objectives	51	54	94.44%	4.3333	0.65320
	<b>Capacity building Plans</b>				3.6867	
1.17	During appraisals, plans for my capacity building are discussed	53	54	98.15%	3.7170	1.11592
1.18	NMS financially supports me in achieving my capacity building plans	54	54	100.00%	3.1667	1.11169
1.19	Capacity building plans play an important role in the achievement of performance objectives.	51	54	94.44%	4.1765	0.74043
	Overall mean for performance planning scores				4.0248	

Source: Questionnaire Data

Respondents rated performance targets highest with a mean response score of 4.237 out of 5 points, followed by individual objectives with a mean response score of 4.191 out of 5 points. This meant that these indicators were perceived by staff as well handled by management. Capacity building plans were rated lowest with a mean score of 3.687 out of 5 points, followed by activity planning with a mean score of 3.721 out

of 5 points. This meant that management was concentrating more on setting individual objectives and targets rather than helping staff to achieve them through capacity building and individual activity plans. An overall mean of 4.025 out of 5 points for performance planning meant that respondents generally perceived that performance planning was well handled at NMS.

#### **4.3.1.2. Correlation results of Performance Planning and Employee Performance**

Results of the correlation between performance planning and employee performance are contained in *Table 6* below.

Table 6: Table showing correlations between performance planning and employee performance

Code	Performance Planning Items		Employee Performance			
			Initiative	Effectiveness	Effort	Cooperativeness
	<b>Individual objectives</b>					
1.2	My performance objectives are specific	Pearson Correlation	0.142	-0.027	-0.013	0.249
1.3	My performance objectives are measurable	Pearson Correlation	-0.023	0.121	-0.02	0.076
1.4	My individual objectives have so far been relevant to my job	Pearson Correlation	-0.045	-0.161	-0.037	-.277(*)
1.5	In my view, my performance objectives are achievable	Pearson Correlation	-0.127	-0.123	-0.062	-0.13
1.6	I am involved in setting my individual performance objectives.	Pearson Correlation	-0.127	-0.195	-0.11	0.057
1.7	Performance objectives inspire me to perform better	Pearson Correlation	-0.076	-0.153	-0.026	-0.023
	<b>Activity Plans</b>					
1.8	Personal activity plans are drawn up in line with my performance objectives	Pearson Correlation	-0.104	-0.066	-0.189	-0.214
1.9	I am involved in drawing up my personal activity plans	Pearson Correlation	-0.128	-0.06	-0.044	0.185
1.10	My personal activity plans have so far been useful in helping me achieve objectives	Pearson Correlation	0.098	0.066	0.116	-0.232
	<b>Performance Targets</b>					
1.11	I have at least one performance target set for each one of my objectives	Pearson Correlation	-0.208	0.048	-0.047	-0.081
1.12	My performance targets have so far been realistic	Pearson Correlation	-0.025	0.013	-0.152	.283(*)
1.13	My performance targets are measurable	Pearson Correlation	-0.043	0.063	-0.054	0.121
1.14	I do understand my targets	Pearson Correlation	-0.023	-0.046	0.084	0.23
1.15	I know the consequences of achieving my targets	Pearson Correlation	0.167	-0.068	0.171	0.15
1.16	Performance targets motivate me to achieve my objectives	Pearson Correlation	0.007	-0.05	-0.063	-0.029
	<b>Capacity building Plans</b>					
1.17	During appraisals, plans for my capacity building are discussed	Pearson Correlation	0.028	-0.079	0.166	0.214
1.18	NMS financially supports me in achieving my capacity building plans	Pearson Correlation	0.084	0.138	.319(*)	0.156
1.19	Capacity building plans play an important role in the achievement of performance objectives.	Pearson Correlation	-0.232	-0.236	-0.075	-0.147

\* Correlation is significant at the 0.05 level (2-tailed).

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

Source: Questionnaire Data

Under individual objectives, there is a significant negative correlation of  $-.277$  between the item “my individual objectives have so far been relevant to my job” and



cooperativeness. This means that cooperativeness of employees reduces with increasing relevance of objectives. No significant correlation was found between items under activity plans and employee performance meaning that no relationships were identified between the two areas. The results however show a significantly positive correlation of 0.283 between the item “my performance targets have so far been realistic” and cooperativeness. This means that employees who perceive their targets as realistic are more cooperative with management and other staff. There is also a significantly positive correlation of 0.319 between NMS financially supporting individual capacity building plans and effort. This means that employees who are financially supported by NMS in achieving their personal improvement plans for example by training put more effort in their work.

**4.3.1.3. Testing of Research Hypothesis 1; Multiple Regression of Performance Planning against Employee Performance**

The first null hypothesis states that there is no relationship between performance planning and employee performance at NMS. This hypothesis was tested by carrying out regression analysis on the 19 components under performance planning against employee performance using SPSS. The results are displayed in Table 7.

*Table 7: Model Summary for Regression tests on Hypothesis 1*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.782(a)	.611	-.209	.40579

Predictors: (Constant), Questions 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18, 1.19

***Refer to Table 5: Table summarizing performance planning scores for a full description of predictors.***

Source: Questionnaire Data

The r square of 0.611 indicates that 61% of the variance in employee performance is explained by performance planning. The ANOVA test in Table 8 below was used to predict whether the regression model above supports a statistically significant

relationship between all performance planning items taken together and employee performance as advised by Cooper and Schindler (2006).

*Table 8: ANOVA table for Regression tests on Hypothesis 1*

Mode 1		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.332	19	.123	.745	.719(a)
	Residual	1.482	9	.165		
	Total	3.814	28			

a Predictors: (Constant), Questions 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18, 1.19

b Dependent Variable: EMPLOYEE\_PERFORMANCE

*Refer to Table 5: Table summarizing performance planning scores for a full description of predictors.*

The results show that the F value of 0.745 was below 1.75, the critical F value for this model which was derived from the table of critical values for F distribution in Cooper and Schindler (2006). A significance of 0.719 for this regression model indicated that there is a probability of over 70% that the relationship between performance planning items and employee performance is due to chance, which is way above the acceptable error level of 5%. These results thus show that performance planning items are not significant predictors of employee performance in this model. The null hypothesis was therefore accepted, implying that there is no statistical relationship between performance planning and employee performance.

#### **4.3.1.4. Analysis of Qualitative data on the Effect of Performance Planning on Employee Performance**

Table 9 below displays a summary of responses on performance planning and how it affects employee performance. The summary was generated by analysis of the content of interviews with heads of department and responses to open ended questions in the questionnaire.

**Table 9: Matrix of interview data on performance planning**

<b>Respondent</b>	<b>Performance management and employee performance</b>
Interview Respondent 1	<ul style="list-style-type: none"> <li>• Individual objectives and targets are not SMART because organizational targets are not clear from BOD corporate planning.</li> </ul>
Interview Respondent 2	<ul style="list-style-type: none"> <li>• Performance targets include sales volume, disposing off slow moving stock, customer orders done, Hours spent on customer relations, No of customer complaints, % completion of department action plans, and frequency of reports</li> <li>• Performance planning has led to more focused and directed staff who can better see the “big picture”, improved work process, easier assessment of staff by managers.</li> <li>• Activity plans are done weekly and monthly but need fine tuning.</li> <li>• Capacity building plans are documented in department action plan (benchmarking) and appraisal forms 6monthly.</li> <li>• HR needs to coordinate the top down performance planning process from corporate goals up to individual goals and complement the process with matching training, and rewards strategies.</li> </ul>
Interview Respondent 3	<ul style="list-style-type: none"> <li>• Staffs have not fully comprehended setting objectives and targets as it only started in 2008.</li> <li>• Performance planning has made employees realize the consequences of performance assessments e.g confirmation of contracts or termination</li> <li>• Activity plans have been introduced as weekly reporting of achievements.</li> <li>• Lack of a training plan hinders implementation of capacity building plans</li> <li>• A culture of performance management is needed across departments. This should not be left to HR department especially by managers who don’t want to be seen as tough with their staff.</li> </ul>
Interview Respondent 4	<ul style="list-style-type: none"> <li>• Individual Objectives focus on quality of work and timeliness during tender preparation.</li> <li>• It is difficult to evaluate how objectives influence employee performance as many external factors influence this relationship e.g. delay in submission of tender specifications from other departments</li> <li>• Action planning is not individualized as multitasking is required to alleviate manpower shortages.</li> <li>• It is difficult to set targets since they would always shift upwards whenever there are emergencies.</li> <li>• Capacity building plans are recorded in appraisals but are mostly not implemented.</li> <li>• HR needs to compile capacity building recommendations into training plans or else staff morale is lost in addition to making it hard for managers to follow up recommended individual improvements if they were premised on provision of training by NMS.</li> </ul>
Interview Respondent 5	<ul style="list-style-type: none"> <li>• Individual Objectives and targets are based on volume and quality and timeliness of work produced while processing orders.</li> <li>• Setting of objectives and targets has improved performance by creating competition among staff.</li> <li>• Activity plans are annual</li> <li>• Capacity building plans are developed around gaps noticed during work and when new systems are introduced.</li> <li>• Performance management needs to be used to develop a training calendar, rewarding good performance and determining opportunities for employee growth.</li> </ul>
Questionnaire responses on how to improve performance planning at NMS.	<ul style="list-style-type: none"> <li>• Subordinates should get involved in performance plans (3)</li> <li>• Objectives &amp;Targets should be achievable(2)</li> <li>• Targets should be clear(2)</li> <li>• Management should consult 1<sup>st</sup> line supervisors more</li> <li>• Objectives should be measurable</li> </ul>

Respondent	Performance management and employee performance
	<ul style="list-style-type: none"> <li>• Organization's targets should be decided in advance &amp; passed down to influence employees' targets.</li> <li>• Training (12) on performance management &amp; review, increase training budget</li> </ul>

Source: Interview Data

The researcher established that performance planning is a new concept at NMS which only started in 2008 and both employees and managers are just getting used to the idea. Nevertheless, individual objectives are set focusing on three major areas i.e. volume of work produced, quality of work produced, and timeliness of work produced.

The researcher however established from at least three management staff that a top down planning approach has not been developed at NMS since the organization's corporate objectives and targets are not clearly specified by the board. The NMS corporate plan (2007) gives no clear strategic direction, was never followed and at the time of the research, it had expired by Jun 2010, leaving no plan in place. This has affected the planning of individual objectives as many of them are not specific or measurable and in totality do not point to the achievement of the ultimate organizational objectives. Some non management staff requested that objectives and targets should be more clear and achievable and that they and their first line supervisors should be consulted during performance planning. They also pointed to a general lack of training on performance planning. NMS management needs to address these areas.

