



## **Influence of Performance Appraisal on Employee Performance in the Energy Sector Kenya**

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### **Abstract**

The study focused more on exploring performance appraisal regarding employee performance to ascertain the influence of performance evaluation on employee performance in the energy sector. Similarly the objective of this research was to look into the result of goal setting on employee performance, to find out how career plans influence on workers' effectiveness, and for determining the extent to which competency-based evaluation influence employees performance, to investigate the impact of ongoing feedback through employee achievement and to assess how incentives affect employee performance in Kenya energy sector through a research paper survey of Kenya Power Ltd. (KP), Kenya Electricity Transmission Company Ltd. (KETRACO), and Kenya Electricity Generating Company PLC. (KenGen), all of which are located in Nairobi County. The researcher used explanatory sequential design method. The study's population was 8820 employees, 11% of total population utilizing a sample size of 801 participant attracted as for all divisions in and to organizations, varying from Senior, middle, and lower-level management employees. Consequently, the researcher used a random sampling technique to collect data from respondents at various levels of management in Kenya's energy sector. Semi-structured questionnaires were used to gather primary data because they allow for open-ended responses from respondents and allow the researcher to easily prepare questions ahead of time to guide the discussion and keep the participants on topic. The collected data was analyzed by use of descriptive statistics and the Statistical Package for Social Sciences (SPSS). Finally, the data was interpreted into measures of central tendency, statistical dispersion, percentages, and person correlations utilizing the frequency distribution. Results were shown in tables, bar charts, and graphs will be used for information presentations. In relation to the impact on employee performance of performance appraisal, the observations suggest that the assessment leads to enhanced productivity in an organization. An effective evaluation model can increase the employees' interest and performance to achieve the specific objectives of the organization. Regarding the influence performance feedback on employee service delivery, the findings

showed that effective feedback is crucial to employees to achieve their set objectives. Feedback allows employees to know exactly what is expected of them. The key to the successful empowerment and productivity is effective performance feedback between employees and supervisors. Adequate feedback builds accountability, as staff and supervisors contribute to development goals, skills identification, career development and motivation of employees for enhanced performance. The study concluded that efficient performance appraisal practices allow employees to express their performance challenges, ideas in achieving individual and company's set objectives. Effective feedback on measuring performance can result in improved productivity of employees. In order to improve employee performance, the study recommends optimizing practices for performance management. The contribution of each employee to accomplishing company goals should be the main emphasis of performance reviews.

**Keywords:** Performance appraisal, Employee performance, Employee productivity, Employee evaluation

## **1.0 Introduction**

As the nerve center for economic integration, energy is a fundamental element of socioeconomic development. Employee performance is of great importance in every organization's effort to maximize employee work output. As a result, a method for evaluating employee performance is required. In today's economic environment, which distinguished by globalization, market deregulation, and constant shift in customer and investor demands, completion is becoming increasingly important for the survival of any organization. The market is highly competitive, and only organizations that provide superior products and services will survive. According to Brown, D., & Harvey, D. (2021) Brown, organizations with today's markets are required to constantly enhance performance through cost savings, product and process innovation, and faster timing into the market.

Employee performance is determined by a set of performance management practices and systems. Performance evaluation is linked to the creation of a common understanding of the organization's goals consequently objectives, assisting every single employee in understanding and recognizing their involvement to the organizational goal, and assisting in the management and enhancement of employee and organizational productivity. As a result, the performance appraisal cycle starts and ends with the formulation of evident organizational targets and goals. When a firm's labor force is capable and accomplishes at its best, its performance improves Stone, R. J. Cox, A., & Gavin, M. (2020). According to Boon, C., Eckardt, R. Lepak, D.P., & Boselie, P. (2018) reinvesting in human resources being a tactical tool has a significance financial impact on an organization, and there is a need to change the emphasis to value creation. The essences of organizational growth are performance appraisal and management. A performance review is a methodical procedure by those who manage, recognize and identify, observe, measure, and develop job-relevant strengths. It also facilitates in identification, measurement, and development as for employee weaknesses.

