

Effect of Performance Appraisal Practices on Performance of Level 4, 5, and 6 Public Hospitals in Kenya.

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Abstract

This study evaluated the effect of performance appraisal practices on the performance level 4, 5, and 6 public hospitals in Kenya. Quantitative methods was used for logic and evidence testing. The study adopted descriptive survey research design. The target population for this study comprised of 180 public hospitals in Kenya found within level 4-6 public hospitals. A sample size of 123 public hospitals. Data collection tools consisted of questionnaires. Frequencies and percentages were used for descriptive data analysis while inferential statistics was analyzed using as analysis of variance (ANOVA), Pearson correlation, and Statistical packages for social sciences (SPSS) version 22. Data was presented using frequency distribution tables and charts. Results showed that performance appraisal practices were found to be satisfactory in explaining performance of level 4, 5 and 6 public hospitals in Kenya. The study concluded that most public hospitals appraise their staffs based on their performance. In addition, performance appraisal was found to be very important in public hospitals since it greatly enhanced the discovery of workers strength and weaknesses hence allowing them to reinforce on their areas of weakness thus enhancing public hospital performance. Policy makers and managers should formulate policies that reinforces the use of performance appraisal as a tool for promotion in the various hospitals so as to be motivated to perform better in their work. A part from that they should formulate policies that ensures public hospital employees are provided with operating performance information in order to get to understand the nature of operations and similarly perform better.

Key words: *performance appraisal practices, performance, public hospitals*

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I. Introduction

Performance appraisal practices refers to a formal and organized systems of measuring as well assessing employees work related behaviors (Rajput & Veena, 2015). Performance appraisal is carried out on existing employees annually in many organizations. Performance appraisal also establishes training needs at individual level, task level and for planning at organizational level. Performance appraisal practices are usually a formal and organized system of measuring, as well assessing employees work related behaviors. (Rajput & Veena, 2015). Appraisal also answers how and why the employee is currently performing at the level of work.

1.1 Background of the study

Public healthcare system refers to all organizations providing key public health services. These include public health agencies at state and local levels, healthcare providers, public safety agencies, social and charitable organizations, environmental agencies and organizations (Chapman, 2013). Public health care system in Kenya is currently undergoing through a major transition. According to the Kenya service provision assessment survey (2010) report, Kenya public health delivery systems is two-tiered with the national government being

responsible for health policy formulation, capacity enhancement, National referral hospitals, and providing technical support to county government. On the other hand the County government is in charge of health facilities and pharmacies, promoting primary healthcare, licensing and control of selling food in public places, veterinary services, cemeteries, funeral parlors and crematorium, removal of refuse dumps and solid wastes.

High performance work practices is a concept in human resource management (HRM) literature whose origin can be traced in the 1990s more especially in the manufacturing sector and then spread to other sectors including that of health and service (Boxall,2012). HPWPs originated in the Western countries where it was aimed at systematically addressing management of production workers. A number of studies (Sibwami & Gachunga, 2014 in Japan, Shi,2010 in China, Timiyo,2014 in United states of America, Balozi,2011 in Tanzania, Grobber, 2018 in South Africa, Tregaski 2013 in United Kingdom, Kroon 2009 in Dutch), established the existence of positive effect of High performance work practices on organization performance. Devolution of health service provision was objectively focused on improvement of health outcomes at the two tiers of government. Kirigia and Sombo, (2011), acknowledged that enhanced efficiency should be part and parcel of the overall goal of the health system. Access to healthcare according to the 2010 constitution, is a basic human right. County government are expected to fulfill this noble duty through their respective departments tasked with the responsibility of monitoring the progress of healthcare systems against agreed standards to be met (Mumbua et al, 2018)

In Kenyan health infrastructural network is well developed with more than 9000 health facilities structured across six levels of care (MOH, 2015). The first level is the community level (Level 1) which forms the basic level of health service delivery in the Country's structural healthcare system. This level is commonly associated with the formation of village health committees (VHC) where every household and individuals can engage in active participation on matters of their own health and that of their own village. The second and third group (Level 2 and level 3) generally consist of dispensaries, health centers, and maternity/nursing homes. They deal with tasks that are linked predominantly with promotive, preventive and also curative care. Level 1, 2 and 3 form the primary healthcare facilities. The fourth and fifth group (Level 4 and level 5) form the secondary health facilities that include sub-district hospital, District hospitals, and Provincial hospitals), which are more focused on provision of specialized health services. The highest group of healthcare system; Level 6 is composed of highly specialized tertiary hospitals also referred to as referral hospitals. Their key functions include provision of healthcare, teaching, training, and research services (Kenya health policy, 2014-2030).