Interviewees revealed that NMS has not institutionalized the making of individual activity plans to achieve objectives. One respondent said he has recently asked his staff to start giving weekly reports of achievements, which in the researchers' view is like retrospective planning. Other respondents depend on departmental activity plans and another respondent admitted that activity plans need fine tuning. Another respondent

confessed that activity plans for individuals are not encouraged in his department since they stifle the flexibility of staff in handling assignments.

Whereas one respondent called for a culture of performance management where managers take responsibility for the performance of their staff rather than leave it to the human resource department, a number of respondents claimed that most recommendations made during performance planning appraisals about employees are never effected by management. One respondent for example said that if a staff was recommended for training in order to improve his or her performance, it becomes difficult to expect them to improve their performance later if the training has not been done. Respondents appealed to the HR department to compile appraisal recommendations into actions which should subsequently be implemented.

Finally, most respondents affirmed that performance plans improve employee performance by various mechanisms. They asserted that the performance planning has improved performance by creating competition among staff, has made employees realize the consequences of performance assessments e.g. confirmation of contracts or termination, has led to more focused and directed staff who can better see the “big picture”, improved work process, and has facilitated easier assessment of staff by managers. Only one respondent had difficulty evaluating the effect of performance planning on employee performance. According to him, a host of other factors outside the control of his department influence employee performance. An example was the speed of concluding procurements, which depended on the completeness of requirements information submitted by the requisitioning department.

#### **4.3.1.5. Integrated Interpretation of findings on Performance Planning and Employee Performance**

Results of multiple regression showed that performance planning was not a significant

predictor of the variance in employee performance at NMS. Most respondents interviewed however, differed with this position, indicating that performance planning contributes positively to employee performance. Management members interviewed further revealed that the quality of individual objectives was being negatively affected by lack of an overall top to down organization strategic plan. There was a general lack of structure in individual activity planning, Targets were not specific due to lack of a guiding strategic plan and that NMS was failing to support employee capacity building plans. Qualitative evidence thus indicated that performance planning deficiencies are contributing to the employee performance problems at NMS.

#### **4.3.2. Findings on Objective 2: Effect of Performance Review on Employee Performance**

The second research objective was to examine the contribution of performance review to employee performance at NMS. The findings are presented hereunder.

##### **4.3.2.1. Descriptive Statistics for Performance Review and Employee Performance**

Performance review was measured by a series of questions grouped under two major indicators: measuring performance and performance feedback. The measurement scale for responses to each question ranged from 1 – 5, with 1 representing the lowest and 5 representing the highest score for the attribute under consideration. Table 10 below shows a summary of how the respondent's rated each of items in the questionnaire.

**Table 10: Table summarizing performance review scores**

Code	Performance Review Items	Response frequency	No. of respondents	% Response	Mean	Std. Deviation
	<b>Measuring Performance</b>				3.8410	
2.1	My performance is measured against my individual objectives	51	54	94.44%	3.1346	0.74172
2.2	The measurement of my performance against objectives is done objectively	52	54	96.30%	3.8627	0.84899
2.3	The results of my performance are presented to me in a way that I can understand them	51	54	94.44%	4.0000	0.84675
2.4	I actively take part in measuring my achievement against my objectives.	54	54	100.00%	3.8113	0.98169
2.5	Measuring my performance encourages me to perform better.	53	54	98.15%	4.3962	0.56635
	<b>Performance Feedback</b>				3.7914	
2.6	My supervisor and I discuss my performance	53	54	98.15%	3.2653	0.78463
2.7	The feedback I get of my performance helps me better understand the tasks I have to improve on	49	54	90.74%	4.3333	0.72684
2.8	Discussions about my performance are carried out in a positive and friendly manner.	54	54	100.00%	4.1852	0.84840
2.9	Feedback discussions on my performance are documented for further review.	54	54	100.00%	2.9423	0.84976
2.10	My supervisor and I discuss ways to help me improve my performance	52	54	96.30%	3.2308	1.16510
2.11	Performance feedback discussions are useful in improving my performance	52	54	96.30%	4.3600	0.74942
	Overall mean for performance review				3.8162	

Source: Questionnaire Data

Respondents rated the indicator measuring performance highest with a mean score of 3.841 out of 5, followed by performance feedback with a mean score of 3.791 out of 5. An overall mean score of 3.816 for all items under performance review meant that reviews were generally perceived as being handled fairly well.

#### **4.3.2.2. Correlation results of Performance Review and Employee Performance**

Table 11 below summarizes the results of correlation between performance review and employee performance at NMS.

**Table 11: Table showing correlations between performance review and employee performance**

Code	Performance Review Items		Employee Performance			
			Initiative	Effectiveness	Effort	Cooperativeness
	<b>Measuring Performance</b>					
2.1	My performance is measured against my individual objectives	Pearson Correlation	-0.296(*)	-0.317(*)	-0.273	-0.07
2.2	The measurement of my performance against objectives is done objectively	Pearson Correlation	-0.079	-0.098	-0.15	.332(*)
2.3	The results of my performance are presented to me in a way that I can understand them	Pearson Correlation	0.022	-0.094	0.131	0.195
2.4	I actively take part in measuring my achievement against my objectives.	Pearson Correlation	-0.031	-0.001	0.093	0.182
2.5	Measuring my performance encourages me to perform better.	Pearson Correlation	0.139	-0.037	0.066	0.076
	<b>Performance Feedback</b>					
2.6	My supervisor and I discuss my performance	Pearson Correlation	0.022	-0.069	0.025	0.056
2.7	The feedback I get of my performance helps me better understand the tasks I have to improve on	Pearson Correlation	0.121	0.149	0.076	.540(**)
2.8	Discussions about my performance are carried out in a positive and friendly manner.	Pearson Correlation	0.093	0.154	0.001	.336(*)
2.9	Feedback discussions on my performance are documented for further review.	Pearson Correlation	0.117	0.176	0.106	0.199
2.10	My supervisor and I discuss ways to help me improve my performance	Pearson Correlation	-0.021	-0.216	0.141	-0.029
2.11	Performance feedback discussions are useful in improving my performance	Pearson Correlation	0.003	0.112	0.051	.432(**)

\* Correlation is significant at the 0.05 level (2-tailed).

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

Source: Questionnaire Data

Negative relationships were identified between the item ‘my performance is measured against my individual objectives’ and initiative as well as effectiveness of employees, shown by significant negative correlations of -0.296 and -0.317 respectively. This means that as performance measurements become more frequent, employee initiative and effectiveness reduce or that reducing employee initiative and effectiveness drives increased performance measurement by management. Furthermore, item “the measurement of my performance against objectives is done objectively” varied positively with cooperativeness shown by a significantly positive correlation of 0.332, which points to a possible cause effect relationship between these variables.



There is a highly significant positive relationship between the item “feedback I get of my performance helps me better understand the tasks I have to improve on” and cooperativeness with a correlation of 0.54, meaning that the two items vary positively together. There is, furthermore, a significantly positive relationship between holding performance discussions in a positive and friendly manner and cooperativeness of employees. This relationship, shown by a correlation of 0.336, is logically expected. Lastly, a positive correlation of 0.432 significant at the 0.01 level between the item “performance feedback discussions are useful in improving my performance” and cooperativeness means that individuals who perceived that performance feedback discussions improve their performance are also more cooperative at work and vice versa.

**4.3.2.3. Testing of Research Hypothesis 2; Multiple Regression of Performance Review against Employee Performance**

The second null hypothesis states that there is no relationship between performance review and employee performance at NMS. This hypothesis was tested by carrying out regression analysis on the 11 components of performance review against employee performance using SPSS. The results are displayed in Table 12.

*Table 12: Model Summary for Regression tests on Hypothesis 2*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.677(a)	.459	.267	.34818

a Predictors: (Constant), Questions 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11  
**Refer to Table 10: Table summarizing performance review scores for a full description of predictors.**

Source: Questionnaire Data

An R square value of 0.459 meant that Over 45% of the variance in employee performance was explained by performance review items. The ANOVA test in Table 13 below was used to predict whether the regression model above supports a statistically significant relationship between all performance review items taken together and employee performance.

Table 13: ANOVA table for Regression tests on Hypothesis 2

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.186	11	.290	2.389	.028(a)
	Residual	3.758	31	.121		
	Total	6.944	42			

a Predictors: (Constant), Questions 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11

b Dependent Variable: EMPLOYEE\_PERFORMANCE

**Refer to Table 10: Table summarizing performance review scores for a full description of predictors.**

Source: Questionnaire Data

The results showed an F value of 2.389, which was higher than 2.15, the critical F value for this model and was thus acceptable. The significance of the model at 0.028 was within the acceptable 0.05 range, meaning that there is statistical evidence of a relationship between the performance review items above and employee performance in the model above. The probability that this relationship is by chance is less than 2.8% which is an acceptable level of error. The null hypothesis was thus rejected and the alternative hypothesis adopted to reflect the fact that performance review items in this model are significant predictors of employee performance at NMS.

The standardized beta coefficients in Table 14 indicate the relative contribution of each performance review item in predicting variance in employee performance.

Table 14: Table of Coefficients for Regression tests on Hypothesis 2

Coefficients(a)								
Model	Question	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	3.517	0.656		5.362	0.000	2.180	4.855
	Measuring performance							
	2.1	-0.199	0.078	-0.399	-2.564	0.015	-0.358	-0.041
	2.2	-0.063	0.103	-0.138	-0.611	0.546	-0.273	0.147
	2.3	-0.286	0.111	-0.640	-2.583	0.015	-0.512	-0.060
	2.4	0.069	0.088	0.177	0.786	0.438	-0.111	0.250
	2.5	0.074	0.112	0.106	0.664	0.512	-0.154	0.302
	Performance feedback							
	2.6	0.135	0.123	0.247	1.104	0.278	-0.115	0.385
	2.7	0.269	0.115	0.491	2.336	0.026	0.034	0.505
	2.8	0.248	0.108	0.564	2.303	0.028	0.028	0.468
	2.9	0.096	0.088	0.207	1.085	0.286	-0.084	0.276
	2.10	-0.140	0.081	-0.410	-1.742	0.091	-0.305	0.024
	2.11	-0.123	0.107	-0.229	-1.154	0.257	-0.341	0.095

a. Dependent Variable: EMPLOYEE\_PERFORMANCE

Source: Questionnaire Data

Under Measuring performance, only two items: 2.1 i.e. “my performance is measured against my individual objectives” and 2.3 i.e. “the results of my performance are presented to me in a way that I can understand them” are significant predictors of employee performance, since the significance of their beta coefficients is below 0.05, the acceptable error level. The beta coefficient of - 0.640 for “the results of my performance are presented to me in a way that I can understand them” paradoxically means that the more clearly performance results are presented to staff, the less they perform. Similarly the beta coefficient of - 0.399 for “my performance is measured against my individual objectives” means that measuring objectives reduces employee performance but to a lesser extent than presenting performance results clearly to staff.

