

# Effect of Employee Participation on Performance of Teachers Service Commission Staff

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**Abstract:** In assessing employee performance, managers must make strategic decisions regarding the development, execution and institutionalization of performance appraisal. Potential measures may include work product or outcomes and certain employee behaviors or characteristics. Performance management is a critical human resource management function intended to align employee effort to organizational goals. A well designed and implemented performance appraisal system has the potential of helping managers improve performance of employees. The general objective of the study is to examine effects of Performance management on employee performance at Teachers Service Commission. The specific objectives were to determine the effect of employee participation on Performance of Teachers Service Commission staff.

**Keyword:** employee participation, performance, appraisal.

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## 1. INTRODUCTION

**This paper sought** to determine the effect of employee participation on performance of Teachers Service Commission (TSC) staff and was conducted in Kenya to establish the contribution of staff on the organization. The results are useful to enable public sector organizations and the government to appreciate the effectiveness of performance management on employee performance.

## 2. LITERATURE REVIEW

One of the prime duties of any government is to provide a wide variety of services to its citizens. The provisions of such services were poor in public sector as compared with private sector in the early part of 20th century. As early as 1980s the OECD governments of Britain, Australia and New Zealand spearheaded the introduction of a New Management approach in public sector that borrowed and incorporated private sector management philosophy (Bogna, 2003). The main objective of the New Public Management (NPM) approach is to improve efficiency and effective service delivery to the citizens to a level that is comparable to similar service delivery in private sectors. The operating principles of NPM according to Hood (1991) are based on two broad ideas and themes. These ideas and themes place emphasis on managerial improvement and organizational restructuring on one hand while at the same time emphasizing on markets and competition in public service. Managerial improvement lays a lot of stress on decentralization and hands-on professional management (Hood, 1991). On marketization and competition, NPM approach emphasizes on performance management through performance measurement, performance contracting and performance appraisal (Larbi, 1998).

By mid 80s a significant number of countries in the world had embraced the philosophy of NPM approach. In Europe, Britain, France and Germany adopted the NPM approach in the management of public affairs (World Bank, 2003). In Africa, Ghana, Kenya, Seychelles, Tanzania and Uganda all introduced NPM approach in public management at different times. The Public Sector Reforms initiatives were introduced in Kenya in 1993 and specifically targeted the civil service (GOK, 1993) with the view of improving efficiency and effective service delivery to the citizens. According to Obong'o (2009), the public sector reforms in Kenya occurred in two phases. The first phase was the introduction of reforms that were meant to address the effect of Structural Adjustment Programmes (SAP). In 2004, the government of Kenya ushered in the 2<sup>nd</sup> phase of NPM which was to address performance management (GOK-ERS, 2004). One of the important

features of the 2<sup>nd</sup> phase of NPM is the introduction of the signing of performance contract between senior government officers and the government. A performance contract is a management tool for measuring negotiated performance targets (GOK, 2007). As a part of strategic management, performance contracting, is therefore, defined as a binding agreement between two or more parties for performing or refrains from performing some specified act over a specified period of time (Akaranga, 2008).

Performance Contracting is a tool intended to help drive change efforts from process to result orientation in public sector (Obong'o, 2009). The change efforts is accomplished by setting up of performance targets and standards of performance. It is against these agreed targets and standards that a performance contract is signed between the government officials and the government (Kobia and Mohammed, 2006). In order to check whether the employee is working as was agreed when the contract was drawn, there is need for performance evaluation during and at the end of the performance contract period. Joseph R (2009) points out that performance evaluation and performance contracting are integral part of NPM. Mohammed and Kobia (2006), reported that performance management was introduced in public sector in Kenya in 1992.

Performance management is perceived to be a critical human resource management function in most organizations. In recent years, widespread attention has been paid to the role of the performance management process because of the belief that an effectively designed and implemented performance management system can provide the employee, the manager, and the organization with positive benefits like improved performance (Armstrong 2000). The literature on performance evaluation generally concludes that the performance management process can: provide managers with a useful communication tool for employee goal setting and performance planning, increase employee motivation and productivity; facilitate discussions concerning employee growth and development; and provide data for a host of human resource decisions that pertains to performance management (University of Arizona, 2010)

Managers and subordinates must have a shared perception of the purposes and functions of the process and the belief that the performance management process is useful to them on an individual basis (Cash, 1993). An effective performance management system is one that satisfies the needs of the parties involved in the process. In addition, an effective performance management system requires that managers not only have the skills necessary to conduct the performance measurement, but also the willingness to do so (Clinton and Nick, 1996). It is generally observed that employees react more favorably to the performance management process that satisfies their needs. The employees will be more committed to their work if the performance management system gives them an opportunity to state their positions and also when the factors that are being evaluated are job-related. For the performance management to have an impact on the performance of the employees, then the objectives and plans should be discussed openly between the evaluators and the employees.

