

PERFORMANCE APPRAISAL AND STAFF RETENTION IN CIVIL SERVICE ORGANISATIONS: A CASE STUDY OF KABALE DISTRICT LOCAL GOVERNMENT

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ABSTRACT: *The study aimed at establishing the relationship between performance appraisal and staff retention in Kabale District Local Government. The study employed a cross-sectional research design backed by qualitative and quantitative methods. A total of 325 respondents who agreed to participate in the study were chosen using simple random sampling and purposive sampling techniques. Questionnaires and interview guide were used for data collection and descriptive and inferential statistics were used for analysis with the use of Statistical Package for Social Sciences version 22.0. The correlation coefficient for the data, which was .934** revealed a strong relationship between performance appraisal and staff retention in the Kabale District Local Government. According to the study's findings, performance appraisal and staff retention in the Kabale District Local Government have a positive significant relationship. This indicates that giving employees feedback on their performance reviews and fostering positive working relationships with their supervisors will boost staff retention in the Kabale District Local Government. The district management should regularly give employees feedback on their performance reviews as early as possible to allow them to identify their areas of strength and implement corrective action.*

Keywords: Performance appraisal; Staff retention; civil service organisations; local government

INTRODUCTION

The study was about performance and staff retention in civil service organisations. It established the relationship between performance appraisal and staff retention in civil service organisations with due emphasis on Kabale District Local Government.

Background to the Study

One of the most effective motivational tools a manager has is performance appraisal. It is the evaluation of a person in respect to the goals, tasks, results, and objectives of a position over a certain amount of time (Ministry of Public Service 2007). It is the practice of looking back on prior accomplishments to assess how much each person has contributed to achieving the goals of management systems. The major goal is to give organization members feedback on how they may be more valuable and productive to the organization in its pursuit of excellence (Certo, 2000).

Mullins (2007) states that there is a direct positive influence on corporate performance where good appraisal methods are paired with discussion of development needs, career planning, and systematic evaluation of management development. On the other hand, a report by Sue Law citing a Mabey research study in (Mullins, 2007) suggested that a focus on form-filling and bureaucratic systems is substantially harming the efficacy of employee performance appraisal in many firms. Staff evaluations are frequently just checklists with little to no follow-up in many workplaces. They contend that these breed skepticism and fail to reap the rewards of tying employee performance reviews to corporate success.

Given the globalization and internationalization of performance appraisal ideas, performance appraisals have become more widely used in emerging nations. Annual Confidential Reports (ACRs), a closed system of evaluating employee performance that the MoPS in Uganda employed for many years, were determined by the supervisor based only on their subjective assessment. The lack of sufficient feedback, the system's high level of confidentiality, and its overly bureaucratic structure made the personnel feel no need to complete the ACRs (Onzoma, 2006). In order to, among other things, reexamine the Uganda Civil Service and make recommendations for methods to reform and reorganize the institution, the Government of Uganda established the Public Service Review and Reorganisation Commission (PSRRC) in 1989. According to the PSRRC study from 1990, the ACR was not a valid and useful tool for assessing individual performance because the job that public officials were assigned did not clearly define measurable outcomes. Additionally, evaluation of employees was based on supervisors' subjective assessments, which did not relate outcomes to the work of a particular officer. Therefore, the PSRRC recommended that a performance measurement instrument that could tie results to particular civil servants be established in order to incentivize government employees to work hard and boost overall productivity (Onzoma, 2006).

The New Performance Appraisal Scheme (NPAS) for the Uganda Public Service was implemented by the Ministry of Public Service in Uganda in July 2002 by Establishment Notice No: 1 of 2002 to replace the ACRs, as per recommendations from the (PSRRC). The goal of the New Performance Appraisal Scheme, according to MoPS, was to enhance performance management in the public sector by establishing quantifiable performance goals for each individual that are mutually agreed upon and evaluated to identify activities that will improve individual performance (Ministry of Public Service, 2002). The New Performance Appraisal Scheme was a component of administrative reform initiatives to boost public sector productivity and service delivery excellence. The foundation of this new program is Results Oriented Management (ROM). The ROM method to performance management strives to increase responsibility, efficiency, and access to better service delivery.