Only two items under performance feedback are significant predictors of employee performance. These are: “the feedback I get of my performance helps me better understand the tasks I have to improve on” and “discussions about my performance are carried out in a positive and friendly manner” with beta coefficients 0.491 and 0.564 respectively. This means that the latter item has a greater positive effect on employee performance than the latter.

#### **4.3.2.4. Analysis of Qualitative data on the Effect of Performance Review on Employee Performance**

Table 15 below is a matrix of responses to open ended questions on performance review and employee performance at NMS. The matrix was generated by analysis of the content of interviews with heads of department and responses to open ended questions in the questionnaire.

**Table 15: Matrix of interview data on performance review**

<b>Respondent</b>	<b>Performance Review and employee performance</b>
Interview Respondent 1	<ul style="list-style-type: none"> <li>• Performance of staff has not been objectively assessed since targets are unclear</li> <li>• Better performance measurement tools needed.</li> <li>• More frequent reviews needed i.e. monthly; 6 months too long.</li> <li>• Staff should be encouraged to emulate good performers.</li> </ul>
Interview Respondent 2	<ul style="list-style-type: none"> <li>• Performance reviews were done on a six monthly basis through appraisals but this is now more frequent on a monthly basis, but is not structured. The process relies so much on the competence of the supervisor.</li> <li>• Reviews help employees and supervisors get more focused on results.</li> <li>• Reviews need to be more structured on a monthly basis.</li> <li>• SMART individual objectives derived from organizational top bottom action plans will improve reviews and thus employee performance.</li> </ul>
Interview Respondent 3	<ul style="list-style-type: none"> <li>• Performance reviews are done by immediate feedback backed by evidence.</li> <li>• Some departments are relaxed on reviews.</li> <li>• Feedback has made staffs aware that they must now defend their jobs with performance.</li> <li>• Line managers should however be empowered to take appropriate binding decisions in line with performance results.</li> <li>• Reviews should be made continuous on a weekly or monthly basis.</li> </ul>
Interview Respondent 4	<ul style="list-style-type: none"> <li>• Performance reviews are done during weekly meetings. These are however sometimes irregular because of the workload.</li> <li>• 6 monthly appraisals are used to review and give employees feedback on performance</li> <li>• Performance reviews help people follow up on their action plans</li> <li>• There is need to do performance reviews more frequently e.g. on a monthly basis although the workload is an impediment to this.</li> </ul>
Interview Respondent 5	<ul style="list-style-type: none"> <li>• Performance reviews are based on customer order lines processed, process lead time, customer complaints and level of stock discrepancies and are done weekly, monthly, and biannually by mainly supervisors.</li> <li>• Reviews and feedback have increased employee morale and job commitment and increased awareness on actual performance of staff.</li> <li>• Performance reviews can be improved by training supervisors on the same.</li> <li>• Personal development should future in reviews.</li> </ul>
Questionnaire responses on how to improve performance review at NMS.	<ul style="list-style-type: none"> <li>• Management / Supervisors should establish &amp; resolve factors affecting performance other than coercion (7)</li> <li>• Consider other activities employee does for NMS(3)</li> <li>• Do peer reviews in order to get more balanced reviews</li> <li>• Supervisors should be appraised by subordinates – 360°feedback(2)</li> <li>• Provide enough time and attention to performance review exercise (5) training appraisers &amp; appraisees. Appraise individuals, not groups. Feedback should be communicated more effectively</li> <li>• Review &amp; discuss performance more often &amp; openly (8), 1, 2, 3 months, track performance per hour, use weekly meeting, make reviews more timely.</li> <li>• Recommended actions in performance review should be taken e.g. promotion, transfer, training &amp; salary raise like in the private sector (10)</li> </ul>

Source: Interview Data

The researcher found out that whereas performance reviews are mainly done through six monthly appraisals at NMS, reviews were done more frequently in some departments through various mechanisms. Whereas some respondents used weekly meetings to review performance, others use unstructured weekly or monthly reviews by supervisors. One management respondent revealed that the quality of the performance review process now relied so much on the competence of the supervisors. There was a general view that more structured performance reviews need to be more frequently done, at least on a monthly basis. The same message came out of at least 8 non management respondents. One department head however identified big workload as an impediment to frequent performance reviews. Respondents also noted that the quality of performance reviews had been negatively affected by weaknesses in performance planning especially the lack of clear performance targets.

In addition to the above, a number of other improvements were suggested to improve performance review at NMS. Respondents in management called for better performance measurement tools because the current appraisal form is inadequate. One proposed that line managers should be empowered to make binding decisions on employees based on their performance. A number of non management staff however suggested that management establish and resolve the factors affecting employee performance during reviews rather than coercing employees to perform. They proposed that peer reviews should be introduced to get more balanced reviews, and that supervisors should also be appraised by subordinates. A number of employees also called for enough time and attention to be given to the performance review exercise, and that recommended actions in reviews like promotions, trainings, transfers and salary raises should be implemented.

Finally most respondents agreed that performance reviews contribute to employee performance by helping supervisors and subordinates focus on the results, making staff aware that they must defend their jobs with performance, helping staff follow up on their action plans and by increasing employee morale, job commitment and awareness on the actual performance of staff.

#### **4.3.2.5. Integrated Interpretation of findings on Performance Review and Employee Performance**

Performance review items significantly explained 45% of the variance in employee performance at NMS using multiple regressions. Qualitative findings were in agreement with this position as most respondents showed how performance reviews are putting pressure on staff to perform, while helping both supervisors and staff to follow up the achievement of agreed targets. Clarity of performance results was the most important item affecting employee performance during performance measurement with a beta value of -0.640. This means that the more clearly performance results are presented to staff, the less they perform. This result is best interpreted together with qualitative evidence of staff appealing for more time and attention to be given to the appraisal process, for better performance measurement tools because the current appraisal form is inadequate, for peer reviews to be introduced in order to get more balanced reviews, and that supervisors should also be appraised by subordinates. This evidence points to failure in the quality of the current performance measurement process.

The most important item affecting employee performance under performance feedback was whether supervisors give performance feedback in a positive and friendly manner with a beta value of 0.564. This means that more positive and friendly performance feedback yields better employee performance. In their open

ended responses, a number of staff requested management to establish and resolve the factors affecting employee performance as a way of improving reviews, rather than coercing employees to perform. This further shows that the style of conducting performance reviews is important in determining subsequent employee performance.

#### **4.3.3. Findings on Objective 3: Effect of Performance Support on Employee Performance**

The third research objective was to find out the contribution of performance support to employee performance at NMS. The findings are presented hereunder.

##### **4.3.3.1. Descriptive Statistics for Performance Support and Employee Performance**

Performance support was measured by a series of questions grouped under three major indicators: competence assessment, coaching and training. The measurement scale for responses to each question ranged from 1 – 5, with 1 representing the lowest and 5 representing the highest score for the attribute under consideration. Table 16 below shows a summary of how the respondent's rated each of items in the questionnaire.

Table 16: Table summarizing performance support scores

Code	Performance Support Items	Response frequency	No. of respondents	% Response	Mean	Std. Deviation
	<b>Competence Assessment</b>				<b>3.5960</b>	
3.1	An assessment is done to find out whether I have the skills to do my job.	50	54	92.59%	3.5577	1.05558
3.2	An assessment is done to find out whether I have the knowledge to do my job.	52	54	96.30%	3.5200	1.09246
3.3	An assessment is done to find out whether I have the physical ability to do my job.	48	54	88.89%	2.8269	1.46490
3.4	Competence assessments are important in improving my performance	51	54	94.44%	4.4792	0.58308
	<b>Coaching</b>				<b>3.6731</b>	
3.5	My supervisor guides me on how to overcome challenges in achieving my objectives	54	54	100.00%	3.8824	0.79113
3.6	My supervisor guides me in understanding my performance objectives	54	54	100.00%	3.9074	0.97649
3.7	My supervisor adequately guides me in achieving my performance objectives	51	54	94.44%	3.7963	0.97863
3.8	Coaching by my supervisor considerably improves my performance	49	54	90.74%	3.9020	0.80635
3.9	Please indicate how often your supervisor sets aside time to coach you on the job	49	54	90.74%	2.8776	1.79853
	<b>Training</b>				<b>3.5342</b>	
3.10	How often did you attend trainings arranged by NMS?	51	54	94.44%	2.5714	1.06066
3.11	Of all trainings you had at NMS, How many were relevant to your job?	52	54	96.30%	3.8431	1.37655
3.12	How adequate are trainings arranged by NMS in addressing the training needs of your job?	50	54	92.59%	3.4423	1.40606
3.13	How do trainings offered by NMS impact on your job performance?	50	54	92.59%	4.2800	0.99057
				Mean of means	3.6066	

Source: Questionnaire Data

An overall mean score of 3.6 for all items under performance support as shown indicates that the former was perceived by respondents as being handled fairly well. With a mean score of 3.673 out of 5 points, coaching was rated highest, followed by competence assessments with a mean score of 3.596 out of 5 points. Training was rated worst with 3.534 points. It should be noted that the items “how often did you attend trainings arranged by NMS?” and “Please indicate how often your supervisor sets aside time to coach you on the job” were rated rather poorly with 2.571 and 2.878 out of 5 points. These scores were an indication of gaps in the performance support



system at NMS.

#### 4.3.3.2. Correlation results of Performance Support and Employee Performance

Table 17 shows the results of correlation between performance support and employee performance at NMS.