Globally, employee performance is typically ascertained by variety of factors developed by organizational management one which is performance appraisal. Because of the fact that employees' performance appraisal motivates employees within a company to perform above and beyond expectations. Employee performance can thus be evaluated in terms of staff dedication and satisfaction, low labor turnover, quality and quantity of services, and client satisfaction. Furthermore, Akhmetshin, E. M., Ilyina, I.A., Kulibanova, V.V., & Teor, T. R. (2019, April) gives a comprehensive overview of workers' concerns and attitudes about what truly motivates them to improve their performance around the world. Companies around the world that talent and business strategies should be integrated are inextricably linked, and that the management and staff are critical in getting the best performance Snell, S., & Morris, S. (2022) According to Fatah, R. H., & Paslawski, J. (2023) employee performance can be increased if jobs could comprise work methods, motivating factors, personal health, education and training, and skills, personal abilities, the amount of work to be completed, work type and quality expectations be completed, and managerial abilities available as a result, organizational effectiveness and efficiency is increased.

Continentially, the purpose of conducting performance assessments is shaped by several contextual factors. Objectives can affect various aspects of the evaluation process and results. For this reason, organizations and their employees need to articulate their goals. The expectations of subordinates and superiors are adjusted to match the reasons for conducting performance assessments. The performance appraisal system will function well in the energy sector depending on how the management and its employees plan to execute their assigned roles in various cadres of management with the available limited resources DeNisi, A., Murphy, K., Varma, A., & Budhwar, P. (2021). At the local level, companies focus on workforce skills and develop strategies to attract, develop, motivate, maintain and manage people with work-appropriate skills Harun, N. H., Mahmood, N. H. N., & Othman, S. A. (2019). It acknowledges the critical significance of prioritizing human labor and their development through training and rewards.

Nationally, Organizations face distinct challenges, such as competing demands to conform to home country practices while also adapting to the context and environment of the host country. Chung, C., Brewster, C., & Bozkurt, Ö. (2020). Nationally, employee performance is determined through various managerial standards, for example, understanding especially talents, contribution and organizational results value determinations affecting employee's overall performance Armstrong, M., & Taylor, S. (2020). Because human asset processes, for example performance management systems, are more influenced by other organizational processes consequently influenced more by local culture and norms, it is critical to conduct extensive research to assist these national organizations in developing systems that are capable of adequately meet the requirements of various stakeholders. It is often thought that improving individual achievement would enhance organizational effectiveness Murphy, K. R. (2020).

To accomplish the goal of performing appraisal, organizations must carefully plan and implement their evaluation systems accordingly. Employee attitudes, behaviors, and organizational efficiency would all benefit from favorable performance evaluation. Higher

employee performance, for example, is derived from the PA's ability to reflect, assess and measure an individual employee's behavior. Moreover, most importantly, the systems used could affect individual employees and the results had to be acceptable to the individual. Without this, performance appraisal can have a negative impact on productivity. Appraisal of individual performance in a company increases the entity's overall effectiveness as it indicates that there's major performance appraisal systems' functional areas like; management, information and inspirational. Appraisal influences administrative activities by facilitating a well-organized method of ascertaining compensation increments as well delegating authority along with responsibility to the most capable individuals.