The WHO report of 2012, ranks Kenya number 57th among the countries in the world with critical crisis in health workforce. The WHO recommends 23 healthcare practitioners consisting of doctors, nurses, and Midwives to 10000 people but Kenya has 1 doctor, 12 nurses and midwives for every 10000 people. However, Kenya operates with a single doctor and 12 nurses /midwives for every 10000 people, resulting to overstretched HR and infrastructure in the hospitals (Kenya health workforce report, 2015).The HR in public hospital in Kenya has been a matter of concern especially in the specialized fields. Currently 30 percent of the estimated 600 doctors from various medical institutions opt to seek for employment in foreign countries, upon completion of their internship (Maghoka, 2015). This is a worrying trend of brain drain lately made worse by the concept of devolution. Further, county has, 169nmedical engineering technologists against required 1187, 73 gynecologists against required number of 300 and only one Kidney physician in all Public hospitals (Kenya five –year health sector human resource strategy paper 2013-2018). Despite the fact that 68% of Kenyans rely on lower level hospitals, most of the medical specialists are concentrated in level 5 or 6 hospitals, leaving other facilities with a shortage of critical personnel.

According to MOH, (2018) assessment report staff deployment across all cadres of staffs improved greatly as compared to previous assessment, on average the number of medical officers increased from 7.7 to 10.4 per hospital between the years 2015 to 2018. However, acute shortage of technical staffs existed in majority of facilities visited a cross all cadres but especially for medical specialists, nursing staffs including specialists nurses skilled in renal, ICU and theatre (Kenya health workforce report (2015).

1.2 Statement of the problem

In organizations where HPWP's are practiced the results include: efficient service delivery, quality outcome and minimal complaints from customers. In Kenya, public hospitals' efficiency and effectiveness have fallen below expectations. In 2015, the Ministry of health revealed that 61% of top management were inadequately skilled, lacked knowledge and expertise through mismanaged health facilities, loss of lives and finances occurs. Additionally, a WHO report of 2012 indicated that the performance of health workforce in Kenya is below 50%. Study results in Kenya show a dire need for better services: Mwangi (2013) observed that 33.7 % of respondents experienced delay at specialized clinics at KNH while that done by Bisanju (2016), rated the waiting time satisfaction at a pharmacy, 96% and at the doctor 63%. In Bungoma County, hospitals facilities did not have formal, regular internal feedback system on operational procedures, work cultures or staff complaints. It is further noted that maternal mortality rate stood at 120/100000 deliveries in 2015/2016 but increased to 163/100000 in 2017/2018. Critically, the average length of stay in the hospital which stands at 8.9

days against ideal average time of 5 days (Ayieko, 2009). The above situation has led to disenfranchisement in public hospitals, brain drain of medical personnel, dilapidated facilities and unnecessary deaths. This study intend to determine the effect of performance appraisal practices on the performance of level 4-6 public hospitals in Kenya.

1.3 Research objectives

To evaluate the effect of performance appraisal practices on performance of level 4,5 and 6 public hospitals in Kenya.

II. Litrature Review

The AMO model was developed by Appelbaum, (2000)). It is an acronym with A standing for abilities i.e. individual skills necessary to perform, M- standing for motivation i.e. the will of the employee to perform, opportunities to pay benefits, and incentives, O- opportunity to advance, to perform work independently, decentralization of choice or decision making, representative association in policy making, workshop and team work (Reina & Marin, 2019). The assumption of AMO model is that people become efficient and effective because they have the basic knowledge and skills, have inspiration to do the work assigned to them and because they have worker friendly environment. The AMO model suggests that critical HR goals like labor flexibility and productivity are contributed by HRM. The relevance of this theory to this study is that it emphasizes on the study variable on such matters as employee involvement in policy development workshop and opportunities for training and skill development. Below is a prediction of the AMO model.

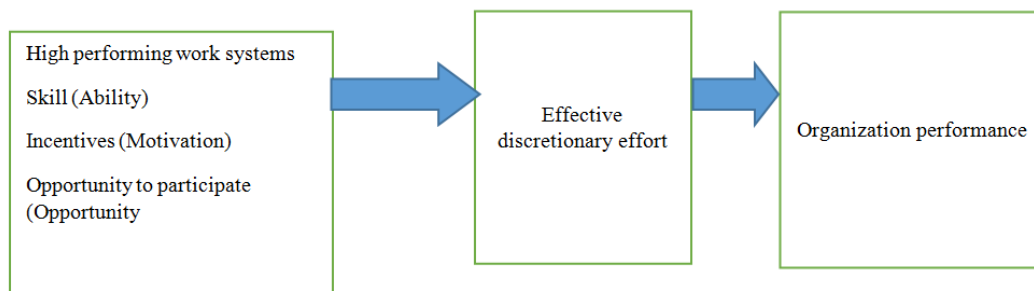


Figure 1: AMO Model

Source: Appelbaum et al. (2000)

