APPRAISAL SYSTEM AND EMPLOYEE PERFORMANCE: A CASE STUDY OF NATIONAL WATER AND SEWERAGE CORPORATION, KAMPALA CITY, UGANDA

BY

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A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS AND DEVELOPMENT STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER'S DEGREE IN BUSINESS ADMINISTRATION OF GULU UNIVERSITY

APRIL, 2026

DECLARATION

I, **Okot P Denis** hereby do declare that, to the best of my knowledge that this dissertation titled "*Appraisal systems and employee performance; a case study of National Water and Sewerage Corporation (NWSC")* is my original piece of work and has never been presented elsewhere for any academic award.

Okot P Denis		18/05/2026
(Researcher).	Signature	Date

APPROVAL

This is to certify that this dissertation entitled *"Appraisal System and Employee Performance: A case study of National Water and Sewerage Corporation, Kampala Uganda,"* has been prepared under our supervision as the appointed supervisors and it is now ready for approval and submission.

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DEDICATION

I dedicate this research work to my beloved family most especially my wife Nyamatta Kellen, my daughters: Destiny Pimar, Divine Catherine and Ronah Tricia for their unwavering backing and reassurance during the challenging time of graduate study and working life. I am sincerely grateful for having you in my life.

ACKNOWLEDGEMENTS

I would like to express my deepest gratitude and appreciation to all the individuals who have supported and contributed to the successful completion of this research dissertation.

First and foremost, I am immensely grateful to my supervisors, Dr. Mshilla Maghanga and Mr. Watti Gilbert, for their invaluable guidance, unwavering support, and continuous encouragement throughout this research journey. Their expertise, insightful feedback, and dedication have played a pivotal role in shaping this dissertation.

I would like to acknowledge the support and assistance provided by the staff of faculty of Business and Development Studies, Gulu University. Their commitment and guidance have been instrumental in facilitating my research process.

I would also like to express my sincere appreciation to the participants who generously volunteered their time and shared their experiences, without whom this study would not have been possible. Their cooperation and willingness to contribute to this research have been invaluable.

Finally, I am grateful to Mr John Turbitt and Mrs Sally Turbitt for their unconditional love, encouragement, and patience throughout this challenging journey. Their unwavering belief in me and their constant support have been a source of inspiration and motivation.

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LIST OF ABREVIATIONS AND ACRONYMS

BARS : Behaviourally Anchored Rating Scales

BOS : Behavioural Observation Scales

MBO : Management by Objectives

MSRS : Mixed Standard Rating Scales

NWSC: National Water and Sewerage Corporation

ABSTRACT

The performance appraisal systems are a critical component of human resource management that plays a significant role in assessing and enhancing employee's performance within an organization. This study examined the effects of appraisal systems on employee's performance within National Water and Sewerage Corporation (NWSC), Kampala city, Uganda. Despite NWSC pivotal role in utilities service delivery, concerns persist regarding employees performance prompting an inquiry into the efficacy of its employees appraisal mechanisms guided by goal setting theory, the research employed a cross sectional research design using both quantitative and qualitative methods. A total of 175 respondents were sample, and the data were collected using structured questionnaires and interviews. Quantitative data was analyzed using descriptive statistic, correlation, regression analysis while qualitative data was subjected to content analysis. Findings revealed that the appraisal techniques at NWSC are widely practiced, clearly communicated and generally perceived as fair and reflective of the actual jobs performance. The employee level of performance was reported to be high, particularly in terms of output quality at 90%, effectiveness at 82.6% and clients satisfaction at 93.6%. A significant positive relationship was found between the appraisal systems and employees performance, with appraisal techniques, processes, and feedback mechanisms collectively influencing the performance outcomes. Moreover, the work environment encompasses both the physical and non-physical conditions was found to be significantly moderates this relationship, enhanced or can constrained the effectiveness of the appraisal practices. The study concludes that a well-structured appraisal system can positively influence employees performance, especially when supported by conducive work environment. It recommends that NWSC should continuously refined its appraisal strategies and improves work conditions to sustain high performance. These insights provide valuable implications for human resource policy and practice in public sector organisations in developing contexts.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The performance appraisal system is a critical component of human resource management that plays a significant role in assessing and enhancing employee performance within an organization. It serves as a structured and systematic process for evaluating employee performance, providing feedback, identifying areas for improvement, and aligning individual goals with organizational objectives (Denisi & Murphy, 2017). In the context of utility service providers such as the National Water and Sewerage Corporation (NWSC), effective performance appraisal systems are essential for ensuring that employees contribute to the efficient delivery of water and sewerage services, thereby supporting the organization's mission and objectives. This study examined the effect of performance appraisal system on employee performance in NWSC. This section covers background to the study, statement of the problem, study objectives, research questions, scope of the study, significance of the study and conceptual framework.

