

## **EFFECT OF MANAGEMENT BY OBJECTIVES ON MOTIVATION OF SUPPORT STAFF IN UNIVERSITIES IN THE LAKE REGION OF KENYA**

<sup>1\*</sup> **Venny Okwoyo**  
*nyavenny84@gmail.com*

<sup>2\*\*</sup> **Wamwayi Scholastica**  
*scholawam@gmail.com*

<sup>1,2</sup> *Jomo Kenyatta University of Agriculture and Technology, Kenya*

---

**Abstract:** *Performance appraisal is a component of performance management that is intended to increase efficiency and motivation and provides an opportunity to continuously review agreed-upon objectives. However, some studies have called for the abolishment of performance appraisals citing numerous shortcomings that exist with performance appraisal systems. In Kenya, both the public and private sectors have embraced performance appraisal as a tool for performance improvement. Assessment of its effectiveness, however, has yielded mixed findings. The general objective of the study was to analyze the effect of performance appraisal systems on motivation of support staff in universities, specifically to establish the effect of management by objectives on motivation of support staff in universities in the lake region of Kenya. The findings of this study will provide relevant knowledge to the policy makers in education sector such as the Ministry of Education, Science and Technology on issues related to performance appraisal in universities in Kenya. A descriptive research design was employed in the study. The target population of the study was the 821 support staff from Kisii University, Tom Mboya University College, Maseno University, Jaramogi Oginga Odinga University of Science and Technology (JOOUST) and Rongo University. The sample of the study was 270 support staff. The study findings established that management by objectives can change employee motivation by 64.2 % at statistically significant at <.05 significant level.*

**Keywords:** *performance appraisal, management by objectives, support staff*

---

### **1. Introduction**

Performance appraisal comprises all activities that guarantee that organizational objectives are constantly being attained in an efficient and effective manner (Baron & Armstrong, 2017). Performance appraisal (PA) is a formal system of review and evaluation of individual or team task performance. A critical point in the definition is the word formal, because in actuality, managers should be reviewing an individual's performance on a continuing basis. Baron and Armstrong (2007) define performance appraisal as an integrated and strategic approach towards enhancing the employee and organizational motivation by bettering the performance of employees through developing the individuals and teams capabilities. Performance appraisal is a systematic evaluation of the performance of an employee on his present job and also in relation to future jobs that he may be required to take up (Hartzell, 2016). It measures and evaluates the results of the performance of workers pointing out their potentialities and deficiencies so that they can improve over time.

Many organizations have realized the critical role played by performance appraisal and therefore its adoption has significantly increased (Gichuhi, Abaja, & Ochieng, 2015). According to Pichler (2012), most organisations have adopted performance appraisal for the purpose of exploitation and utilization of their human resources to keep up with competitive forces. This is due to the realisation that the human resource is one the most significant resources that organization relies on in attaining competitive advantage. However, the overall motivation of these human resources should constantly be reviewed and this calls for performance appraisal programmes in organizations (Whiting, Podsakoff & Pierce, 2018).

According to Maritim (2017), performance appraisal systems are assumed to motivate the employees to strive hard to attain goals, objectives and targets set for them in order to be rewarded. In other words, it serves as basis of promotion and salary increases. It may however lead to punitive measures where unproductive employees may be demoted or even dismissed after they fail to meet their targets. Workers are thus supposed to be appraised with intentions to identify their strengths and weaknesses in order to empower them for the benefit of the organization. Performance Appraisal is thus a management tool to assess performance in meeting organizational goals. The information gathered might be used for various reasons such as promotions; identify training needs, delegation, deployment and reward. Performance Appraisal however differs from one region to another.

Performance appraisal in Kenya is a relatively new trend having emerged in the turn of the century (Odhiambo 2015). However, the technique has continued to receive increased attention with the realisation that it has increased benefits to organisations. For example, it is a culture in Kenya public sectors that when appraisals are done, they are often linked with bonuses and not to promotion. In addition, it is also observed that appraisal system in the Kenya public sectors does not always ensure that high performer employees are treated fairly with regard to both the appraisal and resulting promotions. In developing an appraisal system for organizations, management needs to think through pay increases and promotions (Moulder, 2011).