### **1.1 Statement of the Problem**

Employee performance is an integral element for the accomplishment together with its goals and objectives through effective management of human resources. In the recent years, their use has grown within organizations driven by a desire to influence employees' attitudes and behaviors, and thus the performance of the team. The global economy has compelled public-sector organizations to place a premium on transparency, accountability, and efficiency in order to boost performance. Among the most important elements affecting an employee's performance is organizational goal achievement that provides an excellent chance to properly recognize employees' efforts and accomplishments to its organizational performance Jain, A., Guota, B., Bindal, M. (2019). Therefore, performance appraisal is necessary in a company because it is useful to create an environment in which encourages open channel of communication and aids in the clarification of objectives and expectation. It also guides to provide feedback that is progressive and suitable advice in that the need to increase employee output. Nonetheless, it has been observed that organizational achievement systems in Kenya energy sector has some major flaws such as lack of employee participation in the establishment of organizational objectives that explain the organizational expectations and goals, as well as absence of feedback to employees in relation to performance appraisal outcomes. As a result, the purpose of this research is to investigate the effects of performance appraisal on employee performance in the Kenya energy sector Al-Jedaia, Y., & Mehrez, A. (2020)

Employee performance helps in recognizing the strategy implementation goal and increasing the effectiveness of employing processes by continuously enhancing individual performance and processes, as well as focus on weak areas that can be improved Brown, D., & Harvey, D. (2021). With due consideration for the fact that performance appraisal is among the most significant aspect of organizational life, it can include a variety of measurement of work performance, goal setting, and reward management are examples of organizational processes. In light of the numerous advantages gained from implementing performance appraisal system, as many scholars' research findings indicate that, organizational performance practices in general suffer from a slew of issues related to the subjectivity of performance appraisal criteria, the inapplicability of the criteria used to evaluate employee performance like; some of the issues that most employees face are lack of rater skills and knowledge, subjectivity, favoritism, and bias, inability to provide timely feedback, and lack of continuous documentation. As a result, employees' perceptions of the PA system are influenced negatively, and they express dissatisfaction with regard to implementation of PA practice. Such circumstances also have a

significantly impact on employees' overall job dissatisfaction and reduce expected productivity De Clercq, D., & Belausteguigotia, I. (2021).

Result assessment has been an essential component of evaluation and improving performance of an organization consequently performance together with its employees. It has, however, been argued that assessments without appropriate metrics, feedback, and compensation systems may have a significant negative influence on employees' morale, incentive, and productivity. According to Pieper-Zwaanstra, M. Y. (2020), inadequate appraisal can be demotivating worker, compelling them to either recollect exiting jobs or grow to be less effective. Choi, S. (2020), found that performance evaluation has a much formal important and constructive impact in terms of encouraging employees rather than on ability, implying that the innate ability has a greater impact on employees' well-being than the more formal evaluation mechanic aspects of performance like profitability and market share. Further, there have been several notable issues with the performance appraisal spectacle. Performance evaluation has resulted among staff apathy there are many of them being afraid to terms of their actions involved in the evaluation. Finally, criticisms are presented in noteworthy literature, suggesting that few significant studies address performance assessments and their compensation systems, and the resulting impact on employee performance. It is critical that an organization's productivity is contingent on how well an employee's performance is appraised and assessed.

Studies performed by Tudor, A., & Petre, A. G. (2021) investigated the impact of employee performance evaluation that shows there's significance positive performance's influence evaluation on employee performance. Although this research does not take into account the key components of performance evaluation, such as compensation, feedback, metrics, and how they affect productivity, as in this research. While performance appraisal is used on a wide range of employees and at various levels, it is sometimes perceived as administrative and mechanical in nature, and unproductive, and serving little or none significance in terms as for increasing employee performance, as reported by Ugoani, J. (2020). Performance critics assert that, this is not a device for measuring performance of employees and organizations. Regardless, the system of performance evaluation is regarded as effective and appears to be producing positive results for organizational performance. Maskey, B. H. (2020) established that improvement in performance evaluation result employee performance decreases and vice versa which runs counter in relation to common assumption that increased regular and improved leads in performance evaluation to increased employee performance because workers are motivated besides working harder to boost performance. Carol, O., & Florah, O. M. (2019) executed a survey in relation to impact of a probe reviews on worker performance that employee performance was significantly influenced by established peers. Notwithstanding the previous studies, more efforts are required in directing staff efforts in performance in order to meet predetermined aims and goals. As a result, an impact of performance appraisal and its components of rewarding, appraisal criteria, and feedback on organizational performance achievement must be considered in; creating performance standards and notifying staff members of their duties, assessing actual performance, and contrasting it with expectations discussing appraisals measures with employees, and initiating

corrective action are all responsibilities. As a result, the objective of this research it is to close a gap in Knowledge due to determining the influence of achievement evaluation on employee performance in the energy industry Liu, W., & Liu, Y. (2022) Employees who are pleased with the implementation of PA will perceive well and will make every effort to execute their obligations and tasks assigned to them efficiently and effectively, thereby increasing the performance and success of the organization to which they belong.