**Table 17: Table showing correlations between performance support and employee performance**

Code	Performance Support Items		Employee Performance			
			Initiative	Effectiveness	Effort	Cooperativeness
	<b>Competence Assessment</b>					
3.1	An assessment is done to find out whether I have the skills to do my job.	Pearson Correlation	0.037	0	-0.032	.295(*)
3.2	An assessment is done to find out whether I have the knowledge to do my job.	Pearson Correlation	-0.085	-0.058	0.027	.287(*)
3.3	An assessment is done to find out whether I have the physical ability to do my job.	Pearson Correlation	-0.036	0.08	0.152	0.064
3.4	Competence assessments are important in improving my performance	Pearson Correlation	0.017	0.158	0.009	-0.007
	<b>Coaching</b>					
3.5	My supervisor guides me on how to overcome challenges in achieving my objectives	Pearson Correlation	0.097	0.06	0.075	.420(**)
3.6	My supervisor guides me in understanding my performance objectives	Pearson Correlation	0.041	0.172	0.044	.284(*)
3.7	My supervisor adequately guides me in achieving my performance objectives	Pearson Correlation	0.11	0.126	0.088	.295(*)
3.8	Coaching by my supervisor considerably improves my performance	Pearson Correlation	0.093	0.217	-0.004	.404(**)
3.9	Please indicate how often your supervisor sets aside time to coach you on the job	Pearson Correlation	0.131	0.213	0.03	.356(*)
	<b>Training</b>					
3.10	How often did you attend trainings arranged by NMS?	Pearson Correlation	0.183	0.103	.326(*)	0.126
3.11	Of all trainings you had at NMS, How many were relevant to your job?	Pearson Correlation	0.177	-0.076	0.149	0.025
3.12	How adequate are trainings arranged by NMS in addressing the training needs of your job?	Pearson Correlation	-0.111	-.301(*)	0.003	-0.063
3.13	How do trainings offered by NMS impact on your job performance?	Pearson Correlation	0.065	-0.05	0.106	0.17

Source: Questionnaire Data

There were significant positive correlations of 0.295 and 0.287 respectively between cooperativeness and the two performance support items “an assessment is done to find out whether I have the skills to do my job.” and “an assessment is done to find out whether I have the knowledge to do my job.” This showed that cooperativeness of employees at work increases as job skill and job knowledge assessments are made more regular.

There were also positive correlations between cooperativeness and all the coaching variables i.e. supervisory guidance to overcome challenges in achieving objectives with a correlation of 0.42, supervisory guidance to understand objectives with a correlation of 0.284, supervisory guidance to achieve objectives with a correlation of 0.295, perception that coaching improves performance with a correlation of 0.404 and regularity of coaching sessions with a correlation of 0.356. This may probably be explained in a way that coaching by supervisors encourages employees to be more cooperative probably because by coaching, supervisors demonstrate to employees how to be more helpful to each other. A significantly positive correlation was established between regularity of trainings arranged by NMS and effort put into work by employees probably because of the motivational effect of training on employees. A negative correlation of -0.301 that showed a paradoxical negative effect of adequacy of NMS trainings on effectiveness at work was however observed.

#### **4.3.3.3. Testing of Research Hypothesis 3; Multiple Regression of Performance Support against Employee Performance**

The third null hypothesis states that there is no relationship between performance support and employee performance at NMS. The hypothesis was tested by carrying out regression analysis on the 13 components of performance support against employee performance using SPSS. The results are displayed in Table 18 below.

*Table 18: Model Summary for Regression tests on Hypothesis 3*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.533(a)	.284	-.206	.44399

a Predictors: (Constant), Questions 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.1, 3.11, 3.12, 3.13

**Refer to Table 16: Table summarizing performance support scores for a full description of predictors.**

Source: Questionnaire Data

An r square of 0.284 indicates that 28.4% of the variance in employee performance is explained by performance support items. The ANOVA table in Table 19 below was used to predict whether the regression model above supports a statistically significant relationship between all performance review items taken together and employee performance.

*Table 19: ANOVA table for Regression tests on Hypothesis 3*

<b>ANOVA(b)</b>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.484	13	0.114	0.579	0.842
	Residual	3.745	19	0.197		
	Total	5.230	32			

a. Predictors: (Constant), Questions 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.1, 3.11, 3.12, 3.13

b. Dependent Variable: EMPLOYEE\_PERFORMANCE

**Refer to Table 16: Table summarizing performance support scores for a full description of predictors.**

Source: Questionnaire Data

The results indicate that The F value of this model at 0.579 was way below 2.3, the critical value for this model. This, combined with the fact that the significance of the model at 0.842 was above the acceptable 0.05 error level, indicated that there is not significant statistical evidence to show a linear relationship between performance support items and employee performance. The null hypothesis was accepted and this meant that the researcher failed to find a significant relationship between performance support and employee performance.

#### 4.3.3.4. Analysis of Qualitative data on the Effect of Performance Support on Employee Performance

. Table 20 has a summary of qualitative findings on the effect of performance support on employee performance at NMS. The summary was generated by analysis of the content of interviews with heads of department and responses to open ended questions in the questionnaire.

*Table 20: Matrix of interview data on performance support*

<b>Respondent</b>	<b>Performance support and employee performance</b>
Interview Respondent 1	<ul style="list-style-type: none"> <li>• Staff training by NMS has been unsatisfactory since training plans and budgets have never been approved.</li> <li>• Training needs assessment has never been properly done.</li> <li>• Corporation assumes employees are competent on recruitment.</li> <li>• An equitable system for continuing staff education and benchmarking needs to be put in place.</li> </ul>
Interview Respondent 2	<ul style="list-style-type: none"> <li>• Coaching and training have not been structured or formal for some time. They depend on supervisors' leadership style.</li> <li>• Employee Induction is not structured.</li> <li>• Training needs assessment is based on the gut feel of managers.</li> <li>• A proper system for Training and needs assessment tailored to suit the organization action plan is needed to have an impact on employee performance.</li> </ul>
Interview Respondent 3	<ul style="list-style-type: none"> <li>• Competence assessments are done by delegating tasks and checking on success</li> <li>• Performance support is also given by coaching, training, counseling and encouragement.</li> <li>• Trainings held in the past 3 years include: performance management, team building, first aid, fire fighting, and individual tailored courses identified.</li> <li>• The assessment of the effect of training on performance has not been done.</li> <li>• More refresher courses need to be undertaken by staff.</li> <li>• On job coaching and guidance by managers is needed.</li> </ul>
Interview Respondent 4	<ul style="list-style-type: none"> <li>• Assessment of employees' capability is done on a daily basis as work is performed.</li> <li>• Assessments vary amongst supervisors and individuals.</li> <li>• Supervisors usually guide new staff on PPDA rules, procurement process, records management and computer skills. Job rotation is encouraged for multi skill building.</li> <li>• Training has been mainly on PPDA guidelines and staff privately taking on individual courses.</li> <li>• The effect of training has mainly improved compliance to PPDA regulations.</li> <li>• NMS needs to have a comprehensive training plan derived from a proper training needs assessment</li> </ul>
Interview Respondent 5	<ul style="list-style-type: none"> <li>• Competence assessments are not done.</li> <li>• Coaching is however done by supervisors in an informal unstructured manner on work procedures and processes.</li> <li>• Coaching helps reducing errors in work and time spent by employees figuring out the right course of action.</li> <li>• Some training has been given to staff on product identification, and handling of items during storage</li> </ul>

Respondent	Performance support and employee performance
	<p>and distribution. The impact of this training on employee performance has not been assessed.</p> <ul style="list-style-type: none"> <li>• Management can better support employees to perform by starting quarterly appraisals, driving a clear performance culture, and addressing gaps in performance management raised by staff.</li> </ul>
Questionnaire responses on how to improve performance support at NMS.	<ul style="list-style-type: none"> <li>• More and better trainings needed (29) use in-house resource centre, train in a more balanced way. Have a training plan</li> <li>• Training needs assessment is needed (3). Trainees should be involved in choosing courses. Special training needed for persons on sensitive activities.</li> <li>• Financial support for professional training (3) further studies as well, not just short courses</li> <li>• More working tools needed (10)</li> <li>• Shorten implementation time of improvements e.g. sealing machine, welfare – shower rooms</li> <li>• Job rotation(4)</li> <li>• Benchmarking (3) with companies doing better.</li> <li>• Improving motivation factors 7 welfare (6) e.g. rewards, seminars, workshops, training classes, time offs, development loans, sugar, shower room.</li> <li>• Closing the relationship gap between supervisors and subordinates (2) for a good working environment</li> <li>• Giving employees a sense of ownership of NMS, Valuing &amp; Putting into consideration employees suggestions on work environment(2) encourage up &amp; downward communication</li> <li>• Deal with system failures</li> <li>• Give support to individuals as per appraisal recommendations</li> <li>• Job security required(3)</li> </ul>

Source: Interview Data

Performance support was identified as a major area that needed improvement at NMS.

Both management and non management respondents generally alluded to the lack of a comprehensive training plan leading to unsatisfactory training practices at NMS. 29 out of the 54 respondents to the questionnaire called for more on job training. One management respondent revealed that NMS assumes that employees are competent on recruitment, thus re-echoing the “quality at the gate” policy in force at NMS until recently. Induction programs for new staff are not common. Training needs assessments are done in an unstructured manner by supervisors. Some heads of department use delegation and others, their gut feel.

Coaching follows the same unstructured trend as above at NMS, based on the supervisor’s leadership style. Whereas most respondents had not evaluated the effect

of training and coaching on employee performance because of the unstructured nature of performance support practices at NMS, one respondent revealed that training and coaching have helped staff understand and comply to procurement laws. A number of other recommendations were made by non management staff on how they needed to be supported better by management to improve their performance. These included the need for proper training needs assessment, the need for NMS to financially support more professional long term trainings for staff, the need to provide more working tools, especially warehouse equipment. The employees further requested management for opportunities to benchmark their practices with similar organizations, as well as to look out for and improve those factors affecting staff motivation like workshops, job rotation, time offs, loans, staff welfare, job security, and giving employees a sense of ownership of NMS.

#### **4.3.3.5. Integrated Interpretation of findings on Performance Support and Employee Performance**

It was established using multiple regression that performance support is not a significant predictor of employee performance at NMS. Qualitatively, most persons interviewed were not sure of the effect of coaching on employee performance except for one respondent who affirmed that coaching improves performance. This could be attributed to lack of a guided coaching programme and structured induction programme as highlighted by most people interviewed. Both quantitative and qualitative evidence were in agreement.

Most interview respondents could not assess the effect of training on employee performance as trainings are rarely done at NMS and follow no particular plan. Qualitative data collected from open ended responses in questionnaires also had over half of the respondents requesting for on job training, which highlighted the same as one of the most deficient areas at NMS. In summary, both quantitative and qualitative

evidence failed to support any relationship between training and employee performance at NMS.

#### 4.3.4. Findings on Objective 4: Effect of Performance Rewards on Employee Performance

The fourth research objective was to establish the effect of performance rewards on employee performance at NMS. The findings are thus presented in the following subsections.