The goal of ROM is to build in the public sector a management culture that emphasizes results or outputs, supports continual performance improvement, and increases accountability and transparency (Ministry of Public Service 2007). Outputs, which are the goods or services that a person provides as a result of the activities they carry out, performance goals, and indicators make up the core components of ROM in relation to staff performance evaluation. According to the New Performance Appraisal Scheme, performance evaluations should be used to reward good behavior and correct poor behavior when making crucial administrative choices including training, transfers, promotions, and terminations, among others (Ministry of Public Service 2007). The evaluation is required and closely related to promotions and incentive payments. It is undertaken yearly with target agreement and is meant to be binding on all officers. It is however, unfortunate that Kabale District Local Government does not sustain its staff for a long time. Thus, this study will be conducted to establish the relationship between performance appraisal and staff retention in Kabale District Local Government.

Statement of the Problem

Since the introduction of the decentralization policy in the 1990s, majority of Uganda's local governments have implemented a number of human resource management changes. In order to replace the labor deficits, several local governments have since 1990s engaged in performance appraisal and quick employee recruiting campaigns (Ministry of Local Government, 2011). In order to ensure efficient exploitation of human resources for enhanced performance, the Government of Uganda established the New Performance Appraisal Scheme in all government Ministries, Departments, Agencies, and Local Governments in 2002. This plan was to be built on the ROM principle. But according to ROM in Uganda Public Service's evaluation report from 2007, the New Performance Appraisal Scheme's implementation has not been successful. Objectives and targets are not regularly created by supervisors and supervisees, performance is not tracked, and when supervisors do evaluate their subordinates' performance, they do so incorrectly. The activity of performance evaluation is generally met with indifference. Additionally, the National Service Delivery Survey Report (2008) found that only 35.3% of respondents thought that civil servant performance was good, 14.1% thought it was poor, and 37.1% thought it was fair, indicating that the public was dissatisfied with the standard of service provided by civil servants (Ministry of Public Service 2009). The aforementioned situation makes it clear to suppose that probably the New Performance Appraisal Scheme in the Ugandan civil service is not accomplishing its goal of enhancing civil servant performance. For instance, there has been a lot of staff turnover in the local administration of Kabale district. The local government of Kabale district experienced a worker turnover rate of more than 10% between 2015 and 2021 (ACODE 2019). After receiving employment offers from the district, some employees failed to report, while others quit while still on probation, and yet others quit their jobs after less than two years (Kabale District Local Government, 2021). The study investigated the relationship between performance appraisal and staff retention in Kabale District Local Government.

Objective

The general objective of the study was to establish the relationship between performance appraisal and staff retention in Kabale District Local Government.

Specific Objectives

To analyse the relationship between performance appraisal and employee retention in Kabale District Local Government.

Research Hypothesis

Performance appraisal has no significant relationship with employee retention in Kabale District Local Government.

Literature Review

Performance Appraisal and Staff Retention in Local Governments

According to the 2017 Ugandan Public Service Guidelines for Managers and Staff, the performance evaluation process must adhere to the values of fairness, transparency, objectivity, and openness. Fairness: The assessment process should be led by objective, reasonable decisions made by appraisers and appraisees that are free from bias. As a result, the two parties to the exercise acknowledge the criteria that have been established. Due to the appraisee's ability to develop trust in the appraiser and strive toward achieving the goals specified, impartiality eventually results in longer periods of employment.

Roberts (2017) asserts that an effective staff appraisal process requires proper and orderly feedback and when this is done just once a year, there will be feedback deficiency. On the contrary feedback should be an ongoing thing and not a once in a while do. In essence good feedback is the raw material of employee participation, growth and retention because it's critical in maximizing benefits. Without good and timely feedback employees will never know formally their shortcomings so as to make necessary and professional adjustments for better performance and achieving desirable employee career development along the way. This may force them to move on to other organizations owing to the fact that their expectations about the results of the appraisal might be low. The study reveals that this exercise is once in a year and this can cause feedback deficiency. It would be good if Kabale District Local Government made it an ongoing exercise on a monthly or quarterly basis.

RESEARCH METHODOLOGY

Research Design

A cross sectional research design was used because it enabled the researcher to save time and minimize expenditure of repetitive visiting of respondents. The study used both quantitative and qualitative approaches. Qualitative approach assisted the researcher to obtain detailed description of the study variables while quantitative approach helped in measurement of the relationship between the variables (Amin, 2005; Punch, 2006).

Study Population

The population was 1755 and consisted of the employees of Kabale District Local Governments.