## **1.2 The study's objective**

To analyze the influence of performance appraisal on employee performance in the energy sector Kenya.

## **1.3 Study Questions**

- 1) Does management by objective affect employee performance in the energy sector in Kenya?
- 2) How much influence does graphical rating scale have on employee performance in the energy sector in Kenya?
- 3) Does 360-degree feedback affect employee performance in the energy sector Kenya?
- 4) How does ranking method affect employee performance in Kenya energy sector?

## **1.4 Justification of the research**

The research proposal will assist Academicians and researchers in determining public knowledge and what the researcher believes to inform and impress upon the audience. The research helps as for determining whether the ideas advanced in this research are supported by previous research. This will likewise aid in the advancement and enhancement of knowledge in the study along with employee as well as performance in closing the gap in knowledge in their influence of performance appraisal on the employee performance. Policies that are currently in place and their capability to deal with current and future challenges will also be of concern to government policymakers. Strong policies result in governments that are stable and prosperous nations. Policy failures cost the state money significantly in terms of resources and have the possibility of stifle economic development. The study conducted in this research proposal will provide key adequate performance reviews for decision-makers and employee information on achievement, allowing them towards strengthening current policies and functions. This proposal also enables organizational policymakers in order to rationalize and create a policy to drive the economic expansion. Research has a significant impact on the success of KP Ltd, KenGen Ltd, and KETRACO Ltd Kiprono, B. M., & Wanyoike, D. D. M. (2019) Companies often invest in R & D because product and service innovations and improvements are important in current and future markets. The research proposal will enable the three organizations to gain an aggressive advantage by market share expanding the available information on how to boost performance and increase market worth Tidd, J., & Bessant, J. R. (2020). The pertinent information provided through which survey will help to enhance the performance moreover the company's employees, thereby increasing profitability and improving the company's image.

Academicians and scholars will gain from the research proposal because it will contribute to knowledge while also identifying research gaps and stimulating further research

regarding performance evaluation and employee motivation. The study will also be useful to future academic researchers in terms of findings and recommendations for improving the discipline of human resource management. The research study will help policymakers and practitioners develop new performance guidelines and successfully implement performance appraisals. State enterprises and management gain insight into the difficulties employees have in analysis performance management objectives and organizational guidelines to make informed decisions about performance assessment and employee involvement. We find this research useful to provide findings that will also be used by human resource practitioners to develop employees' capacity through knowledge and skill construction in order to get together and exceed expected performance and maximize their potential for the gain of themselves and the organizations for which they work

## **2.1 Literature review**

Theoretical literature is concerned with studying theories as opposed to application with the goal of establishing the existing theories and interrelationships are examined, as are existing research gaps, resulting in the development of new hypotheses that necessitate further investigation. The foundation of theoretical literature is a set of basic assumptions and axioms, both the body of the hypothesis made up of logically interconnected, prepositions that can be objectively verified Paul, J., & Criado, A. R. (2020). This study will use the theory of expectancy and the theory of goal orientation to explain the influence of performance appraisal on employee performance in the Kenyan energy sector.

### **2.1.1 Theory of Expectancy**

Victor Vroom of the Yale school management in 1964 proposed the expectancy theory of motivation. According to expectancy theory, people have distinct sets of objectives and can be motivated if they know what to expect. The theory is about choice because It describes the steps a person takes through when making decisions. Moreover, the theory assumed which workers' behavior is based on conscious selection from a set of possible substitutes. According to the Expectancy Theory, the chosen behavior will always satisfy the desire for satisfaction while minimizing stress.