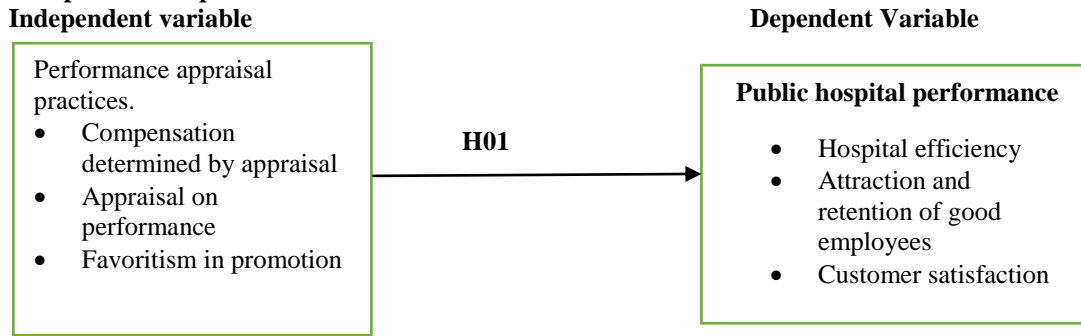
2.1 Empirical literature review

Performance appraisal is carried out on existing employees every year in any organization. Performance appraisal is complicated as there is a cultural belief that an individual ought to be compensated for exceptional performance but does not like to receive negative feedback (Rheka, 2015). Annual performance appraisal allows management to measure and track the implementation and attainment of institutional standards, expectations and objectives, delegation of responsibilities and tasks (Waruguru, 2016). The key reason for having performance appraisal program in hospitals is to accelerate employees' performance, promote self-drive in staff and raise their morale and ultimately their performance. Furthermore it establishes training needs at individual level, task level and for planning organizational level. Although performance appraisal is usually limited to the feedback process between employees and supervisors, the pattern has gradually changed due to increased focus on team work, employee development and customer service (Fleenor, et al. 2020).

Another study conducted by Rheka (2015) titled performance appraisal in Yoshodha hospital, a sample size of 50 employees, revealed that performance appraisal greatly enhances the discovery of workers strength and weakness hence allowing them to reinforce good behavior and work on their areas of weaknesses. Another study conducted by Sippy and Varma (2014), titled performance appraisal system on the hospital sector- a research based on level 4 and level 5 hospital in Keralal, revealed that performance appraisal practices are more beneficial for promotion, demotion and transfer.

Performance appraisal practices allows management to measure and track the implementation and attainment of institutional standards, expectations, objectives, delegation of responsibilities and tasks (Waruguru, 2016). Performance appraisal was usually limited to the feedback process between employees and supervisors, the pattern has gradually changed due to increased focus on teamwork, employee development and customer service. Studies conducted by Mwema and Gachunga (2014), Chemiat and Kiptum(2018), Nure (2018), Ram and Vadivelu (2019), Mavis and Coffee (2016), Zipporah and Issaac (2016), Sippy and Varma (2014) established a positive and statistically significant relationship between performance appraisal practices and performance of level 4,5 and 6 public hospitals in Kenya in various institutions.

2.3 Proposed conceptual framework



Source: Ogola, Ngure and Sang (2022)
Figure 1: Conceptual framework

Hypothesis

The above conceptual framework is drawn and informed by the following hypothesis:

H01: There is no statistically significant effect of performance appraisal practices on performance of level 4,5 and 6 public hospital in Kenya.

III. Research Methodology

The study was based on theoretical foundations from which hypothesis were derived and quantitative methods was used for logic and evidence testing. The study adopted descriptive survey research design, it is the most relevant design since it is concerned about finding out the relationship that exist between the independent and dependent variables by collecting quantifiable data. The target population for this study comprised of 180 public hospitals in Kenya found within level 4-6 public hospitals. . A sample size of 123 public hospitals. Data collection tools consisted of questionnaires. Frequencies and percentages were used for descriptive data analysis while inferential statistics was analyzed using as analysis of variance (ANOVA), Pearson correlation, and Statistical packages for social science (SPSS) version 22. Diagnostic analysis was done using multicollinearity, normality, outliers, homoscedasticity, and autocorrelation tests. Data was presented using frequency distribution tables and charts.