Performance Appraisal Systems in many organisations in Kenya are embraced by organizations to improve performance, increase productivity, efficiency and profits. Performance Appraisal is practiced in both public and private corporations to improve performance and productivity. Odhiambo (2015) defines employee motivation as output per employee hour with quality being considered. It is therefore an increased functional and organizational output including quality. Motivation is evaluated in terms of the output of a specific employee in a specific period. Often, this is evaluated in comparison to an average of employees doing similar work. Since the triumph of any organization mainly depends on the commitment of its human resources (Akinyele, 2010) employee motivation is an important consideration for businesses. Taljaard (2002) avows that for an organization to stay competitive and ensure that the company has a long-term future, it is important to improve performance on an on-going basis. Performance appraisal systems include the Management by Objective (MBO), 360-degree appraisal method, the Rating method, the Ranking Method and the Behaviourally Anchored Rating System (BARS). In the present study, the first four are used since most studies have found that they are the most prevalent PA methods (Dauda, 2018).

According to Dauda (2018) an MBO system calls for each level of managers to identify their goals. This PAS involves a careful study and understanding of the goals and objectives of an organisation. It calls for individual employees and managers to set targets, discuss them, and reach into an agreement before implementation commences. The manager and employee then agree upon specific and obtainable goals with a set deadline. The 360-degree appraisal system involves the feedback of the manager, supervisor, team members and any direct report. In this PAS information is solicited from a variety of workplace sources on an employee's work-

related behaviour and performance. This process includes feedback from the employee's subordinates, peers, supervisors as well as self-evaluation by the employee him/herself. While the ranking method is a performance appraisal method in which the rater ranks all employees from a group in order of overall performance (Maritim, 2017), the rating scales method is a performance appraisal method that rates employees according to defined factors. Using this approach, evaluators record their judgments about performance on a scale (Gichuhi, Abaja, & Ochieng, 2015).

## **2. The Management by Objectives Theory**

This theory was first popularised by Drucker (1954) who questioned why in both the classical and human relations schools of management, effectiveness was automatically considered to be natural and expected outcome. According to him, effectiveness was more important than efficiency and was the foundation of every organization. He thereby developed MBO. According to Drucker Performance Appraisal involves a careful study and understanding of the goals and objectives of an organisation. This calls for individual employees and managers to set targets, discuss them, and reach into an agreement before implementation commences. An important part of MBO is the measurement and comparison of the employee's actual performance with the standards set.

Ideally, when employees have been involved in goal setting, they are more likely to accomplish their responsibilities and therefore meet the expectations. Performance Appraisal therefore calls upon managers and individual subordinates to agree on objectives and targets throughout the year through a partnership where responsibilities are shared and expectations defined. This partnership makes appraisal more objective, transparent. Therefore the conceptual frame work of performance appraisal involves studying and understanding the objectives of the organization, setting performance targets and agreeing upon the set targets, frequent performance reviews to monitor progress, giving feedback and rewarding. This process if analysed correctly will reflect the actual performance of the individual employees in the entire organization. MBO at its core is the process of employers/supervisors managing their subordinates by introducing a set of specific goals that both the employee and the company strive to achieve.

The principal of MBO is for employees to understand their roles and responsibilities so they can understand how their activities relate to the achievement of the organization's goals. One of the independent variables in this study is performance appraisal designs, methods, and their role on motivation of support staff. This variable will derive from the Management by Objectives theory.

## **3. Management by Objectives on Employee Motivation**

Mwangi (2013) explored the general use of performance appraisal systems among commercial banks in Kenya. Though the study found that performance appraisals was carried out in the banks mostly quarterly the study did not quite show the link between the performance appraisals and motivation of support staff. The highlighted the challenges training needs have on the performance of employees and how working conditions influenced employee performance. It is argued that aspects of each system constrain the ability of the appraisal process to produce accurate, unbiased, and reliable assessment of individual behavior and performance. The following characteristics of the appraisal process are discussed: first, observation, reward opportunities, and systemic issues such as function and expectations within the context of the organization; second, the appraiser's automatic attention processes, categorization and memory, and information search and recall; and third.