Teachers Service Commission (TSC) introduced performance management system in the year 2002 (TSC code of regulation for Secretariat staff (Revised 2008)). This was in line with the public sector reform initiatives and also due to its desire to offer better services to its customers. TSC designed its performance management system by customizing it with measurement categories that were considered relevant to the objectives and goals of the organization. Since then, the appraisal system of TSC has undergone two major changes in its designs. (TSC image, 2008)

Based on the extensive research of the literature available in TSC library, little research has been conducted on Performance management and employee performance at the Commission. The thesis was written to establish the relationship between the performance management and employee performance with specific reference to Teachers Service Commission, Kenya.

### **3. EMPLOYEE PARTICIPATION IN TARGET SETTING**

Employee participation in target setting is an important aspect of the whole process. This is accomplished through management by objective (MBO) practices. In MBO, both the manager and the junior staff jointly establish performance objectives and performance standards by which to evaluate the junior employee's performance. Employee's active participation in setting objectives and standard of performance provides an incentive to the employee to be committed to the achievement of the same objectives (Oldham et al 1996).

Objectives are core in any organization because their attainment determines the level of employee's performance (Hays and Kearney, 2001). In a study by Gabris and Ihke (2001), reported that the active participation of employees in setting objectives and in self-evaluation improve the employees' commitment to bypass the set targets. The study further concluded that performance management does not involve employee's participation which contributes to employee burnout.

In a separate study, Johnson (2000) supports the need for employee participation when he states that the person doing the work are the persons with the most direct knowledge of their jobs. While studying the design of Trevis County performance appraisal system, Chad (2003) emphasized that PAS that are designed to encourage employee participation during setting of objectives, tend to improve employees overall performance. The researcher further concluded that employees get involved through interviews when standards are being set, during feedback and during planning sessions for the next performance evaluation period. According to Addison-Wesley (2001), performance management serve an administrative role by facilitating an orderly means of determining salary increases and other rewards, and by delegating authority and responsibility to the most capable individuals. Informative function is fulfilled when the appraisal system supplies data to managers and employees about individual strengths and weaknesses. When effectively used, performance management will be seen to be playing a major role in helping employees and managers establish goals for the period before the next appraisal (Addison and Wesley, 2001).

In their study, Rogers and James (1999) had earlier arrived at a conclusion that agrees with the findings of Chad (2003) by stating that during the interview, past performance should be discussed frankly and future goals established. A strategy for accomplishing these goals as well as for improving future performance should be evolved jointly by the supervisor and the employee being appraised. Such participation imparts a feeling of involvement and creates a sense of belonging and may hence result in improved performance (Rogers and James, 1999).

Appelbaum *et al.*, 2003 claims performance which is a function of employees' Ability, motivation and opportunity to participate. This means that an organization will benefit most if it organizes the work process in such a way that non-managerial employees have the opportunity to contribute discretionary effort and it could be achieved by giving them autonomy in decision making, by providing in good communication and by employee membership in self-directed and/or off-line teams. For their effort to be effective, employees need to have the appropriate skills and knowledge. Hence, organizations can achieve this by attracting employees who already poses this knowledge, or by providing employees with formal and/or informal training. Finally, the organization needs to motivate these employees to put their abilities into the best effort for the organization.

#### **4. PERFORMANCE MANAGEMENT AND EMPLOYEE PERFORMANCE**

In this study performance was viewed as a behavior and a result. Behaviors are outcomes and are products of mental and physical effort applied to task and can be judged apart from the result (Armstrong, 2000). Bates and Holton (1995) have pointed out that performance is a multidimensional construct, the measurement of which varies depending on a variety of factors. A more comprehensive view of performance is achieved if it is defined as embracing both behavior and outcomes (Armstrong, 2000). In the study the following constructs were considered: Meeting target, job commitment, and innovativeness.

##### **Meeting of Targets**

Meeting of targets by employees is normally seen as a motivational factor that will make the employee to be more productive (McClelland, 1985). According to Herzberg's motivator-Hygiene Theory (1959), the most successful method of motivating is to build challenge and opportunity for achievement of set targets. Moreover, McClelland (1959) suggests that people with high target achievement needs are motivated by challenging tasks with clearly attainable objectives and more responsibility for innovative assignments.

On the business side many managers seem to follow the simple belief that happy workers are those who meet their targets easily and are therefore more productive. Workers who are more involved in their jobs display more work commitment and experiences less failure rate in meeting targets (Sekaran 1989). Such workers are more involved in job related decisions and communications, receive reinforcement that they are competent in their jobs and they respond by showing greater involvement and meeting targets on time. Meeting targets can increase employees' commitment and performance; therefore, performance management system makes employees believe that their work is being measured objectively and will make meeting targets always desirable.