##### 4.3.4.1. Descriptive Statistics for Performance Rewards and Employee Performance

Performance rewards at NMS were measured by a series of questions grouped under two major indicators: financial rewards and non financial rewards. The measurement scale for responses to each question ranged from 1 – 5, with 1 representing the lowest and 5 representing the highest score for the attribute under consideration. Table 21 below shows a summary of how the respondent’s rated each of items in the questionnaire.

*Table 21: Table summarizing performance rewards scores*

Code	Performance Reward Items	Response frequency	No. of respondents	% Response	Mean	Std. Deviation
	<b>Financial Rewards</b>				<b>2.6023</b>	
4.1	How clear are the criteria for awarding financial rewards at NMS?	54	54	100.00%	2.7222	1.39293
4.2	How often have you received a financial reward from NMS for good performance in the past 5 years?	51	54	94.44%	1.7059	1.02556
4.3	To what extent is the criteria for giving out financial rewards followed at NMS?	53	54	98.15%	2.6981	1.33855
4.4	To what extent do NMS financial rewards help you to perform?	53	54	98.15%	3.2830	1.19900
	<b>Non-Financial Rewards</b>				<b>2.1695</b>	
4.5	How clear are the criteria for awarding non-financial rewards at NMS?	53	54	98.15%	2.3585	1.05783
4.6	How often have you received a non-financial reward from NMS for good performance in the past 5 years?	52	54	96.30%	1.2885	0.84799
4.7	To what extent is the criteria for giving out non-financial rewards followed at NMS?	52	54	96.30%	2.2308	1.11347
4.8	To what extent do NMS non-financial rewards help you to perform?	50	54	92.59%	2.8000	1.19523
				Mean of means	2.3858	

Source: Questionnaire Data

Financial rewards were scored poorly with 2.6 out of 5 points, followed by non financial rewards with 2.169 out 5 points. Overall, performance rewards was the most poorly rated performance management dimension by respondents with an overall mean score of 2.385. These results indicate a dysfunctional performance reward system at NMS.

#### 4.3.4.2. Correlation results of Performance Rewards and Employee Performance

The results of correlation between performance rewards and employee performance at NMS can be found in *Table 22*.

*Table 22: Table showing correlations between performance rewards and employee performance*

Code	Performance Reward Items		Employee Performance			
			Initiative	Effectiveness	Effort	Cooperativeness
	<b>Financial Rewards</b>					
4.1	How clear are the criteria for awarding financial rewards at NMS?	Pearson Correlation	0.171	-0.019	0.138	0.212
4.2	How often have you received a financial reward from NMS for good performance in the past 5 years?	Pearson Correlation	0.159	0.1	0.075	0.122
4.3	To what extent is the criteria for giving out financial rewards followed at NMS?	Pearson Correlation	0.112	0.053	0.126	0.136
4.4	To what extent do NMS financial rewards help you to perform?	Pearson Correlation	0.167	0.032	0.124	0.189
	<b>Non-Financial Rewards</b>					
4.5	How clear are the criteria for awarding non-financial rewards at NMS?	Pearson Correlation	0.121	-0.128	0.142	-0.074
4.6	How often have you received a non-financial reward from NMS for good performance in the past 5 years?	Pearson Correlation	0.235	-0.007	.274(*)	0.016
4.7	To what extent is the criteria for giving out non-financial rewards followed at NMS?	Pearson Correlation	0.014	-0.015	0.005	0.005
4.8	To what extent do NMS non-financial rewards help you to perform?	Pearson Correlation	-0.054	-0.227	-0.014	0.086

Source: Questionnaire Data

No significant correlations were found between financial reward items and employee performance, meaning that there are no significant relationships between the two variables. A significantly positive relationship was however established between



giving non-financial awards and effort put into work by employees illustrated by a positive correlation of 0.274. This means that the more non financial rewards are given, the more effort employees will put into their work. No other significant correlations were found between non financial rewards and employee performance.

#### 4.3.4.3. Testing of Research Hypothesis 4, Multiple Regression of Performance Rewards against Employee Performance

The fourth null hypothesis stated that there is no relationship between performance rewards and employee performance at NMS. The hypothesis was tested by carrying out regression analysis on the 8 components of performance review against employee performance using SPSS. The results are contained in Table 23.

*Table 23: Model Summary for Regression tests on Hypothesis 4*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.435(a)	.189	.019	.39002

a Predictors: (Constant), Questions 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8

**Refer to Table 21: Table summarizing performance rewards scores for a full description of predictors.**

Source: Questionnaire Data

Performance reward items explained 18.9% of the variance in employee performance, as shown by an R square value of 0.189. The ANOVA table in Table 24 was used to predict whether there is a statistically significant relationship between all performance planning items taken simultaneously and employee performance.

*Table 24: ANOVA table for Regression tests on Hypothesis 4*

ANOVA(b)						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.351	8	0.169	1.110	0.378
	Residual	5.780	38	0.152		
	Total	7.131	46			

a. Predictors: (Constant), Questions 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8

b. Dependent Variable: EMPLOYEE\_PERFORMANCE

**Refer to Table 21: Table summarizing performance rewards scores for a full description of predictors.**

Source: Questionnaire Data

The F value of 1.110 obtained was however below 2.18, the critical F value for this model. A significance of 0.378 for this regression model indicated that there is a

probability of over 37% that the relationship between performance planning items and employee performance is due to chance, which is way above the acceptable error level of 5%. These results thus show that performance reward items are not significant predictors of employee performance in this model. The null hypothesis was therefore accepted.

#### 4.3.4.4. Analysis of Qualitative data on the Effect of Performance Rewards on Employee Performance

Table 25 is a matrix showing respondents' views on the effect of performance rewards on employee performance.

**Table 25: Matrix of interview data on performance rewards**

Respondent	Performance Rewards and employee performance
Interview Respondent 1	<ul style="list-style-type: none"> <li>• A reward system is documented but never implemented</li> <li>• Good performers should be recognized e.g. through a wall of fame. BOD needs to show support in order to motivate staff</li> <li>• Staffs need to be involved in deciding on the most suitable performance rewards.</li> <li>• Rewards for innovations should be introduced in order to tap into the high potential of staff.</li> <li>• Salaries need to be benchmarked and improved</li> </ul>
Interview Respondent 2	<ul style="list-style-type: none"> <li>• There is lack of a coherent and functional performance rewards system.</li> <li>• The current reward system in the HR manual conflicts with the wage policy on the criteria for financial performance rewards.</li> <li>• Managers come up with their own reward schemes e.g. departmental team building events.</li> <li>• There is need for a reward system aimed at retaining the right people and motivating staff to achieve the organization's action plan.</li> </ul>
Interview Respondent 3	<ul style="list-style-type: none"> <li>• Performance rewards have not been implemented. Even if the policy in the HR manual is that exceptional performance should be rewarded with a salary increase.</li> <li>• The lack of a rewards system has de-motivated good performers while encouraging poor performers not to improve.</li> <li>• An objective system for both financial and non financial rewards is urgently required.</li> </ul>
Interview Respondent 4	<ul style="list-style-type: none"> <li>• Performance rewards have not been received from NMS. Parties are arranged on a personal basis to reward staff.</li> <li>• The performance rewards scheme in the human resource manual has never been implemented.</li> <li>• A comprehensive rewards scheme especially attached to substantial financial benefits needs to be put in place.</li> </ul>
Interview Respondent 5	<ul style="list-style-type: none"> <li>• Rewards are not being affected at the moment and their effects on performance have thus not been assessed.</li> </ul>
Questionnaire responses on improving performance rewards at NMS.	<ul style="list-style-type: none"> <li>• Improvement in remuneration needed (4), increase pay by seniority.</li> <li>• Rewarding best performers effectively (9) certificates &amp; financial rewards. Promotion, HODs should give non financial rewards</li> <li>• More recognition needed of outstanding performance (3) display stars on notice board.</li> </ul>

Source: Interview Data

All people interviewed revealed that the NMS rewards system is dysfunctional. Whereas some respondents said that the system is well documented on paper but never implemented, one respondent said that the whole rewards system was incoherent even on paper. He cited for example that the financial performance rewards policy in the human resource manual states that step increases in salary shall be awarded for good performing employees. The wage policy however recommends the same salary increments for all staff every year irrespective of performance.

Respondents also lamented that even basic non financial rewards like certificates of recognition, and a wall of fame for good performers have not been implemented yet they do not put any financial strain on the organization. It was established that managers have as a result come up with their own motivational mechanisms including parties and team building events arranged on a personal basis. Respondents revealed that good performing workers have been demotivated while the poor performers have had no incentive to step up their performance as a result of a dysfunctional rewards system. The organization has also failed to retain the right people or to motivate staff to achieve organizational action plans since rewards are not given in line with action plan achievements. The absence of rewards has also led to failure of management to tap into the high potential of employees for innovations, since they attract no recognition or reward. Respondents advised that staff get involved in determining which rewards are best for them and that rewards are introduced for innovations; the support of the board of directors was needed in this. In summary, an objective and comprehensive performance rewards system considering both financial and non financial rewards is lacking at NMS.

#### **4.3.4.5. Integrated Interpretation of findings on Performance Rewards and Employee Performance**

Quantitative evidence failed to find any statistical relationship between performance reward and employee performance at NMS using the multiple regression technique. Most respondents interviewed however disagreed with this analysis and showed how the lack of a performance reward system at NMS has led to declining employee performance by de-motivating both good and poor performers. This evidence was supported by respondents overall mean score of performance rewards at 2.385 out of 5 points. In summary, the qualitative evidence points to the fact that a non-existent system for financial and non-financial rewards at NMS has negatively affected employee performance. The lack of a performance rewards system at NMS is supported with quantitative evidence. The effect of performance rewards on employee performance is however not statistically supported.

#### **4.3.4.6. Descriptive statistics for Employee Performance**

A summary of self-ratings of employee performance by staff is contained in Table 26.