Nyamboga (2016) evaluated the use of performance appraisals at National Bank of Kenya. The study found that the 360-degree appraisal method and management by objectives among other methods of performance appraisal greatly influenced employee performance at the bank. The study found that performance appraisal has widened as a concept and as a set of practices and in the form of performance management has become part of a more strategic approach to integrating HR activities and business policies. Because of this, the research on the subject has moved beyond the limited confines of measurement issues and accuracy of performance ratings and has begun to focus more of social and motivational aspects of appraisal. This study identifies and discusses a number of themes and trends that together make up the developing research agenda for this field. It breaks these down in terms of the nature of appraisal and the context in which it operates. The former is considered in terms of contemporary thinking on the content of appraisal (contextual performance, goal orientation and self-awareness) and the process of appraisal (appraiser-appraise interaction, and multisource feedback). The discussion of the context of appraisal concentrates on cultural differences and the impact of new technology. In reviewing these emerging areas of research, the study sought to explore some of the implications for appraisal practice at both organizational and individual levels.

In a study on the effect of appraisal systems in public organizations in Kenya, Maritim (2017) argues that organizational reforms and training were key to ensure good performance and productivity. It is therefore necessary to carry out skills audit in order to establish skill gaps. This will enable the human resource departments to organise for training and development in order impart skills that will improve performance in public corporations. Public corporations should therefore ensure that employees have appropriate knowledge, skills and attitudes to increase motivation in the institutions. The study suggests that relevant training should be given to employees and to the right persons because some of the workers in the public organizations were given trainings which were irrelevant to their job descriptions. This amounted to waste of time and resources that could have been used to maximise profits.

#### **4. Employee Relationships and Employees Job Satisfaction**

Sy, Tram, & O'Hara (2001) conducted a study of employee and manager emotional intelligence to job satisfaction and performance. The study shows how relationships that exist between employees tend to impact on job satisfaction and performance. Employees of nine locations of a single restaurant franchise were the target population in the study. The sample size used was 187. A questionnaire was the data collection tool used. The findings obtained from the study showed that there was a significant relationship between employee relations and job satisfaction. The study failed to show the manner in which relations between employees and individuals in management positions impact on job satisfaction.

The relationship between employees is built on the pillars of their communication. Positive and effective communications results to strengthened bonds between the workers, greater teamwork and hence higher performance and satisfaction derived from the jobs (Proctor, 2014). Poor relationships between the employees results to a communication breakdown. Employees spent most of their time at their work place, and thus the relationship they have with their colleagues positively or negatively impact on their individual lives and even that of the organization. Friendship at workplace facilitates better communication, guards respect amongst the workers and builds trust among them (Lee & Ok, 2010). Such positive values improve the employees' job outcomes, and contribute greatly to their job satisfaction.

Proctor (2014) in a study on effective organizational communication affects employee attitude, happiness and job satisfaction. Sought to assess the extent to which employee relationships impacted on employee attitude,

happiness, as well as job satisfaction. Employees at Southern Utah University were the target population in this study. A sample size of 51 employees and supervisors drawn from the University was used. However, only 20 of the sampled persons agreed to participate in the study. A survey was conducted for the purposes of gathering data from the 20 respondents. The study found that employee relations impacted on employee attitude, happiness, as well as job satisfaction. Positive employee relationships were found to have a positive impact of job satisfaction among employees at Southern Utah University. The sample size used in the study was very small. The sample may not be a true representation of the entire employee population at South Utah University.

Employees with good relationships share knowledge in their jobs, which leads to better performance, growth of the individuals and the organization as well (Kuzu & Ozilhan, 2014). Healthy work place relationships must not just be horizontal, but also vertical. Employer- employee relationship must be good to see better production, and achievement of personal and organizational goals. Employees in good terms with heir seniors feel appreciated and valued, and hence become more effective in execution of their tasks, and achieve job satisfaction much faster, overly promoting the growth of the business.