##### **Commitment**

Meyer and Allen (1997) describes committed employee as one who stays with the organization through thick and thin, attends work regularly, puts in a full day (and maybe more), protects company assets and shares company goals. This means that committed employees are believed to be more likely to remain within the organization and to work towards organizational goal achievement. Even though commitment is not any factor influencing performance, as Morday *et. al.*

(1982) expressed, it is the opinion of the researcher that commitment influences the amount of effort an employee puts forth on the job and this effort should have some influence on actual performance. Therefore, there is a greater probability that a committed employee may take his/her job more seriously and thereby possibly fulfill the tasks more effectively and efficiently as expected through performance management. It is on the basis of such assumption and findings that the researcher coined the second research question in this study.

### Innovativeness

Huhtala and Parcell (2007) describe innovativeness as “complex behavior consisting of idea generation, idea promotion and realization with the aim of meeting organizational goals in novel ways”. According to Mumford (2000) puts forward a strong theoretical argument that employee autonomy enhances innovativeness. The author further emphasizes that employees should have the leeway to pursue emerging opportunities and to act in a way that suits them personally. Moreover, they should be free to manage their time and to structure their activities according to their own preferences. Active employee participation in the process of performance management give them the possibility to act in a way that best suits their talents and provides them with the necessary autonomy to take their own decision regarding task accomplishment.

Mumford (2000) further accentuated the importance of training and ongoing professional development. He declared that employees should always be on an updated state of knowledge, if they were supposed to act innovatively. This is in line with Performance management, which places strong emphasis on continuous training and sound HR policy with the view of enhancing employee innovativeness. Zhou (1998) established an empirical support for the hypothesis that positive, informational feedback, which is an important features of Performance management contributes to higher employee innovativeness.

## 5. METHODOLOGY

The study design used was descriptive. The study was carried out at TSC Head office, located in Nairobi city in the Nairobi County. TSC Head office is about 1 kilometer from the City centre in Upper Hill along Kilimanjaro road. TSC was preferred since it was among the first public organization to embrace the culture of performance management system in Kenya in 2002.

## 6. RESULTS

### Correlation between Employee Participation and Performance.

A test of association between employee participation activities with performance done using a rank correlation coefficient realized a coefficient of 0.62 signifying a strong positive correlation between employee participation and performance.

**Table 1: Correlation table for participation and performance**

Correlations			Employee Participation	Employee performance
Spearman's rho	Employee Participation	Correlation	1.000	.620**
		Coefficient		
		Sig. (2-tailed)	.	.000
	Employee performance	N	240	240
		Correlation	.620**	1.000
		Coefficient		
		Sig. (2-tailed)	.000	.
		N	240	240

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

Thus in order to enhance performance as intended by a performance management program, then employee participation need to be encouraged so that commitment is rendered. This test was conducted at the 0.05 level of significance.

### Regression Analysis

A simple regression analysis to forecast performance using employee participation indicate that a positive and significant coefficient for the slope describing employee participation. By improving participation by a unit, employee performance is likely to improve by 0.4 units all else remaining the same. This result is statistically significant at the 0.05 level of significance

$$Y = \alpha + \beta X$$

$$Y = 21 + 0.4X$$

$$P(0.000) \quad (0.000)$$

Where x, represents employee participation

$\beta$  = Intercept

Y = Estimated value of employee

Performance given X

## 7. SUMMARY OF KEY FINDINGS

In conclusion, it is apparent that performance management process at the TSC need to be handled better for the intended results to be achieved. The biggest gap identified are in the participation by employees and feedback process which together would significantly enhance the success of performance management at the commission. All the dimension or components have positive coefficients for association and forecasting ability. Therefore human resource managers at the TSC need to improve how the performance management process is designed, developed implemented and feedback provided in a timely and regular manner. Particularly attention should be given to the involvement of employees in the setting of targets, objectives and standards when preparing a performance evaluation tool. Similarly communication of assessment results and expected improvement is key to the attainment of the objectives. The findings obtained are consistent with what other scholars have realized from similar studies like Jean (2006), Armstrong (2000), McCarhman (2002), Johnson (2002) and Gabris & Inke (2001) who argued for the positive role of these components in achieving better results for performance management.

Employee participation or involvement in the design and application of a performance management tool at work is critical to its success. Employees and managers should jointly establish performance objectives and standards by which to evaluate performance. Results in the study show that participation by staff who are appraised is low since employee input is not sought when setting performance goals and objectives. The correlation between participation and performance is strong at 0.62 and the factor is a good predictor of performance.

The study therefore recommends that the TSC need to redirect its focus on to the involvement of employees in designing and setting objectives and standards for the performance management tools to achieve acceptance and commitment.

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