**Table 26: Table summarizing employee performance scores**

		Response frequency	No of Respondents	% response	Mean	Std. Deviation
5.1	How many of your team members complete their assignments on time?	53	54	98.15%	4.0566	.74460
5.2	How many of your team members complete their assignments without follow up by supervisors?	54	54	100.00%	3.9444	.85598
5.3	How often do your team members identify problems hindering their performance out of their own initiative?	54	54	100.00%	3.8148	.82586
5.4	How often do your team members resolve work related problems on their own?	54	54	100.00%	3.7407	.73164
5.5	How many of your team members take on more work once their daily targets are met before the end of day?	54	54	100.00%	3.7593	.95038
5.6	To what extent do your team members achieve their individual objectives?	52	54	96.30%	4.1923	.56146
5.7	How many of your team members produce the volume of work expected of them by NMS?	54	54	100.00%	4.3333	.67293
5.8	How much of the work done by members of your team is free from errors?	54	54	100.00%	3.8704	.86975
5.9	How much of the work of your team members is delivered on time?	54	54	100.00%	4.1852	.64644
5.10	How much of the official 8 working hours do your team members spend on NMS work?	53	54	98.15%	4.7736	.42252
5.11	How many of your team members work longer than the normal 8 working hours a day?	54	54	100.00%	3.0370	1.35929
5.12	How many of your team members report to work on time?	52	54	96.30%	4.7692	.42544
5.13	How often do your team members report to work?	54	54	100.00%	4.9444	.23121
5.14	How often do your team members set aside time to discuss how to improve your team's performance?	54	54	100.00%	3.9074	1.45717
5.15	How much time per week do your team members set aside to discuss how to improve your team's performance?	52	54	96.30%	2.5000	1.39326
5.16	Most members of my department are generally cooperative with me and others in matters to do with NMS work.	53	54	98.15%	4.4528	.77375
5.17	My team members work together to achieve our common performance objectives.	53	54	98.15%	4.3774	.71324
5.18	My team members come in to help each other to better understand their roles whenever there is a misunderstanding of the same.	53	54	98.15%	4.0566	.76999
5.19	In my team, members encourage each other to meet our performance objectives.	53	54	98.15%	4.1132	.66968
				Mean of means	4.0436	

Source: Interview Data

A relatively high mean of scores for all items at 4 out of 5 points indicated that NMS staffs perceive their performance to be relatively good. Attendance at work was rated

highest with 4.9 points, followed by time utilization, represented by the percentage of working hours spent on NMS work at with 4.8 points. The third most highly rated item was percentage of staff reporting to work on time. The least rated items were time spent on improvement discussions with 2.5 points, followed by percentage of staffs who work above the official 8 working hours. The third least rated item was resolution of work related problems on employees' initiative with 3.7 points. The trend in the highest and least rated items indicates that employees might be focusing more on attendance than on the quality and quantity of work produced.

## **CHAPTER FIVE:**

# **SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS**

### **5.0 Introduction**

This chapter presents a summary of the principle features of the study and an outline of the main findings identified. It builds on the last chapter by discussing the findings of this research. The results of the research are reviewed in light of the objectives of the research, literature review and methods used. Conclusions are then drawn on the research findings together with practical implications of the study on NMS and practical suggestions meant to influence management thinking and practice. Finally, appropriate recommendations are made in line with conclusions and on further areas of research.

### **5.1. Summary of Findings**

The study was an investigation into the relationship between performance management and employee performance in the National Medical stores of Uganda in Entebbe. The study specifically sought to examine the contribution of four performance management dimensions: performance planning, performance review, performance support and performance rewards on employee performance at NMS. Employee performance was in turn represented by the dimensions initiative, effectiveness, effort, and cooperativeness of employees while at work.

Data analysis established that of all four dimensions of performance management, only performance review significantly explained 45% of the variance in employee performance with support from qualitative evidence. Performance planning, performance support and performance rewards failed statistically to qualify as

significant predictors of employee performance during multiple regression. Qualitative findings from interviews however indicated that performance management and performance rewards affect employee performance at NMS. Performance support was found to have no effect on employee performance, even qualitatively. Qualitative findings established gaps in performance management which are negatively affecting employee performance at NMS. These gaps included the lack of a top down strategic performance planning approach at NMS, an irregular and insufficient performance review system, failures in training needs assessment, training plans and insufficient trainings as a result, as well as a complete failure to practice the documented performance rewards system. These findings are further discussed in the following sections in order to arrive at specific conclusions and recommendations for the betterment of NMS performance management systems.

## **5.2. Discussions of Findings**

The purpose of this research was to establish the relationship between performance management and employee performance at NMS. This section discusses the findings of the study in light of the specific objectives and hypotheses of the study.

### **5.2.1. Discussion of Findings on Performance Planning and Employee Performance**

Multiple regression results failed to explain a significant statistical relationship between performance planning and employee performance at NMS. Qualitative data collected from interviews however showed that NMS management felt that despite the lack of an organizational strategic plan, and even though performance planning was recently started in 2008, it has improved performance of employees at NMS. These results are supported by the earlier Goal Theory by Locke (Mullins, 2007) who explained that individuals with specific measurable and difficult goals performed



better than people who have easy to achieve goals, vague goals or no goals at all. Management members interviewed also revealed that individual objectives were not specific enough because of lack of the guidance of an overall top to down organization strategic plan. There was a general lack of structure in individual activity planning, targets were not specific due to lack of a guiding strategic plan and that NMS was failing to support employee capacity building plans. Unless these performance planning deficiencies are addressed, NMS will continue experiencing problems with employee performance.

It should also be noted that overall, however the staff rated performance planning as well handled at NMS with an overall mean score of 4.0248 points out of 5, despite the fact that management revealed a number of gaps in the same when interviewed. This is partly explained using McGregor's Theory X which states that people generally dislike work (Kreitner, 1995). Using this theory, employees who dislike work would generally be happy if their objectives are non specific and thus not very demanding on them. This, supported by the argument put forward by Myles (2004) on people's natural instinct to resist instructions from their superiors suggests that the current style of setting objectives in NMS, which according to some respondents is non consultative and does not take into consideration past supervisors' recommendations before setting new ones causes resistance amongst staff and affects performance negatively.

It is also worth examining whether the research methodology used could possibly have been improved. Performance planning was quantitatively measured by asking employees to respond to questions with a rating of 1-5 with 5 as the highest.

Employee performance was similarly measured by asking respondents to rate the performance of their team by responding to a set of questions with a rating of 1-5. This method could have biased respondents to give better ratings of performance planning in order to avoid the consequences of projecting their supervisors as incompetent. Scores in employee performance could also have been similarly biased. Document analysis of performance planning tools and employee performance records could probably have reduced the bias, but in this case they could not be related with respondents as the latter were anonymous.

### **5.2.2. Discussion of Findings on Performance Review and Employee Performance**

It was established that performance review is one of the factors significantly contributing to employee performance at NMS. Performance review items explained 45% of the variance in employee performance using the multiple regression technique. Members of NMS management who were interviewed also revealed that performance reviews affect the performance of employees at NMS by helping staff and supervisors focus on performance results and their improvement.

The multiple regression model of performance review items against employee performance revealed that employee performance reduced with increasing performance measurement. Pearce and Porter (1996) also established that low performance ratings caused a significant drop in attitude within employees toward the organization. The negative effect of performance measurement on employee performance could have resulted from an inconsistent performance measurement system as shown by data collected from interviews with management members and open ended questionnaire responses. These revealed that not enough time and attention was being given to performance measurement and that the performance

measurement tools were inadequate for the purpose.

The multiple regression model also indicated that performance feedback increased employee performance. Crowell, et al (1988) also established that feedback was found to enhance employee performance. Qualitative evidence from interviews however established that feedback during appraisals did not involve peer reviews or feedback to supervisors and are therefore not comprehensively done. It was also established that structured performance feedback reviews were only done six monthly and needed to be structured on a more frequent basis.

Whereas the overall mean score of 3.8 for performance review indicated that performance reviews were overall well handled at NMS, the qualitative evidence above suggests otherwise. This could probably be explained by the research methodology used to measure performance review which was by asking employees to rate various performance review aspects from 1-5 with 5 as the highest. The method could probably have been made more objective by reviewing documentation of periodic performance reviews and comparing these with subsequent performance scores in order to study whether reviews cause variation in employee performance. In this research, performance documentation however could not be easily traced as reviews are not regular.

### **5.2.3. Discussion of Findings on Performance Support and Employee Performance**

The third objective of this research was to find out the contribution of performance support to employee performance at NMS. The quantitative and qualitative evidence analysed failed to prove any relationship between performance support and employee performance. This partly contradicts the results of Tahir, Shafkat, and Mohammad

(2008) and Grant (2006) who found that coaching enhances employee performance. The results could however be explained by the fact that the lack of structured competence needs assessment programmes as well as comprehensive coaching and training plans at NMS has not given enough opportunity for the effect of performance support on employee performance to be evaluated.

The research methodology could also have affected the results. Whereas staffs were asked to rate performance support by rating a number of performance support items from 1 to 5, the method could probably have been made more objective by looking through HR records for any performance assessments, coaching and trainings done in the past. The lack of a well organized archive however obviated this method.

#### **5.2.4. Discussion of Findings on Performance Rewards and Employee Performance**

The last objective of this research was to establish the effect of performance rewards on employee performance at NMS. Multiple regressions of performance reward items against employee performance failed to confirm a statistical relationship between the two variables at NMS. Qualitative evidence from NMS management interviews differed from this position. The opinion of most people interviewed was that the dysfunctional rewards system at NMS has demotivated good performing workers while the poor performers have had no incentive to improve their performance. Evidence from the literature from Therkildsen et al (2007), Tahir et al (2008), and Gibbs (1980) also confirms that both financial and non financial rewards stimulate employee performance in organizations. The conflict between the quantitative and qualitative research findings could be due to the fact that that the rewards system at NMS is dysfunctional. This could have distorted the responses since neither

management nor non management staffs have experienced the effects of a functional rewards system.

The researcher however found that both qualitative and quantitative evidence were in agreement on the rating of how performance rewards were poorly handled at NMS. This in addition to the fact that an overall correlation of 0.435 was obtained between performance support and employee performance, the researcher finds that performance rewards at NMS have an influence on employee performance. It is felt that the relationship should have been supported statistically if the NMS performance rewards system was in place.

### **5.3. Conclusions**

This section, presents the conclusions arrived at after discussion of the findings. It also presents the implications of the results of the study on NMS.

#### **5.3.1. Conclusions on Performance Planning and Employee Performance**

The first objective of the study was to assess the contribution of performance planning to employee performance at NMS. Linear regression did not explain a statistical relationship between performance planning and employee performance. Using qualitative evidence however, it was established that inadequate performance planning led to a reduction in employee performance, especially because of the following deficiencies in the performance planning system. The lack of a substantive guiding strategic plan at NMS was negatively affecting downstream planning of departmental and individual objectives. Employees were not adequately involved in performance planning. This was worsened by failure to make individual activity plans which are ordinarily meant to help employees meet their daily and weekly targets.