## **5. Profile of Universities in the Lake Region Kenya**

There are four public universities in the Lake Region of Kenya; Kisii University, Maseno University, Rongo University, Tom Mboya University College and Jaramogi Oginga Odinga University of Science and Technology. Several university rankings have placed most of these universities at the bottom half of all the universities in Kenya in several metrics including service delivery. This is despite many organizations struggling with the fact that many of their employees' motivation is wanting and therefore these organizations are looking for measures that can aid in improving their employees' motivation and especially for the support staff. Public Universities also aim at improving their employee performance. One of the systems that have been used in the Universities to improve employee motivation is that of enhancing Performance Appraisal. Even though these systems have been used in evaluating employees at the Universities, their effect on motivation of support staff is not known since employee motivation is still very low as depicted by the poor service delivery by this cadre of employees in the Universities. This study therefore investigated the effect of performance appraisal systems on motivation of support staff in Universities in the Lake Region of Kenya.

## **6. Research Methodology**

The study used a descriptive research design. This design has been used where the problem is well defined without looking at the relationships between the variables. Backlund and Suikki (2005) explain that with descriptive research design, the researcher aims to determine the aspects of the problem that are crucial for a thorough analysis. With descriptive research design, the researcher has an opportunity to have a clear view of the problem from other related sources and narrows the research around these important items. In this case, the researcher adopts a technique that leads to exact or almost detailed facts when carrying out the study. Therefore, the study adopted a quantitative approach on the effects of performance management practices on employee motivation. The target population in this study was 821 support staff; 231 from Kisii University, 167 from Jaramogi Oginga Odinga University of Science and Technology, 121 from Tom Mboya University College, 95 from Rongo University and the 207 support staff of Maseno University.

To determine the sample size, the Yamane (1982) formula was used;

$$n = \frac{N}{1+N(e)^2} \tag{1}$$

Where; n= is the desired sample size'

N is the population

E is the level of precision desired, 95% in the present case.

Using the formula, the sample therefore was;

$$n = \frac{831}{1+831(0.05)^2} \tag{2}$$

This gives 270 respondents who were distributed proportionally among the universities.

The data collection systems that was employed for the research include the use of structured questionnaires. The questionnaires were used for the collection of data from the respondents. The questionnaire had both open and closed-ended questions for randomly selected members of the various groups. A survey questionnaire is designed to apply to a heterogeneous sample selected from the large population of respondents (Burns, 2000).

### 7. Data Analysis and Presentation of Findings

The objective of the study was to determine the effect of management by objectives on motivation of support staff in universities in the Lake Region. Table 1 presents the results.

*Key: N=244, SD=Strongly, Disagree D=Disagree, N=Neutral, A=Agree, SA= Strongly Agree, S.D=Standard Deviation*

*Table 1: Management by Objectives and Employee Motivation*

Statement	SD	D	N	A	SA	Mean	S.D
	%	%	%	%	%		
MBO 1: The organization set achievable objectives with my supervisor	4.4	6.7	7.0	48.9	33.0	3.99	1.04
MBO 2: The objectives set are SMART	3.1	5.9	23.9	42.0	25.1	3.80	0.99

MBO 3: The university evaluates the achievement of the objectives in my presence	4.8	6.7	20.0	45.6	23.0	3.75	1.04
MBO 4: Employees are always motivated to achieve my objectives since employees participate in setting them	7.1	7.9	20.1	37.0	28.0	3.71	1.17
MBO 5: employees are satisfied by the use of objectives to evaluate my work	7.1	8.7	21.7	37.4	25.2	3.65	1.16
MBO 6: Appreciation by managers increases my success at work.	5.6	14.0	26.8	35.3	18.6	3.48	1.11

Results in Table 1 indicate that one item had standard deviation that was below 1.0. This shows that the one item had no extremes hence are good measure. The item “The objectives set are SMART” had the lowest standard deviation of 0.99. However, seven items had standard deviation that was above 1.0. This shows that the respondents were spread to the positive and to the negative hence the high standard deviation witnessed. The item “Employees are satisfied by the use of objectives to evaluate my work” had the highest standard deviation of 1.17 which shows extremes. This shows extremes. The findings are not reflecting where the respondents are as they viewed the items from different angles. Most of the items hence are not a good measure.

Further, the highest mean was 3.99 with the lowest being 3.48. This show the respondents took a positive position (above 3.0). All items had a mean of above 3.0. This shows that the general position was that the respondents agreed with the items. The scores for this section indicate that most university support staff agreed that management by objectives was a key determinant of employee motivation.