The existence of three major factors determines the effectiveness of the theory; Expectancy is all about employees own effort and relation to good performance. Instrumentality refers to an employee's perception of the extent to which performance at a given level will result in achievement of outcome consequently this can be achieved by organizations fulfilling assurances of more rewards like bonuses and promotions. Over the course of performance process, Instrumentality requires transparency. Effective component in each employee appreciates the end result that each employee achieves differently because their own fundamental requirements establish this worth. At this level identifying the good idea for a corporation to consider an employee's values and needs. Individual factors also play a significant role in goal attainment and employee behavior. Each individual's effort, performance, and motivation are all intertwined. Vroom's theory states that motivating employees requires a positive correlation between effort and performance. Awareness in

Vroom's Expectancy Theory is an important factor in helping an organization provides everything it needs to motivate its employees. The principles of Vroom's Expectancy incentives relate not only to the employee's personal interest in compensation, but also to the relevance that the employee has in relation to performance and results He, W., Li, S. L., Feng, J., Zhang, G., & Sturman, M. C. (2021)

### **2.1.2 Theory of goal orientation**

Lotham and Locke (1979) proposed a theory that explaining how establishing goals for employees can motivate them to the point of increasing productivity. A performance review is a type of official evaluation of job performance of an employee that serves as a result of recognizing and comprehending an employee's abilities in order to progress to a future career development strategy for the good of employees. Goal orientation influences the activities that are carried out as task performance and the approaches used to complete work. Every employee must have a goal orientation as a cognitive factor Ma, J., Peng, Y., & Wu, B. (2021). Zhu et al. (2019) present the idea of performance objectives as an indicator that can be used to measure behavior by assuming that every type of business or work is a low-level competency, and people with skill competencies do not need to work hard and also agree with, addiction, assessment and degree of pride extra inside the notion that someone's competence is a rather character that is stable. Goal-oriented actions that are focused and systematic, are designed in order and for achieving moreover expected outcomes. Employees connect target to achieving organizational objectives through self-evaluation and modifying their own behaviors in order to achieve the stated objectives. When objectives are established, motivation and performance increases. Despite the fact that it is possible, prompt responses are provided depending on their own output or performance. Employee participation is also essential in the development of goals in order to be a part of them as well as own them. Employees set various goals based on their working conditions and it can assume targets that are always attainable.

Theory considers abilities to be adaptable and wants to develop oneself by learning new skills, learning new situations, and improving abilities Connelly, A. S., Mosito, C., & Shaik, N. (2020) High performers are goal-oriented, interested in demonstrating their abilities, and work only for positive evaluation to avoid error-prone tasks. Performance avoidance goal orientation strives to avoid negative judgments from peers.

## **2.2 Empirical review**

The empirical literature review highlights the earlier research on the variables of the study. This will include the research that was done on employee performance appraisal and performance. Sauermann, J. (2023) investigated the effects of performance evaluation on the employee output. Consequently, the research will concentrate on three areas; appreciation, responses, training and advancement. According to this study the most powerful influences on the organizational productivity are findings, recognition, and feedback, while training and development play less important role.

Riego and Lapuz (2020) used a design of descriptive correlation research to conduct their study in a Philippines academic establishment, in which they investigated the connection



between management styles, employee development and performance evaluation of selected personnel. According to the findings of the study, there was a low-to-moderate positive relationship development between management style, performance appraisal, and employee development.