Management was also failing to support capacity building plans for employees to help them perform, even if these plans are highlighted during appraisals. There was therefore a need for a concerted effort by board and management to put in place proper performance planning systems to reverse this trend in order to prevent organizational failure.

### **5.3.2. Conclusions on Performance Review and Employee Performance**

The second objective of the study was to assess the contribution of performance management to employee performance at NMS. Performance review items explained 45% of the variance in employee performance. Whereas this was indicative of the fact that performance reviews greatly influence employee performance at NMS, it was established that an inconsistent performance measurement system at NMS has resulted in a situation where employee performance reduces with increasing performance measurement. Employee performance however increases with increasing performance feedback, despite the fact that feedback sessions are not comprehensive enough and are not organized as frequently as is desired.

### **5.3.3. Conclusions on Performance Support and Employee Performance**

The third objective of the study was to assess the contribution of performance support to employee performance at NMS. The evidence showed that performance support was not a significant contributor to employee performance at NMS. This was attributed to the fact that the whole performance support system of NMS which should include training needs assessment and comprehensive coaching and training plans was found to be dysfunctional and needed to be revamped.

### **5.3.4. Conclusions on Performance Rewards and Employee Performance**

The last objective of the study was to assess the contribution of performance rewards to employee performance at NMS. Performance rewards were found to be the worst

managed dimension of performance management at NMS. The researcher came to a conclusion that the performance rewards affect employee performance at NMS and that the complete absence of a reward system at NMS was negatively impacting on employee performance at NMS.

#### **5.4. Recommendations**

This section presents a way forward for NMS management to take advantage of the opportunities identified during the study.

##### **5.4.1. Recommendations on Performance Planning and Employee Performance**

The study findings gave rise to the following recommendations. NMS board and management should put in place a strategic plan for the organization with clear objectives, targets and indicators. This will guide the formulation of specific objectives and targets for NMS departments and individuals. The HR department should pick up their coordination role in the performance planning system to ensure that all departments have clear, specific and measurable objectives and targets for their staff for each 6 months period. The objectives and targets should be set with the full involvement of the employees and their supervisors and should be aligned with the ones in the NMS strategic plan. Daily action plans should be done in order to give staff step by step milestones to achieve their objectives. Management should appropriately support any capacity building plans laid out between supervisors and employees. These plans should form the basis of organization wide training plans, which should be financially supported by board and management in order to empower employees to achieve their objectives and thus those of NMS.

##### **5.4.2. Recommendations on Performance Review and Employee Performance**

It is recommended that NMS management should pay more time and attention to the

performance review system in order to institute better structured performance reviews. In this regard, performance measurement and feedback should be programmed to happen on a more frequent basis. Weekly reviews could for example be helpful in following up on the progress of employees on their action plans. Monthly performance measurement and feedback should be used for better follow up of employee's progress on their objectives. The six monthly appraisals should remain for the purpose of putting together and evaluating the results of all performance reviews in the six months period. In this way, staff can be helped to focus on achieving their objectives since they are constantly reminded of them. If individual objectives have been planned properly in line with NMS' strategy, performance measurement and feedback will help the organization remind employees to achieve NMS' mission, through their individual targets. The HR department should play a coordinating role in this, while heads of departments should take responsibility for doing performance reviews within their departments on time.

#### **5.4.3. Recommendations on Performance Support and Employee Performance**

It is recommended that NMS puts in place a proper performance support system which includes assessment of employee capabilities and training needs during performance reviews and appraisals, compiling the needs into training and coaching plans in addition to implementation of the same. This should go a long way in supporting employees to acquire the knowledge and skills they need to perform to NMS' expectations. The training plan should be rationalized into short and long term training. NMS management should financially support continuous training of staff in order to help them improve on their work skills. Finally, NMS management should explore new ways of supporting staff to perform, including benchmarking practices with similar organizations and job rotation.



#### **5.4.4. Recommendations on Performance Rewards and Employee Performance**

It is recommended that the BOD and Management should revamp the performance rewards system and align it with NMS' strategic objectives in order to focus staff on achievement of NMS goals. Both financial and non financial rewards should be designed to meet this objective. NMS should also look out for innovative ways to motivate staff by asking employees from time to time which rewards motivate them most and including these in the performance rewards management system.

#### **5.5. Areas for further Research**

During the research, a number of areas were identified as suitable for further research. In order to help NMS benefit fully from the results of this research, further studies are required on the other factors that affect the performance of employees at NMS since only 45% of the variance was explained quantitatively. Factors like employee attitude, distance from home to work, competence, work environment, meetings held and adherence to work procedures were mentioned and could be assessed. The research also needs to be expanded to look at the effect of performance management on organizational performance. Lastly, this kind of research could be carried out on related organizations.

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# **APPENDICES**

## **Appendix 1 – Questionnaire**

Dear Respondent,

### **RE: REQUEST THAT YOU PARTICIPATE IN A RESEARCH STUDY**

I am a student of Masters in management studies at Uganda Management Institute. My topic is the contribution of performance management to employee performance in National Medical Stores.

As a member NMS, you are in a privileged position to possess information on the above topic. I therefore request you to fill the attached questionnaire completely and to the best of your knowledge in order to facilitate the completion of this research. I promise you that the information I collect in this research will be treated with utmost confidentiality and will only be used for the purposes of this research without revealing your identity or the identity of any of the other respondents.

I thank you in advance for your cooperation.

Yours,

Paul Njala  
**Researcher**

## Questionnaire for Officers, Assistants and Support staff

### Instructions

In the subsequent questions and with respect to the **years 2005 - 2010**, Please choose the most appropriate answer at the end of each statement.

#### 1) PERFORMANCE MANAGEMENT

##### a) Performance planning

	<i>Please choose the most appropriate answer on how your <b>Individual Objectives</b> are set.</i>					
1.1	I have individual performance objectives set 5. Every 3months 4. Every 6months 3. Every year 2. Every 2years 1. Never					
	<b><i>For the following responses, please indicate whether you Strongly agree (SA), agree (A), are neutral (N), disagree (D), or strongly disagree (SD) with the statement.</i></b>					
1.2	My performance objectives are specific	SA	A	N	D	SD
1.3	My performance objectives are measurable	SA	A	N	D	SD
1.4	My individual objectives have so far been relevant to my job	SA	A	N	D	SD
1.5	In my view, my performance objectives are achievable	SA	A	N	D	SD
1.6	I am involved in setting my individual performance objectives.	SA	A	N	D	SD
1.7	Performance objectives inspire me to perform better	SA	A	N	D	SD
	<b><i>Activity plans</i></b> are usually drawn up to specify the steps that each person will take to achieve his/her performance objectives. Please select the most appropriate answer below.					
1.8	Personal activity plans are drawn up in line with my performance objectives 5. Every month 4. Every 3months 3. Every 6months 2. Every year 1. Never					
1.9	I am involved in drawing up my personal activity plans	SA	A	N	D	SD
1.10	My personal activity plans have so far been useful in helping me achieve objectives	SA	A	N	D	SD
	<i>Performance targets</i>					
	<b><i>For the following questions, please select the most appropriate response.</i></b>					
1.11	I have at least one performance target set for each one of my objectives 5. Every 3months 4. Every 6months 3. Every year 2. Every 2years 1. Never					
1.12	My performance targets have so far been realistic	SA	A	N	D	SD
1.13	My performance targets are measurable	SA	A	N	D	SD
1.14	I do understand my targets	SA	A	N	D	SD
1.15	I know the consequences of achieving my targets	SA	A	N	D	SD
1.16	Performance targets motivate me to achieve my objectives	SA	A	N	D	SD
	<b><i>Capacity Building plans</i></b> focus on helping you acquire the ability (skills) and knowledge to excel in your job. Please choose the most appropriate response.					
1.17	During appraisals, plans for my capacity building are discussed	SA	A	N	D	SD
1.18	NMS financially supports me in achieving my capacity building plans	SA	A	N	D	SD
1.19	Capacity building plans play an important role in the achievement of performance objectives.	SA	A	N	D	SD

	Please suggest ways in which NMS management can improve the process of Individual performance planning in your department
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**b) Performance Review**

	<i>Please select the most appropriate response on how your <b>performance is measured</b>.</i>					
2.1	My performance is measured against my individual objectives 5. Every month 4. Every 3months 3. Every 6months 2. Every year 1. Never					
2.2	The measurement of my performance against objectives is done objectively	SA	A	N	D	SD
2.3	The results of my performance are presented to me in a way that I can understand them	SA	A	N	D	SD
2.4	I actively take part in measuring my achievement against my objectives.	SA	A	N	D	SD
2.5	Measuring my performance encourages me to perform better.	SA	A	N	D	SD
	<i>Let's now look at how <b>feedback on your performance</b> is handled.</i>					
2.6	My supervisor and I discuss my performance 5. Every month 4. Every 3months 3. Every 6months 2. Every year 1. Never					
2.7	The feedback I get of my performance helps me better understand the tasks I have to improve on	SA	A	N	D	SD
2.8	Discussions about my performance are carried out in a positive and friendly manner.	SA	A	N	D	SD
2.9	Feedback discussions on my performance are documented for further review. 5. Every month 4. Every 3months 3. Every 6months 2. Every year 1. Never					
2.10	My supervisor and I discuss ways to help me improve my performance 5. Every month 4. Every 3months 3. Every 6months 2. Every year 1. Never					
2.11	performance feedback discussions are useful in improving my performance	SA	A	N	D	SD
	Please suggest ways in which NMS management can improve the process of reviewing performance in your department					

**c) Performance support**

	<i><b>Job Competence Assessments</b> focus on finding out whether the ability (skills and knowledge) to excel in your job. Please choose the most appropriate response on how NMS handles these assessments.</i>					
3.1	An assessment is done to find out whether I have the skills to do my job. 5. Every 3months 4. Every 6months 3. Every year 2. Every 2 years 1. Never					
3.2	An assessment is done to find out whether I have the knowledge to do my job. 5. Every 3months 4. Every 6months 3. Every year 2. Every 2 years 1. Never					
3.3	An assessment is done to find out whether I have the physical ability to do my job. 5. Every 3months 4. Every 6months 3. Every year 2. Every 2 years 1. Never					
3.4	Competence assessments are important in improving my performance	SA	A	N	D	SD
	<i><b>Coaching</b> refers to directions, advice and instructions given to an employee by his or her supervisor whenever required in order to guide him/her to achieve objectives. Please respond to questions below using the most appropriate alternative.</i>					
3.5	My supervisor guides me on how to overcome challenges in achieving my objectives	SA	A	N	D	SD

3.6	My supervisor guides me in understanding my performance objectives	SA	A	N	D	SD
3.7	My supervisor adequately guides me in achieving my performance objectives	SA	A	N	D	SD
3.8	Coaching by my supervisor considerably improves my performance	SA	A	N	D	SD
3.9	Please indicate how often your supervisor sets aside time to coach you on the job 5. Every week 4. Every month 3. Every 6months 2. Every year 1. Never					
	<i>Let's now look at <b>Training</b> practices at NMS.</i>					
	In what areas has NMS trained you on in the past 5 years? Please mention hereunder					
3.10	How often did you attend trainings arranged by NMS? 5. Every 3months 4. Every 6months 3. Every year 2. Every 2 years or more 1. Never					
3.11	Of all trainings you had at NMS, How many were relevant to your job? 5. 81 - 100% (all) 4. 61-80% 3. 41-60% 2. 21-40% 1. 0-20% (Almost none)					
3.12	How adequate are trainings arranged by NMS in addressing the training needs of your job? 5 =Adequate 4. Somewhat Adequate 3. Don't Know 2. Somewhat Inadequate 1 =Inadequate					
3.13	How do trainings offered by NMS impact on your job performance? 5 = Positively 4. Somewhat positively 3. Don't know 2. Somewhat negatively 1 = Negatively					
	Please suggest ways in which NMS management can best support you to improve your performance.					