IV. Discussion And Interpretation Of Results

This chapter majorly focuses on study outcome as stated in the research objective. Response rate outcomes revealed that out of 369 respondents, 259 (70.90%) responded while 110 (29.81%) did not respond. Reliability of results revealed that all variables were reliable in the study and have good internal consistency Apha coefficient values above 0.7. Construct validity result for all variables revealing KMO value exceeding 0.5 implying that they were all valid.

Response rate

Table 1: Response rate outcome

Response	Frequency	Percentage
Returned	259	70.19%
Non-returned	110	29.81%
Total	369	100%

Source: Ogola, Ngure and Sang (2022)

Reliability results

Table 2: Reliability results

Variable	Cronbach's Alpha	Number of items	Comment
Performance appraisal practices	0.852	8	Reliable

Source: Ogola, Ngure and Sang (2022)

Validity results

Table 3: Construct validity results

Variable	KMO	Chi-square	Sig
Performance appraisal practices	0.717	138.759	0.000

Source: Ogola, Ngure and Sang (2022)

4.1 Descriptive Statistics

This section contains descriptive analysis for the variables of the study.

4.1.1 Performance Appraisal Practices

The results of this study were presented in Table 1.

Table 1: Descriptive Analysis for Performance Appraisal Practices

Statement	Strongly disagree	Disagree	No opinion n	Agree	Strongly agree	Mean	Std. Dev
Our public hospitals (4-6) appraises the employees on performance oftenly.	8.90%	14.70%	11.20%	42.60%	22.50%	3.55	1.24
In our public hospital (4-6) performance appraisal is not used as a tool for promotion	10.90%	25.60%	6.60%	28.30%	28.70%	3.38	1.41
In our public hospitals (4-6) I often receive feedback on how well I do my job.	11.60%	21.70%	5.40%	46.90%	14.30%	3.31	1.28
In our public hospitals (4-6) I oftenly obtain official performance appraisal feedback.	14.00%	15.50%	7.00%	45.30%	18.20%	3.38	1.32
In our public hospitals (4-6) Promotions are frequently done and in a transparent and fair manner.	12.40%	17.10%	11.20%	34.90%	24.40%	3.42	1.35
In our public hospital (4-6) Performance appraisal is used in cases of my promotion	8.10%	5.80%	17.40%	32.90%	35.70%	3.82	1.21
In our public hospitals (4-6) appraisal system foster a culture of openness as a way of life.	10.50%	5.40%	14.00%	36.80%	33.30%	3.77	1.26
In our public hospitals (4-6) large number of workers have their performance appraisal used to determine their compensation.	7.00%	17.40%	10.10%	34.90%	30.60%	3.65	1.27
						3.54	1.29

Source: Ogola, Ngure and Sang (2022)

The results also revealed that the statement with the highest mean included; performance appraisal system was used in cases of promotion at the public hospital (4-6) (Mean=3.82, Std. Dev =1.12), appraisal system always fosters a culture of openness (Mean=3.77, Std. Dev =1.26), Large number of workers have their performance appraisal always used to determine their compensation (Mean=3.65, Std. Dev =1.27). This denotes that the respondents were more inclined towards these statements on performance appraisal practices.

On the other hand, the statements with the lowest means included; I often receive feedback on how well i do my job at the public hospital (4-6) (Mean=3.31, Std. Dev =1.28), performance appraisal is not used as a tool for promotion at the public hospital (4-6) (Mean=3.38, Std. Dev =1.41), the respondents always receive official performance appraisals feedback on a regular basis (Mean=3.38, Std. Dev =1.32). These implied that the respondents were less inclined towards these statements on performance appraisal practices.

The findings above therefore implied that performance appraisals are done in most public hospitals. However, there seem to be a problem with the public hospitals employees receiving feedback from their managers. These findings tallied with that Mwema and Gachunga (2014) and Nure (2018) who revealed that performance appraisal systems act as a tool for employee motivation and by extension enhances employee performance. Similarly Muruiki and Wanyoike (2021) found a significant relationship between appraisal and performance noting that this must be done in a fair and just manner.

4.1.2 Performance of Public Hospital

Descriptive statistic for public hospital performance is presented in Table 2.