A performance disparity within employees can possess a significant influence on the business performance and productivity. These necessitate and to address of these gaps and close them as early as possible through; Identifying causes of productivity reduction by reviewing previous employees' performance records at reasonable time and keep an eye out for drops in performance percentages. Once drop in performance is realized, focus group can intervene for further dive into why there is that drop. Secondly by mapping the skills that are currently with employee through resumes and organization's HRIS will help to obtain an overview of the current abilities the workers have. Additionally, employees can review current job abilities requirements with supervisors. Thirdly, by conducting performance gap and skill gap analysis to focus on evaluating the current workforce's available skills versus the skills required as jobs are reorganized in the future. These studies will aid in determining how types of initiatives are required to bridge the gaps. Once it has been determined which skills and competencies the employees lack, a targeted training program will be put in place.

Implementing performance coaching will also aid employees in improving their performance and learning on the job for better and learn on the job to close any gap. Assigning new hires should be given learning objectives, have a framework for what they find out, and receive feedback on what they believe is missing. Setting performance expectations for new hires should set some of their own performance goals, then develop some others that are appropriate for them so they are aware of the employer's expectation from them on the first day as this will result a clear path to achievement Jacobsen, C. B., & Andersen, L. B. (2019). Employee should be given frequent and constructive feedback, setting distinct objectives by eliminating obstacles, and monitor progress. Conducting performance appraisal at least quarterly, by repeatedly reinforcing expectations, employees will know not only what they need to achieve, but also how to get there. We will require skilled workers to take the lead, so we will need to develop future leaders through to keep a strong team, succession planning is essential.

By identifying employees with the potential to advance to positions of management and leadership roles work together to establish tailored plans for leadership development to prepare them for the next initiative, thus ensuring a strong pipeline of leadership. Maintaining high levels of employee involvement through quality work tasks and a pleasant working environment that produces greater than others. Creating rewards similarly recognition program by acknowledging the efforts of the workforce and consistently rewarding them, thus creating a positive work environment in which feel appreciated for their efforts. Keeping working on organizational culture that will empower employees to perform at their best by building a welcoming work atmosphere in which workers can fully utilize their abilities, competence, and expertise Saeed, B. B., Afsar, B., Hafeez, S., Khan, I., Tahir, M., & Afridi, M. A. (2019). Monitoring performance progress by comparing training outcome to ratings for management,

quality assurance, and increased employee retention rates outcomes, consequently increased revenue as a result of a concerted effort to recognize employees for their contributions.

### **3.0 Research Methodology**

To accomplish this, in collecting data, the researcher employed a mixed research method. Both open-ended and closed-ended questionnaire approaches were used in the form of questionnaires.

Random selecting method was used to allow sample selection at random thus enabling every sample to have the same chance of being chosen as other samples to serve since a representation together with the whole demography. According to Mugenda and Mugenda (2019) states that, whenever the population is less than 10,000, a sample size between 10% to 30% is preferred as a good representation of the target population and thus 11% sufficed for analysis, so out of 8820 staff, targeted 801 with a sample size of 5380, 3000 and 440 from KP Ltd, KenGen Ltd & KETRACO Ltd respectively. Respondents were considered to provide an overall perspective on the study. Moreover, random method is simple and lacks bias as it provided greater precision.

### **4.0 Data Analyses and Results**

The researcher distributed 801 questionnaires to selected participants, and out of these, 695 questionnaires were effectively completed. This resulted in a response rate of 87%. This response rate, which exceeded the 70% benchmark deemed favorable by Sauder (2012), indicates that the study's data collection was satisfactory. By transparently addressing these challenges, we aim to provide readers with valuable insights into the intricacies of our data preprocessing endeavors, along with a clear understanding of the potential implications of missing data on the derived outcomes. Through this, the researcher strived to ensure the integrity of our reported response rate and the overall reliability and credibility of our research findings. The "Reliability Statistics" output provides information about a scale's intrinsic reliability or consistency or a set of items used in a questionnaire or survey. **Cronbach's Alpha:** Cronbach's Alpha is a statistic that assesses the degree of internal consistency of a scale or a set of items. In this case, the calculated Cronbach's Alpha is 0.793. This result indicates that the four items on the scale have a moderate to high level of internal consistency. In other words, these four items measure a same underlying construct or concept because the responses to them are related to one another. A Cronbach's Alpha of 0.793 is generally considered quite good, indicating that the four items in the scale are measuring a similar underlying construct consistently. This suggests that the scale is reliable for assessing the concept or variable that I intended to measure with these items.