Sample Size Selection

The total sample size was 325 and was determined using Sloven (1960) formula which is $n = N / (1 + Ne^2)$. Where, n = total sample size of the study N = total population size of the study e = sampling error (margin of error). This study will consider 5% of sampling error with 95% of confidence level in which samples have the true population value.

$$1755 / (1 + 1755 (5\%)^2)$$

$$1755 / (1 + 1755 (0.0025))$$

$$1755 / (1 + 1755 \times 0.0025)$$

$$1755 / (1 + 4.3875)$$

$$1755 / (5.3875) = 325$$

Sampling Techniques

Simple Random Sampling

Simple random sampling was used in this study to select 300 members of staff of Kabale District Local Government. This was done to ensure that every respondent selected randomly had an equal and independent chance of being selected. During simple random sampling, the researcher sought a list of staff from the human resource and each staff respondent was represented by his/her name in initials. These were written on pieces of papers and were thoroughly mixed together in a box, the researcher picked one by one until a sample of 300 staff was reached. Those whose names were picked were required to participate in the study.

Purposive Sampling

This is the type of sampling which does not allow each elementary unit to be chosen. It is also called non – random sampling and it is used in qualitative research. Purposive sampling was used to select 25 staff because it provided specialized information on the area of study and it saves time and money as recommended by Mugenda & Mugenda (2003). Because of the typicality and usefulness of data, the researcher used it to select key informants of the study.

Data Collection Instruments

It refers to tools that aid the collection of information from respondents. The researcher used both qualitative and quantitative data collection instruments. The choice of data collection instrument was often very crucial to the success of a research and thus when determining an appropriate data collection method, one had to take into account the complexity of the topic, response rate, time and the targeted population (Mwangi, 2015).

Self-Administered Questionnaire

Kothari (2004) defines a questionnaire as a document that consists of a number of questions printed or typed in a definite order on a form or set of forms. It was derived from purpose of study or general objective and was scored using a five Likert Scale ranging from strongly agree to strongly disagree in regard to responses to items questioned. According to Mugenda and Mugenda (2003) measurement of the variable give the researcher information regarding the extent of individual difference on a given variable. It was therefore on this basis that the appropriate measuring instruments were used to measure the variables and to categorize data in an orderly form. The questionnaire included Likert scale constructs with a scale ranging from 1-5 where each respondent was required to rate each and every statement given describing a given variable. The scale ranged from 5=Strongly Agree, 4=Agree, 3=Neutral, 2= Disagree and 1=Strongly Disagree. The questionnaires were administered to 300 respondents. Questionnaires were used to collect quantitative data and it was been chosen because respondents were literate and able to read and generate quantitative data.

Interview Guide

This is an instrument which consists of unstructured questions used for in depth interviews with key respondents to validate the range of information. Interviews refer to dialogue or conversation between two or more parties. In this case the researcher interacted with administration staff using an interview guide. Interviews were used for qualitative data to capture in depth information in order to complement data that was collected by structured questionnaires.

Data Analysis and Presentation

The researcher used Statistical Packages for Social Sciences version 22.0 software to analyze the data. Quantitative data were entered into Statistical Package for Social Sciences and were analysed using descriptive and inferential statistics. Inferential statistics involved the use of Pearson correlation coefficient and regression to determine the associations between the independent and the dependent variables. The qualitative data from the interview responses, documentary review were analyzed using thematic procedures. This involved organizing the statements and responses (through summaries, coding and testing out main study themes) and useful conclusions and interpretation were generated based on patterns and explanations of the study findings and research objectives.

FINDINGS

Performance Appraisal and Staff Retention in Kabale District Local Government

The statements on performance appraisal were presented and analysed as follows;

Descriptive Statistics on Performance Appraisal in Kabale District Local Government

Descriptive statistics was used to analyse data on performance appraisal as indicated in table 4.11 below;

Table 4.11: Descriptive Statistics on Performance Appraisal in Kabale District LG

	N	Mean	Std. Deviation
Performance appraisal feedback encourages me to work hard	300	4.37	.483
I have developed good working relationship with my supervisor through performance appraisal interaction	300	3.89	1.580
I communicate well with my supervisor as he prescribes for me what to do in the performance appraisal process	300	3.29	1.337
My attitude towards work is positive because of performance appraisal feedback	300	3.18	1.278
Performance appraisal feedback enabled me to be promoted	300	3.51	1.376
Performance appraisal feedback has enabled me to know my performance gaps	300	3.79	1.114
Valid N (listwise)	300		

Source: Primary Data, 2022

Table 4.11 shows that performance appraisal feedback encourages me to work hard had a mean value of 4.37 with a standard deviation of .483 which indicates that most of the respondents in Kabale District Local Government were encouraged to work hard by the performance appraisal feedback given to them. The implication of the findings is that Kabale District Local Government put

high emphasis on performance appraisal to assess how employees were performing which enabled employees know their areas of strength and weakness and therefore improve for better performance.