Table 2: Descriptive Analysis for Public Hospital Performance

Statement	Strongly disagree	Disagree	No opinion	Agree	Strongly agree	Mean	Std. Dev
Our public hospitals (4-6) is able to pay all its bills in time.	9.30%	14.70%	12.40%	45.00%	18.60%	3.49	1.22
Our public hospital (4-6) is able to attract qualified and competent employees.	8.10%	15.10%	10.50%	51.20%	15.10%	3.50	1.16
Our public hospital (4-6) is able to retain essential employee	7.00%	18.60%	8.10%	44.20%	22.10%	3.56	1.22
Our public hospital (4-6) has high degree of Customer satisfaction	10.50%	18.60%	8.10%	46.50%	16.30%	3.40	1.25
Our public hospital (4-6) is able to offer good quality services to its customers	9.30%	9.30%	11.20%	47.30%	22.90%	3.65	1.20
Customers complaints have been reducing in the last five years	7.00%	8.10%	7.40%	62.80%	14.70%	3.70	1.04
The number of patients served annually has been increasing in the last five years.	3.10%	13.20%	8.10%	43.00%	32.60%	3.89	1.10
The staffs working in our public hospital (4-6) are very efficient	3.90%	8.10%	5.80%	51.20%	31.00%	3.97	1.02
Average						3.65	1.15

Source: Ogola, Ngure, and Sang (2022)

The statements with the highest mean included; our public(4-6) has a very efficient (Mean=3.97, Std. Dev=1.02), In our public hospital (4-6) the number of patients served annually has been increasing over the last five years (Mean=3.89, Std. Dev=1.10), customers complaints have been reducing in the last five years (Mean=3.70, Std. Dev=1.04), our public hospital (4-6) is able to offer good quality services to its customers (Mean=3.65, Std. Dev=1.20). This implied that the respondents were in agreement with the above statements.

The statements with the lowest mean included; our public hospital (4-6) has high degree of Customer satisfaction (Mean=3.40, Std. Dev=1.25), our public hospital (4-6) is able to pay all its bills in time (Mean=3.49, Std. Dev=1.22). This implied that the respondents had no opinion about the statements.

The finding therefore infers that though there are some aspects of performance that were improving in public hospitals (4-6), some aspects were not pleasing. For example, most public hospitals have had an increase in number of customers they are receiving but they were not able to pay all their bills. Most of the clients were dissatisfied with services offered by the public hospitals (4-6).

4.2 Factor Analysis

Factor analysis was undertaken to reduce on the number of dimensions and retain the most important for each variable which informed the most important factors.

4.2.1 Factor Analysis for Performance Appraisal Practices

a) Factorability Test for Performance Appraisal Practices

The results of the KMO and Bartlett's Test are summarized in Table 3.

Table 3: Kaiser-Meyer-Olkin Measure of Performance Appraisal Practices

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.611
Bartlett's Test of Sphericity	661.709
Approx. Chi-Square	
Df	28
Sig.	0.000

Source: Ogola, Ngure and Sang, (2022)

The KMO test results using the Bartlett's Test of Sphericity was 0.611 at Chi-square = 661.709 with 28 degree of freedom, at $p < 0.05$ were highly significant. The outcomes provided a good justification to conduct further statistical tests by extracting the performance appraisal practices communalities.

(b). Communalities for Performance Appraisal Practices

The communalities for performance appraisal practices were presented in Table 4. A high value of communality meant that most of the parameters had been accounted for and not much of the variable is left over after

whatever factors represented are taken into consideration. According to Kothari and Garg (2014) communalities should be 0.4 or greater for better measurement of factor analysis.

Table 4: Communalities for Performance Appraisal Practices

	Initial	Extraction
My public hospitals (4-6) appraises employees on performance oftenly.	1	0.601
In my public hospital (4-6) Performance appraisal is not used as a promotion tool.	1	0.416
I often receive feedback on how well I do my job.	1	0.744
I often obtain official performance appraisals and feedback.	1	0.729
Promotions are frequently done and in a transparent and fair manner at my public hospital (4-6)	1	0.416
Performance appraisal was used during my promotion at my public hospital (4-6).	1	0.531
Our appraisal system adopts a culture on Openness as a way of life.	1	0.646
A large number of workers have their performance appraisal always used to determine their compensation at our public hospital.	1	0.485

Source:Ogola, Ngure and Sang (2022)

The Communality analysis decision matrix is that all factor-loading values that are greater than 0.4 are accepted while those with loadings below 0.4 are rejected (Kaiser, 1974). From the statements above, no statement was rejected since all the statement had a factor loading value wasabove 0.4.

a) Total Variance for Performance Appraisal Practices

Table 5 presents the results of rotated component for performance appraisal practices. Varimax rotation tries to maximize the variance of each of the performance appraisal practices, so the total amount of variance accounted for was redistributed over the two extracted factors.