The study findings are anchored on a study done by Nyamboga (2016) who evaluated the use of performance appraisals at National Bank of Kenya. The study found that the 360-degree appraisal method and management by objectives among other methods of performance appraisal greatly influenced employee performance at the bank.

The study is as well supported by Maritim (2017) argues that organizational reforms and training were key to ensure good performance and productivity. It is therefore necessary to carry out skills audit in order to establish skill gaps. This will enable the human resource departments to organise for training and development in order impart skills that will improve performance in public corporations.

**Employee Motivation**

This section addresses the various measurements of employee motivation of support staff in universities. The responses were as tabulated in Table 2.

*Key: N=244, SD=Strongly Disagree, D=Disagree, N=Neutral, A=Agree, SA= Strongly Agree, S.D=Standard Deviation*

Table 2: Employee Motivation

Statement	SD	D	N	A	SA	Mean	S.D
	%	%	%	%	%		
EM 1: Employee are motivated to perform their duties	13.5	25.5	20.0	31.6	9.5	2.98	1.222
EM 2: Employee always attend to work	21.8	17.5	18.5	28.7	13.5	2.95	1.370
EM 3: Employees take responsibility of their duties	14.2	21.8	15.3	30.2	18.5	3.17	1.344
EM 4: Employees always take initiative	19.3	24.4	17.5	25.8	13.1	2.89	1.338
EM 5: Employees work under minimum supervision	20.0	17.5	22.2	27.3	13.1	2.96	1.333
EM 6: Employees like supporting my colleagues achieve their objectives	21.0	17.2	17.6	33.0	11.2	2.96	1.340

The result in table 2 shows that all the six items had standard deviation above 1.0. The highest standard deviation for the items was 1.370 with which shows there were extremes in the scoring. This implied that majority of the respondents viewed the items from different angles hence items were not a good measure.

The overall score of the responses for this section was neutral indicating that most employees neither agreed nor disagreed with the statements concerning motivation. Furthermore, the highest mean was 3.17 while the lowest was 2.89. This show the respondents took a neutral position. The general position was that the respondents were neutral with employee motivation items.

**8. Regression Coefficients**

Table 3 presents the regression of coefficient

Table 3: Regression Coefficients

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	8.177	1.359		6.017	.001
1 Management by objectives	.642	.201	.235	2.731	.008

Dependent Variable: Employee Motivation



Holding other factors constant, employee motivation remains at 8.177 at .001 statistically significant <.05. Management by objectives can change employee motivation by 64.2 % at statistically significant at <.05 significant level.

## 9. Summary

The study objective focused on ascertaining the effect of Management by Objectives on motivation of support staff in universities in the Lake Region of Kenya. The study results revealed that the general position was that the respondents agreed with the items. The scores for this section indicate that most university support staff agreed that management by objectives was a key determinant of employee motivation.

The study concludes that since the existing policy is flexible in its treatment of underachievers, a more thorough performance appraisal policy is required to create a link between performance appraisal systems and motivation of support staff. Management of poor performance necessitates continuous feedback during the evaluation process, as well as an examination of what people require to remedy performance issues, and, more importantly, how management can assist and support these individuals and the business as a whole.

## REFERENCES

- Armstrong, M. (2007). *A handbook of Human Resource Management Practice*. 10<sup>th</sup> edition. Cambridge University Press. London,
- Anders Frederiksen & Lisa B. Kahn & Fabian Lange, 2020. "Supervisors and Performance Management Systems," A Working Paper.
- Backlund, T. & Suikki, K. (2005). *Performance appraisal-Dattner consulting*. Retrieved on 3 December, 2019 from: [http:// www.dattnerconsulting.com](http://www.dattnerconsulting.com)
- Baron, N. & Armstrong, M. (2007). *Psychology applied to work (8th ed)*. Belmont, CA: Thomson Wadsworth.
- Bannister, H. & Balkin, B. (2010). *Positive Effects of Rewards and Performance Standards on Intrinsic Motivation*. *The Psychological Record* 53 (1), 561-579.
- Bretz, R. D., Milkovich, G. T. & Read, W. (2017). *The current state of performance appraisal research and practice: concerns, directions, and implications; A working paper*.
- Boswell, W., & Boudreau, J. W. (2016). *Employee Attitudinal Effects of Perceived Performance Appraisal Use*. A Working Paper.
- Bretz, Robert D. Jr.; Milkovich, George T.; Read, Walter (2016). *Comparing the Performance Appraisal Practices in Large Firms with the Directions in Research Literature: Learning More and More about Less and Less*. A working Paper.
- Cappeli, P., and Canyon, M. (2016). *What do performance Appraisal Do? A Working Paper number 22400*.
- Carroll, S J. & Schneier, C. E. (2002). *Performance Appraisal and Review Systems: The Identification, Measurement and Development of Performance in Organizations*. Glenview, IL: Scott, Foresman.
- Cooper, D.R. & Schindler, P.S. 2003. *Business Research Methods: New York, McGraw Hill*.