#### **4.1 Reliability test**

The "Reliability Statistics" output provides information about a scale's intrinsic reliability or consistency or a set of items used in a questionnaire or survey. **Cronbach's Alpha:** Cronbach's Alpha is a statistic that assesses the degree of internal consistency of a scale or a set of items. In this case, the calculated Cronbach's Alpha is 0.793. This result indicates that

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**Table 4.1 Reliability test for the study**

Reliability Statistics

Cronbach's Alpha	N of Items
.793	4

4.2 Descriptive Statistics

	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Performance appraisal objectives set are clearly understood	695	4.17	.026	.689
Performance appraisal objectives are aligned with organizational goals	695	4.35	.031	.812
The employees takes part in the process of establishing performance appraisal objectives	695	4.41	.032	.856
Performance appraisal objectives are continually revised to consider both internal and external developments within the energy sector	695	4.45	.028	.742
The performance manager provides honest and thorough evaluations of previous performance	695	4.28	.030	.787
Work is fairly distributed among work team members	695	4.14	.035	.911

Promotion or a pay increase will result from an objectively based performance evaluation	695	4.27	.032	.839
The performance appraisal systems help to determine the employees' strengths and shortcomings.	695	4.23	.029	.767
Well-documented record of accomplishment reviews is accessible for future use whenever necessary.	695	4.19	.028	.735
Valid N (listwise)	695			

Each component evaluates a distinct aspect of the aims of performance reviews, including how well they correspond with company objectives and employee involvement. The degree to which performance appraisal objectives are seen as being clear and understandable is measured by how well they are understood. The objectives of performance reviews are in line with organizational objectives, therefore it evaluates how well they line up with those objectives. In order to determine whether employees are actively involved in creating their performance appraisal targets, the employee participates in the process of doing so. In order to determine if performance appraisal objectives are routinely reviewed and updated to accommodate changes in the energy sector, it is necessary to examine how frequently internal and external changes in the energy sector are reflected in performance appraisal objectives. The performance manager provides accurate and detailed feedback on previous performance, making it simple to gauge the caliber of that input. To show that tasks are distributed equitably among members. The idea that an outcome-driven performance review can result in wage increases or promotions is based on the fact that it will result in one of these outcomes. The success of performance appraisal systems in detecting employee strengths and shortcomings is determined by how well they help people understand their strengths and limitations. A record of accomplishment appraisal is accurately recorded and readily available for future reference when necessary.

The mean scores for all variables range from 4.14 to 4.45. These results indicate that, on average, respondents agreed with or had a favorable opinion of the assertions made about the goals of performance reviews and their efficacy in the energy industry. Although the standard deviations differ, they are typically moderate, suggesting some variation in responses among the group.

In summary, this output provides a summary of the central tendency (mean) and dispersion (standard deviation) for each of the variables based on responses from 695

individuals. It suggests that respondents had positive perceptions regarding various aspects of performance appraisal objectives within the energy sector.

#### 4.3 Regression Analysis

**Table 4.18 Regression Analysis between Performance Appraisal and Employee Performance.**

Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.220	.579		-.380	.704
	MBO	-.008	.010	-.006	-.754	.451
	Graphical rating	.986	.018	.810	54.631	<.001
	Influence of 360 degrees	.278	.020	.196	13.725	<.001
	Ranking	.041	.032	.008	1.275	.203

a. Dependent Variable: Employee performance

Dependent Variable:

Employee performance - This specifies the dependent variable in the regression analysis.

B (Coefficient):

(Constant): -.220 - This is the intercept or constant term in the regression equation. It represents the estimated value of the dependent variable when all independent variables are set to zero.