Table 5: Results of Total Variance for Performance Appraisal Practices

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.062	38.277	38.277	3.062	38.277	38.277
2	1.506	18.825	57.102	1.506	18.825	57.102
3	0.95	11.872	68.973			
4	0.754	9.422	78.395			
5	0.622	7.774	86.169			
6	0.502	6.27	92.439			
7	0.444	5.552	97.991			
8	0.161	2.009	100			

Source: Ogola, Ngure and Sang (2022)

Results showed that the rotation of the two components was done on the basis of eigen values greater than one criterion. The first component accounted for 38.277% of variance while the second component accounted for 18.825% of the variance. The total variance explained by the two component extracted is 57.102%. This connotes that components 1 and 2 are the ones to focus on as indicated by their high Eigenvalues.

a) Scree plot for Performance Appraisal Practices

To physically visualize the components that are retainable, a scree plot was generated and is presented in figure 4.4.

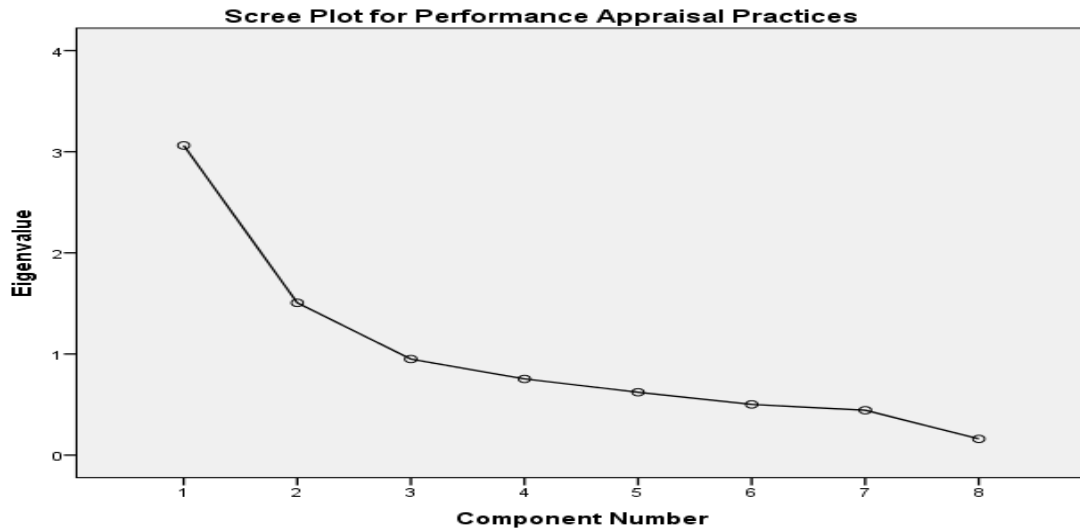


Figure 1: Scree Plot for performance Appraisal Practices

From the figure above the first two components can be reserved since their curve is flattening off after them. The scree plot thus confirms retaining two components as observed in total variance explained. The point of interest is where the curve start to flatten (the elbow). The curve in the figure above has started to flatten from the second statement.

e). Rotated Component Matrix for Performance Appraisal Practices

Table 6 is generated to show the rotated loading of the component, with loading less than 0.4 suppressed.

Table 6: Results of Rotated Component Matrix for Performance Appraisal Practices

	1	2
Public hospitals (4-6) appraises the staff on performance oftenly.	0.725	0.274
I often receive feedback on how well I do my job.	0.741	0.44
I often receive official performance appraisals and feedback at the public hospital (4-6).	0.815	0.254
Promotions are frequently done in open and transparent manner at the public hospital (4-6)	0.63	-0.139
Performance appraisal is used in cases of my promotion at the public hospital (4-6)	0.728	-0.014
In our public hospital (4-6) appraisal system always fosters a culture on Openness as a way of life.	0.51	-0.621
In my public hospital (4-6) Performance appraisal is not used as promotion tool.	-0.278	0.582
A large number of work force has its performance appraisal used to determine their compensation.	0.238	-0.655

Source: Ogola, Ngure and Sang(2022)

The results above showed that performance appraisal practices can be grouped into two factors. The first factor contains 5 statements while the second factor contained of 3 statements. This denotes that the first five statements can be grouped into one factor while the last 3 statements can also be grouped into another separate factor.

4.2.2 Factor Analysis for Performance of Public Hospitals

a) Factorability Test for Performance of Public Hospitals

The results of the KMO and Bartlett’s Test are summarized in Table 7.

Table 7: Kaiser-Meyer-Olkin Measure of Performance of Public Hospitals

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.840
Bartlett's Test of Sphericity	Approx. Chi-Square	1024.130
	Df	28
	Sig.	0.000

Source: Ogola, Ngure and Sang (2022)

The KMO test results using the Bartlett’s Test of Sphericity was 0.840 at Chi-square = 1024.130 with 28 degree of freedom, at $p < 0.05$ were highly significant. The results provided a good justification to conduct further statistical tests by extracting the performance of public hospitals commonalities.

b) Communalities for Performance of Public Hospitals

The communalities for performance of public hospitals were presented in Table 8.