#### d) Performance Rewards

	<i><b>Financial Rewards</b> are usually monetary awards given to employees who perform well. Please choose the best responses to questions below on the same</i>
	Which financial rewards you have received for good performance at NMS in the past 5 years. Please select all applicable: 1. Performance bonus 2. Gratuity 3. Salary step 4. Other – Please mention
4.1	How clear are the criteria for awarding financial rewards at NMS? 5 =Clear 4. Somewhat clear 3. Don't Know 2. Somewhat unclear 1 = Unclear
4.2	How often have you received a financial reward from NMS for good performance in the past 5 years? 5. Every 6months 4. Every year 3. Every 2 years 2. Once in 5years 1. Never
4.3	To what extent is the criteria for giving out financial rewards followed at NMS? 5 =Always followed 4. Usually followed 3. Don't know 2. Usually not followed 1 = Never followed
4.4	To what extent do NMS financial rewards help you to perform? 5 =Highly Enhancing 4. Enhancing 3. Don't know 2. Somewhat enhancing 1 = Not enhancing
	<i><b>Non-Financial Rewards</b> are usually non-monetary awards given to employees who perform well. Please choose the best responses to questions below on the same</i>
	Which non-financial rewards you have received for good performance at NMS in the past 5 years. Please select all applicable:



	1. Certificate of recognition    2. Employee of the month award    3. Other – Please mention
4.5	How clear are the criteria for awarding non-financial rewards at NMS? 5 =Clear    4. Somewhat clear    3. Don't Know    2. Somewhat unclear    1 = Unclear
4.6	How often have you received a non-financial reward from NMS for good performance in the past 5 years? 5. Every 6months    4. Every year    3. Every 2 years    2. Once in 5years    1. Never
4.7	To what extent is the criteria for giving out non-financial rewards followed at NMS? 5 =Always followed    4. Usually followed    3. Don't know    2. Usually not followed    1 = Never followed
4.8	To what extent do NMS non-financial rewards help you to perform? 5 =Highly Enhancing    4. Enhancing    3. Don't know    2 Somewhat enhancing    1 = Not enhancing

## 2) EMPLOYEE PERFORMANCE

Please select the most appropriate response for each of the questions below. It should be noted that **team members** as used in this questionnaire can be defined as employees who share the same immediate supervisor.

	<i>Initiative</i>				
5.1	How many of your team members complete their assignments on time? 5. 81 - 100% (all)    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20% (Almost none)				
5.2	How many of your team members complete their assignments without follow up by supervisors? 5. 81 - 100% (all)    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20% (Almost none)				
5.3	How often do your team members identify problems hindering their performance out of their own initiative? 5. 81 - 100% of problems    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20%				
5.4	How often do your team members resolve work related problems on their own? 5. 81 - 100% of problems    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20%				
5.5	How many of your team members take on more work once their daily targets are met before the end of day? 5. 81 - 100% (all)    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20% (Almost none)				
	<i>Effectiveness</i>				
5.6	To what extent do your team members achieve their individual objectives? 5. 81 - 100%    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20%				
5.7	How many of your team members produce the volume of work expected of them by NMS? 5. 81 - 100% (all)    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20% (Almost none)				
5.8	How much of the work done by members of your team is free from errors? 5. 81 - 100% error free    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20%				
5.9	How much of the work of your team members is delivered on time? 5. 81 - 100%    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20%				
	<i>Effort</i>				
5.10	How much of the official 8 working hours do your team members spend on NMS work? 5. Over 81%    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20%				
5.11	How many of your team members work longer than the normal 8 working hours a day? 5. 81 - 100% (all)    4. 61-80%    3. 41-60%    2. 21-40%    1. 0-20% (Almost none)				

5.12	How many of your team members report to work on time? 5. 81 - 100% (all)                      4. 61-80%                      3. 41-60%                      2. 21-40%                      1. 0-20% (Almost none)
5.13	How often do your team members report to work? 5 = 5/5days                      4. 4/5 days                      3. 3/5 days                      2. 2/5days                      1 = Never
5.14	How often do your team members set aside time to discuss how to improve your team's performance? 5. Weekly                      4. Every 2 weeks                      3. Monthly                      2. Every 6months                      1 = Annually or less frequently
5.15	How much time per week do your team members set aside to discuss how to improve your team's performance? 5 = 2.1 – 3 hours                      4. 1.6 – 2 hours                      3. 1.1-1.5hrs                      2. 0.6 – 1 hours                      1. 0.5hrs or less
	<i>Cooperativeness</i>
5.16	Most members of my department are generally cooperative with me and others in matters to do with NMS work.                      SA    A    N    D    SD
5.17	My team members work together to achieve our common performance objectives.                      SA    A    N    D    SD
5.18	My team members come in to help each other to better understand their roles whenever there is a misunderstanding of the same.                      SA    A    N    D    SD
5.19	In my team, members encourage each other to meet our performance objectives.                      SA    A    N    D    SD
	Please suggest ways in which staff members in your department can improve their performance

**Personal Data**

Finally, please fill in or tick the most appropriate response that describes you.

Department at NMS	Age in years: <input type="checkbox"/> Under26 <input type="checkbox"/> 26-30 <input type="checkbox"/> 31-35 <input type="checkbox"/> 35-40 <input type="checkbox"/> Above40
Position: (1)Head of Dept    (2) Officer    (3) Assistant    (4) Support Staff    (5) Other please specify .....	
Gender: (1) Male    (2) Female	Time spent at NMS in years 1) under 1    (2) 1 – 1.9    (3) 2 – 2.9    (4) 3 – 3.9    (5) above 4
Highest level of education attained: 1) O-Level    (2) A-Level    (3) Bachelor's degree    (4) Masters' degree 5) Other please specify .....	

**Scale:** Strongly agree=5, Agree = 4, Neutral = 3, Disagree = 2, strongly disagree = 1

**Appendix 2 – Interview Schedule for NMS Heads of Department**

(All answers to be given in the context of the time frame 2005 - 2010)

**PERFORMANCE MANAGEMENT**

**a) Performance planning**

i) Around what key areas are individual objectives in your department set?

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ii) How has the setting of objectives influenced performance of staff in your department?

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iii) How often are employee activity plans done? ..... How do they contribute to the performance of staff in your department?

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iv) What Performance targets are usually set in your department?

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v) How do you plan for capacity building of staff in your department?

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vi) Is the NMS performance planning system adequate in your view? Why do you think so?

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vii) How do you think performance planning can be improved at NMS?

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**b) Performance Review**

i) Please briefly describe the system of measuring individual performance in your department (What is measured, when, and by who?)

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ii) How is measurement done and why?

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iii) How does measuring individual performance influence employee performance in your department?

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iv) How is performance feedback to employees managed in your department?

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v) How does performance feedback influence the performance of individuals in your department?

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vi) How do you think performance reviews can be improved at NMS?

**c) Performance support**

i) Do you periodically assess the ability of your departmental staff to perform in their jobs?

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ii) If your answer is yes, how often is this done and by who?

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iii) Which competencies are assessed?

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iv) How do the above competence assessments affect the performance of staff in your department?

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v) Do you have an arrangement for on the job coaching of your staff?

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vi) If your answer is yes, who coaches staff and how often?

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vii) In what areas are employees coached?


viii) How useful is coaching in improving employee performance in your department


ix) In what areas has NMS trained your departmental staff in the past 5 years?


x) Has training had any effect on the performance of individuals in your department?

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xi) If your answer is yes, please describe how.


xii) How do you think NMS can better support its staff members to perform to their NMS' expectations?


**d) Performance Rewards**

i) Do staff members in your department get performance rewards?

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ii) If your answer is yes, please mention the various types of performance rewards ever received by your staff in the past five years


iii) What are the criteria for awarding performance rewards in your department?


iv) How do performance rewards affect employee performance in your department?


v) How do you think NMS can improve on its performance reward systems?


## EMPLOYEE PERFORMANCE

Briefly describe the level of performance of your departmental staff in the past 5 years ending 2010 in the following areas. Please give any reasons why you think the performance was as described.

i) Self initiative


ii) Achieving performance objectives


iii) Quality of work done


iv) Timeliness of work (meeting deadlines)


v) Amount of time (working hours) dedicated to NMS work




vi) Reporting time and Attendance


vii) Effort dedicated to improving inputs, systems and products.


viii) Cooperativeness with each other to achieve NMS objectives


ix) What are the major factors affecting employee performance at NMS?


x) How can employee performance be improved at NMS?

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**Personal Data**

Please fill in or tick the most appropriate response that describes you.

Department at NMS	Age in years: <input type="checkbox"/> Under26 <input type="checkbox"/> 26-30 <input type="checkbox"/> 31-35 <input type="checkbox"/> 35-40 <input type="checkbox"/> Above40
Gender: <input type="checkbox"/> Male <input type="checkbox"/> Female	Position: (1) Head of Dept      (2) Officer      (3) Assistant      (4) Support Staff
Time spent at NMS in years <input type="checkbox"/> <1 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> >5	(5) Other please specify .....