The mean value of 3.79 indicates that majority of the respondents agreed that performance appraisal feedback enabled me to know my performance gaps and the standard deviation was 1.114. Since majority of the respondents agreed, it implies that the feedback given to employees by the appraiser enabled them to identify and know their areas of weakness after evaluation and thus, they were encouraged to improve for better service delivery.

The results on the sub construct on performance appraisal feedback enabled me to be promoted shows that majority of the respondents agreed with the mean value of 3.51 and the standard deviation of 1.376. Since majority of the respondents agreed, it implies that promotions were given based on the feedback report from performance appraisal. The findings also meant that feedback from appraisal was fundamental force towards promotion of staff which may encourage them to stay in the local government. Most of the staff affirmed that their supervisors had given extra duties because of the feedback from performance appraisal. This further emphasizes the importance in evaluating the performance of employees in Kabale District Local Government.

I have developed good working relationship with my supervisor through performance appraisal interaction had a mean of 3.89 and a standard deviation of 1.580 which shows that most of the respondents agreed there was good working relationship with supervisor through performance appraisal. This implies that there was good working relationship which would motivate employees to stay.

Table 4.11 shows that most of the respondents agreed that they communicate well with their supervisors as he/she prescribes for them what to do in the performance appraisal process as indicated by the mean value of 3.29 while the standard deviation for this sub construct was 1.337. The implication of the findings is that there is good communication between staff and their supervisors in Kabale District Local Government which encourages employees to reduce turnover rate.

The findings revealed that my attitude towards work is positive because of performance appraisal feedback had a mean of 3.18 and the standard deviation of 1.278. Majority of the respondents agreed with this statement, implying that employees in Kabale District Local Government had good attitude towards work due to performance appraisal and this acted as a motivation tool to encourage employees stay.

Correlation between Performance Appraisal and Staff Retention in Kabale DLG

The researcher determined the relationship between performance appraisal and staff retention in Kabale District Local Government and the following were the results;

Table 4.12: Correlation between Performance Appraisal and Staff Retention in Kabale DLG

		Performance Appraisal	Staff Retention
Performance Appraisal	Pearson Correlation	1	.934**
	Sig. (2-tailed)		.000
	N	300	300
Employee Performance	Pearson Correlation	.934**	1
	Sig. (2-tailed)	.000	
	N	300	300

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

Source: Primary Data, 2022

From table 4.12, Pearson product moment correlation coefficient was conducted to determine whether there is a relationship between performance appraisal and staff retention in Kabale District Local Government. From Table 4.14, it was indicated that the Pearson correlation coefficient r is .934** with a p-value of .000. Therefore, there is a statistically significant relationship between performance appraisal and staff retention. The implication is that performance appraisal has a positive influence on retention of staff when appraisal feedback is given to staff, promotions given based on appraisal feedback and performance gaps are identified and performance shortfalls improved.

Model Summary of Performance Appraisal and Staff Retention in Kabale District Local Government

The following table shows the model summary of performance appraisal and staff retention in Kabale District Local Government;

Table 4.13: Model Summary of Performance Appraisal and Staff Retention in Kabale District Local Government

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.934 ^a	.873	.872		.49059

a. Predictors: (Constant), Performance Appraisal

Source: Primary Data, 2022

Findings in table 4.13 shows that performance appraisal accounts for 87.2% of the variation in staff retention as indicated by the Adjusted $R^2 = .872$). Though, the model did not elucidate 12.8% of the variations in staff retention. This assumes that there are other aspects that influence employee retention in Kabale District Local Government which are not explained by this regression model.