Table 8: Communalities for Performance of Public Hospitals

	Initial	Extraction
Our public hospital (4-6) is able to pay all its bills in time	1	0.598
Our public hospital (4-6) is able to attract qualified and competent employees.	1	0.756
Our public hospital (4-6) is able to retain essential employees	1	0.82
Our public hospital (4-6) has high degree of Customer satisfaction	1	0.815
Our public hospital(4-6) is able to offer good quality services to its customers	1	0.78
In our public hospital (4-6) Customers complaints have been reducing in the last five years	1	0.45
In our public hospital (4-6) the number of patients served annually has been increasing in the last five years.	1	0.563
The staffs working in our public hospital (4-6) are very efficient	1	0.347

Source: Ogola, Ngure and Sang (2022)

From the statements above, one statement was rejected since they had a factor loading less than 0.4.

c) Total Variance for Performance of Public Hospitals

Table 9 presents the results of the rotated component for HRMP Act, 2012 perceived compliance

Table 9: Results of Total Variance for HRMP Act, 2012 perceived compliance

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.855	48.191	48.191	3.855	48.191	48.191
2	1.274	15.921	64.112	1.274	15.921	64.112
3	0.899	11.235	75.347			
4	0.775	9.682	85.029			
5	0.52	6.495	91.524			
6	0.275	3.444	94.967			
7	0.269	3.36	98.328			
8	0.134	1.672	100			

Source: Ogola, Ngure and Sang (2022)

Results showed that two components were rotated based on the eigenvalues greater than one criterion. The first component accounted for 48.191% of variance while the second component accounted for 15.921% of the variance. The total variance explained by the two component extracted is 64.112%. This implies that components 1 and 2 are the ones to focus on as indicated by their high Eigenvalues.

d). **Scree plot for Performance of Public Hospitals**

Scree plot for Performance of Public Hospitals was presented in Figure 2.

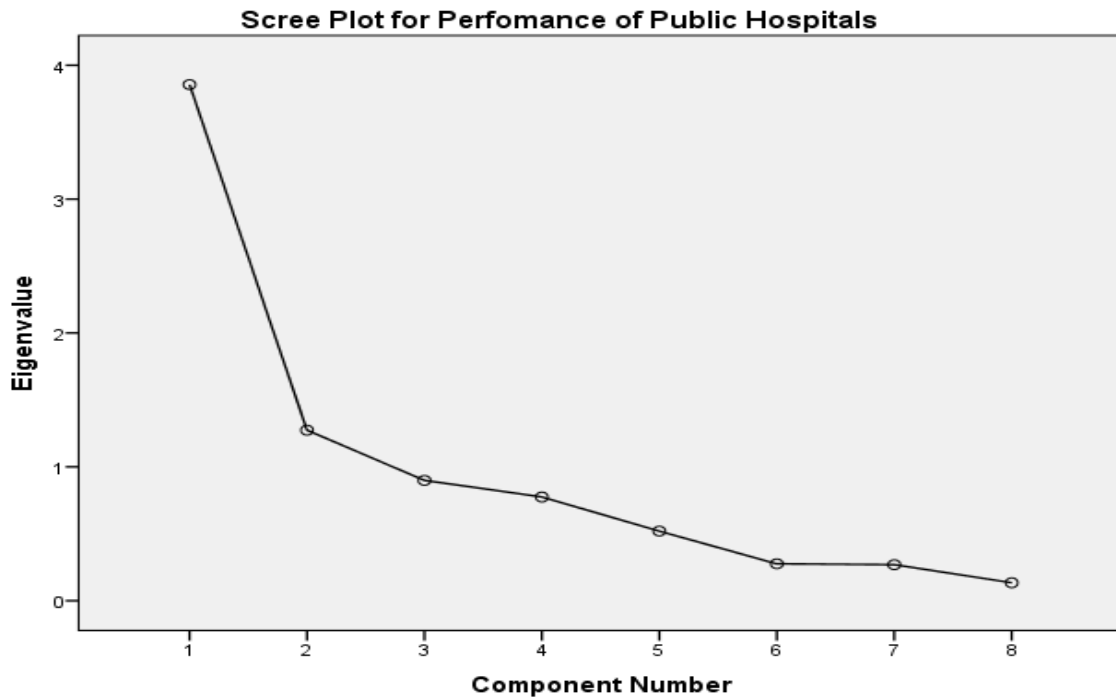


Figure 2: Scree Plot for Performance of Public Hospitals

According to the scree plot two components can be retained since the curve is leveling off after the first two components. The scree plot thus confirms retaining two components as observed in the total variance explained with eigenvalues >1. The point of interest is where the curve starts to flatten (the Elbow). The curve in the figure above has started to flatten from the second statement.