- Frankel, D. & Wallen, R. (2000). *Knowledge management and organisational Competitiveness: A framework for human capital analysis. Journal of Knowledge Management* 7 (3), 82-91.
- Gichuhi, A. W., Abaja, P.O., & Ochieng, I. (2014). *Effect of Performance Appraisal On Employee Productivity: A Case Study of Supermarkets in Nakuru Town, Kenya. Asian Journal of Business and Management Sciences* 2 (11), 42-58.
- Gichuhi, A. W., Abaja, P. O., & Ochieng, I. (2015). *Effect of Performance Appraisal on Employee Productivity. Journal of Business and Management Sciences*, 44(8), 435- 438.
- Greenberg, J. (1996). *Quest for Justice on the Job: Essays and Experiments. California: Sage Publishers.*
- Harter, C., Schmidt, C. & Hayes, D. (2017). *Performance Appraisal systems, Productivity, and Motivation. Public Personnel Management* 31(2), 141-159.
- Hinkin, H. & Schriesheim, E. (2012). *The evolution of information systems: their impact on organisations and structures. Management Decision* 40 (5), 497-507.
- Homayounizadpanah, V. and Baqerrkord, G. (2012). *Sorting and incentive effects of performance: Summary of an experimental study. Academy of Management Journal* 50 (6), 387-405.
- Maritim. J. C. (2007). *Assessment of training and their impacts to effective Organizational Performance. A Case Study of Post Bank. JKUAT. Nairobi*
- Mugenda and Mugenda (1999). *Research Methods: Qualitative Approaches Nairobi Acts Press*
- Mondy W. (2004). *Human Resource Management (9th edition) Prentice Hall*
- Mwema. N.W & Gachunga H.G (2014) *The Influence of Performance Appraisal on Employee Productivity. JKUAT*
- Mwangi, S. W. (2012). *Employees' perceptions of performance appraisal practice at KEMRI (Doctoral dissertation, School Of Business, University Of Nairobi).*
- Nginyo, E. W. (2010). *Employee performance management practices among insurance companies in Kenya (Doctoral dissertation, University of Nairobi, Kenya).*
- Odhiambo, E.O., (2015). *The effect of Performance Management Practices on Employee Productivity in Lake Region Kenya; The case of Schindler Limited.*
- Onyango, I. A. (2011). *A critical analysis of the African peer review mechanism (APRM) on governance in Kenya (Doctoral dissertation, University of Nairobi, Kenya).*
- Sekaran, U. (2003). *Research Methods for Business. A Skill Building Approach (4<sup>th</sup> Edition. New Jersey: John Wiley and Sons.*
- Sigei, B. C. (2013). *Extent of adoption of 360-degree performance appraisal by commercial banks in Kenya (Doctoral dissertation, University of Nairobi,).*
- Simotwo, I., (2018). *Effects of performance appraisal system on employee's performance of national police service Kenya.*

*Wagacha, K. N. & Maende, C. (2017). Performance appraisal systems and employee motivation in commercial banks in Nairobi County, Kenya. International Academic Journal of Human Resource and Business Administration, 2(4), 329-346.*

*Zayun, S.S., & Aule, O., Hangeinon, S. (2013). Performance appraisal and employee motivation in Plateau State International Revenue Service. International Academic Journal of Human Resource and Business Administration, 2(4), 329-346.*