MBO: -.008 - This is the coefficient for the variable MBO. It suggests that, on average, a one-unit increase in MBO is associated with a decrease of 0.008 units in Employee performance. However, it is essential to note that the coefficient for MBO is not statistically significant ( $p = 0.451 > 0.05$ ), so this relationship may not be meaningful.

Graphical rating: .986 - This is the coefficient for the variable Graphical rating. It suggests that, on average, a one-unit increase in Graphical rating is associated with an increase of 0.986 units in Employee performance. This relationship is statistically significant ( $p < 0.001$ ).

Influence of 360 degrees: .278 - This is the coefficient for the variable Influence of 360 degrees. It suggests that, on average, a one-unit increase in Influence of 360 degrees is associated with an increase of 0.278 units in Employee performance. This relationship is statistically significant ( $p < 0.001$ ).

Ranking: .041 - This is the coefficient for the variable Ranking. On average, a one-unit increase in Ranking is associated with an increase of 0.041 units in performance. However, the coefficient for Ranking is not statistically significant ( $p = 0.203 > 0.05$ ), so this relationship may not be meaningful.

In summary, the table shows that Graphical rating and Influence\_of\_360\_degree have statistically significant and positive effects on Employee performance, while MBO and Ranking do not have statistically significant effects in this model. Additionally, Graphical rating appears to have the most substantial impact on performance-based compensation on the magnitude of its coefficient (0.986) and its high t-statistic (54.631).

## **5.0 Conclusion**

According to the research, performance appraisal increase output and ultimately service delivery. The contributions of employees to the goals of the company are the main focus on performance appraisal. Employees can communicate their thoughts and goals through performance management process, which helps the organization reach its strategic goals. Employee performance can be improved with more effective appraisal systems, leading to the completion of tasks and the achievement or exceeding of set performance targets. The results show that on assessing employees' on meeting their set objectives is possible. The chance for the management to compliment the hard work of their team members inspires motivation. Employees are encouraged to be inventive and creative via recognition of their contribution. The usage of the compensation system was a necessary component for any business to fulfill its goals. When performance is acknowledged and subsequently rewarded, the likelihood that it will be repeated rises and the likelihood that poor performance will be repeated falls. The results showed that each organization must receive helpful feedback in order to accomplish its goals. It is possible to increase staff productivity by using performance measurement to provide useful feedback. Feedback can be given to employees so they know exactly what is expected of them. The evaluation process's goal of increased efficiency must be conveyed and rendered evident. An effective The effectiveness of each employee's performance in achieving the goals is considered during performance reviews of the organization. Effective The secret to great organizational productivity is performance feedback between employees and supervisors. Performance feedback between employees and managers is the key to outstanding organizational productivity.

## **6.0 Recommendations**

Performance appraisal ought to be centered on how each employee helped the company reach its goals. In order to meet the strategic objectives of the organization, employees should be encouraged to share their opinions and expectations. Employees can be made aware of their expectations and performance repercussions through performance management. Employee performance should increase as a result of performance reviews. Performance appraisal needs to be streamlined for efficient decision-making. This might motivate the employees to do well and go above and beyond at work.

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The management should always formally appreciate staff for their good efforts to increase future employee performance. The compensation structure should be different in order to inspire individuals to use their imagination to accomplish company goals. The likelihood of repeating and improving the performance increases as a result, but it also highlights the demotivating effects of subpar performance. To make sure the employee is safe for increased performance, fair appraisal methods should be implemented.

The study suggests that the energy sector to regularly employ more efficient and effective feedback to employees and customers as to meet its goals in service delivery to its customers. Communication and discussion of employee performance are crucial for boosting performance. In order to have a good effect on employee performance, feedback on performance must be devoid of prejudice errors like stereotyping. A successful performance feedback should be reflected in the contribution of each employee's performance. Management should accept the findings using the already-existing procedures after establishing a formal evaluation mechanism. The effectiveness of employee performance responsibility should be improved by adequate performance feedback after every assessment.

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