a) **Rotated Component Matrix for Performance of Public Hospitals**

Table 10 shows the rotated component Matrix for Performance of Public Hospitals

Table 10: Results of Rotated Component Matrix for Performance of Public Hospitals

	1	2
Our public hospitals (4-6) is able to pay all its bills in time	0.766	-0.106
Our public hospitals (4-6) is able to attract qualified and competent employees.	0.869	0.027
Our public hospitals (4-6) is able to retain essential employees	0.891	-0.16
Our public hospitals (4-6) has high degree of Customer satisfaction	0.886	-0.174
Our public hospitals (4-6) is able to offer good and quality services to its customers	0.883	0.029
In our public hospitals (4-6) customers complaints have been reducing in the last five years	0.068	0.667
The number of patients served annually has been increasing in the last five years.	0.16	0.733
The staffs working in our public hospital (4-6) are very efficient	0.353	0.472

Ogola, Ngure and Sang (2022)

The results above showed that HRMP Act 2012, perceived compliance can be grouped into two factors. The first factor contains 5 statements while the second factor contained of only 3 statements.

4.3Correlation Results

To understand the connection between the independent variables and the dependent variable correlation analysis was performed to show the strength of the relationship of the independent variable and the dependent variable. Results were presented in Table 11.

Table 11: Correlation Results

	Public hospital performance	Performance appraisal Practices
Public hospital performance	Pearson Correlation Sig. (2-tailed)	1.000
Performance Appraisal Practices	Pearson Correlation Sig. (2-tailed)	.796** 0.000

Ogola, Ngure and Sang (2022)

Results showed that performance appraisal practices have a positive and significant correlation with public hospital performance (r=0.796, p=0.000). This implied that performance appraisal practices had a strong correlation with public hospital performance.

4.4 Regression Results

Regression analysis was used to examine whether performance appraisal practices can be used to explain performance of level 4, 5 and 6 public hospitals in Kenya.

Table 12: Model Fitness for Performance Appraisal Practices

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796a	0.633	0.631	0.45489

Ogola, Ngure and Sang (2022)

Performance appraisal practices were seen to be good enough in explaining performance of level 4, 5 and 6 public hospitals in Kenya. This is supported by coefficient of determination also known as the R² of 0.633. This means that the model fitness found out that performance appraisal practices explain 63.3% of the variations in the dependent variable (all other factors held constant) which is performance of level 4, 5 and 6 public hospitals in Kenya. To determine the suitability of performance appraisal practices as a predictor for performance of public hospitals the ANOVA was computed. Table 13 presents the results.

Table 13: ANOVA Results

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	91.34	1	91.34	441.42	.000b
Residual	52.972	256	0.207		
Total	144.313	257			

Ogola, Ngure and Sang (2022)

Table 13 indicated that performance appraisal practices was a good forecaster of performance of public hospitals as represented by an F statistic of 441.42 and the reported p value of 0.000, which was less than the conventional probability of 0.05 significance level. This implies that the performance appraisal practices have statistically significant effect on performance of public hospitals (4-6) at a 95% confidence level. Based on these results the study rejected the H₀ hypothesis that stated that there is no statistically significant effect of performance appraisal practices on performance of level 4, 5 and 6 public hospitals in Kenya and concluded that there is a statistically significant effect of performance appraisal practices on performance of level 4, 5 and 6 public hospital in Kenya.

Regression of Coefficient significance of the performance appraisal practices and performance of public hospitals (4-6) was presented in Table 14.

Table 14: Regression of Coefficient for Performance Appraisal Practices

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.609	0.147		4.132	0.000
Performance Appraisal Practice	0.859	0.041	0.796	21.01	0.000

Ogola, Ngure and Sang (2022)

Regression of coefficients showed that performance appraisal practices and performance of public hospitals were positively and significantly related ($\beta=0.859$, $p=0.000$). Performance of public hospitals = $0.609 + 0.859$ performance appraisal practices.

V. Conclusion

The study concluded that most public hospitals appraise their staffs based on their performance. In addition, performance appraisal was found to be very important in public hospitals since it greatly enhanced the discovery of workers strength and weaknesses hence allowing them to reinforce on their areas of weakness thus enhancing public hospital performance.

VI. Recommendation

Policy makers and managers should formulate policies that reinforces the use of performance appraisal as a tool for promotion in the various hospitals so as to be motivated to perform better in their work. A part from that they should formulate policies that ensures public hospital employees are provided with operating performance information in order to get to understand the nature of operations and similarly perform better.

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