Analysis of Variance of Performance Appraisal and Staff Retention in Kabale District Local Government

The Analysis of Variance of performance appraisal and staff retention in Kabale District Local Government was presented in Table 4.14;

Table 4.14: Analysis of Variance of Performance Appraisal and Staff Retention in Kabale DLG

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	491.853	1	491.853	2043.631	.000 ^b
	Residual	71.721	298	.241		
	Total	563.574	299			

a. Dependent Variable: Staff Retention

b. Predictors: (Constant), Performance Appraisal

Table 4.14 shows a summary of ANOVA and F statistic which reveals the value of (2043.631) is significant at .000 confidence level. The value of F is large enough to conclude that the set of independent variable which is performance appraisal is a major factor in influencing staff retention in Staff District Local Government.

Regression Coefficient of Performance Appraisal and Staff Retention in Kabale District Local Government

The regression coefficient of performance appraisal and staff retention in Kabale District Local Government was presented as follows;

Table 4.15: Regression Coefficient of Performance Appraisal and Staff Retention in Kabale District Local Government

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.664	.086		-7.755	.000
	Performance Appraisal	1.152	.025	.934	45.207	.000

a. Dependent Variable: Staff Retention

Source: Primary Data, 2022

According to table 4.15, performance appraisal predicts 87.2% of employee retention as designated by the Adjusted $R^2 = .872$. The regression model was significant and thus reliable for making conclusions and recommendations. The regression coefficient indicates that performance appraisal had a positive significant influence on staff retention since the beta value (.934) is positive and its corresponding Sig. value (.000) is less than 0.05. The beta value indicates that one unit increase in performance appraisal results into .934 increases in staff retention. This is supported by $B = 1.152$, $p=0.000$. The results denote that a unit change in performance appraisal leads to a positive change in staff retention by the rate of 1.152. The null hypothesis which states that there is no significant relationship between performance appraisal and staff retention is neglected and the alternative is accepted.

Employee Staff in District Local Government

The following table shows descriptive Statistics on staff retention in Kabale District Local Government;

Descriptive Statistics on Staff Retention in Kabale District Local Government

The following were the results on descriptive statistics on staff retention in Kabale District Local Government

Table 4.16: Staff Retention in Kabale District Local Government

	N	Mean	Std. Deviation
I have enjoyed working with the local government for a long time.	300	2.86	1.565
The longer the number of years in service, the better for me	300	3.17	1.542
The district management team motivates me to work for many years	300	2.87	1.445
I have intentions of staying as an employee in the district because of job security	300	3.93	1.508
I am strongly attached to the district because the work environment is conducive	300	3.93	1.508
I always put in extra time to do my job without being pushed to do so	300	3.17	1.542
Valid N (listwise)	300		

Source: Primary Data, 2022

From the above table, I have intentions of staying as an employee in the district because of job security had the mean value of 3.93 and the standard deviation of 1.508. The mean value shows that majority of the respondents agreed implying that job security was the most important factor in influencing employee retention in Kabale District Local Government.

I am strongly attached to the district because the work environment is conducive had a mean of 3.93 and a standard deviation of 1.508. The results indicate that most of the staff in Kabale District Local Government agreed that they were strongly attached to the district because of the working environment.

I have enjoyed working with the local government for a long time had a mean of 3.86 and the standard deviation of 1.565. Since majority of the respondents agreed, it implies that most employees were motivated to stay in the service of Kabale District Local Government.

Regarding this sub construct of I always put in extra time to do my job without being pushed to do so, the mean score was 3.17 while the standard deviation was 1.542. This implies that employees were self-motivated to perform their duties and stay long in the local government to delivery services.

The findings in table 4.18 also shows the mean of 3.17 and the standard deviation of 1.542 which meant that most of the respondents agreed that the longer the number of years in service, the better for me. This implies that employees enjoyed working in Kabale District Local Government which contributed to increased employee retention in the local government.

The district management team motivates me to work for many years had a mean of 2.87 and a standard deviation of 1.445 which meant that employees were not motivated by the district management team since most of the respondents disagreed. This implies that there are other factors that motivate employees in Kabale District Local Government to work for many years other than the district management team such as job security and work environment.

CONCLUSIONS

The study concludes that there is a significant positive relationship between performance appraisal and staff retention in Kabale District Local Government. This means provision of performance appraisal feedback and improving good working relationship with supervisor's increases on staff retention in Kabale District Local Government.

RECOMMENDATIONS

The district management should frequently provide performance appraisal feedback to employees as early as possible to enable employees evaluate their weakness and put in measures to improve their performance.

When offering promotions, the management need to consider the performance of staff and this should be done by ensuring that performance appraisal is effectively done and good report is provided.

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