1.1 Background to the Study

Background of this study covers the historical, theoretical, conceptual and contextual background as presented in sub-sections below:

1.1.1 Historical background

The study of employee performance began in the early 20th century with the rise of scientific management. Frederick W. Taylor, often regarded as the father of scientific management, introduced principles of efficiency and productivity in the workplace. His seminal work, "The

Principles of Scientific Management emphasized time and motion studies to optimize individual tasks and improve worker performance (Taylor, 1911).

The 1930s saw a shift towards the human relations movement, which recognized the importance of human factors in performance. Elton Mayo's Hawthorne Studies at Western Electric's Hawthorne plant highlighted how social factors, such as worker attention and group dynamics, could significantly influence productivity and morale. These studies marked the beginning of a more holistic understanding of employee performance that included psychological and social dimensions (Mayo, 1933).

After World War II, the field of organizational behaviour emerged, integrating insights from psychology, sociology, and anthropology. Researchers like Douglas McGregor and his Theory X and Theory Y explored managerial assumptions about worker motivation and their impact on performance. McGregor's theories suggested that employees' performance could be enhanced by adopting more participative and supportive management styles (McGregor, 1960).

The 1960s and 1970s saw the development and formalization of performance appraisal systems. The emphasis shifted towards systematic evaluation processes, with tools like rating scales, behaviourally anchored rating scales (BARS) and management by objectives (MBO). Peter Drucker's MBO, introduced in 1954, became particularly influential, focusing on setting clear, achievable objectives jointly by managers and employees (Drucker, 1954 & Grote, 2021).

In the late 20th and early 21st centuries, performance management systems evolved further with the integration of continuous feedback mechanisms, 360-degree feedback, and competency-based assessments. The focus expanded to include not just individual performance but also team and organizational performance (Cappelli & Tavis, 2016). The

rise of technology and data analytics has significantly transformed performance management practices, enabling real-time feedback and more sophisticated performance metrics. Today, the concept of employee performance encompasses a broad range of factors including engagement, well-being, productivity, efficiency, effectiveness and adaptability (Buckingham & Goodall, 2019).

1.1.2 Theoretical background

This study was guided by the Goal setting theory that explains performance appraisal with a focus on technique, process, and feedback. This theory was developed by Edwin Locke and Gary Latham in 1968. This theory emphasizes the importance of setting clear, challenging goals and provides a framework for understanding how performance appraisals can be structured to enhance employee motivation and performance (Locke & Latham, 2002). The theory is deeply integrated with the process of performance management, including appraisal techniques, processes, and feedback mechanisms.

Key principles of the theory include; specificity in which case goals should be clear and specific to provide direction and focus; difficulty whereby, goals should be challenging yet achievable to motivate performance; commitment where employees must be committed to achieving the set goals; and feedback whereby regular feedback is essential to monitor progress and make necessary adjustments (Pulakos, 2009).

Goal Setting Theory aligns with the notion that, at the beginning of the appraisal period, managers and employees collaboratively set performance goals (Latham, Borgogni, & Petitta, 2008). This aligns individual performance with organizational objectives. Throughout the appraisal period, performance is monitored, and progress is documented. This involves continuous observation and recording of performance metrics. At the end of the appraisal period, a formal performance review is conducted. This involves a comprehensive evaluation

of the employee's performance against the set goals. Regular feedback sessions are conducted to provide employees with information on their performance. This helps in identifying areas of improvement and reinforcing positive behaviours.

During the performance review, formal feedback is provided. This includes an assessment of goal achievement, discussion of strengths and weaknesses, and setting of new goals. Locke and Latham (2002) in their comprehensive review, highlighted the significance of goal-setting theory in performance management, emphasizing how clear and challenging goals, along with feedback, lead to higher performance levels. In addition, Pulakos (2009) integrates goal-setting theory into performance management practices, discussing how setting specific goals and providing regular feedback can enhance employee performance.

1.1.3 Conceptual background

Performance appraisal systems are formal processes used by organizations to evaluate and assess employees' job performance against predetermined criteria and standards (Noe et al., 2017). Furthermore, performance appraisal system is a structured method for documenting and evaluating employees' job performance based on predefined goals, competencies, and behaviours (Bratton & Gold, 2017). Performance appraisal systems are mechanisms used by organizations to provide feedback to employees about their performance, facilitate communication about performance expectations, and identify areas for development (Milkovich & Newman, 2016). In another context, performance appraisal systems denote the techniques, processes and feedback mechanisms employed in assessment of employee performance (Denisi & Pritchard, 2015). This study will therefore adopt the definition by Denisi and Pritchard focussing on the appraisal techniques, processes and feedback.

On the other hand, employee performance refers to the achievement of work-related tasks and responsibilities as outlined by job descriptions and performance standards (Armstrong &

Taylor, 2014). Additionally, employee performance is the extent to which an individual successfully accomplishes the tasks and responsibilities associated with their role within an organization (Mathis & Jackson, 2018). Furthermore, employee performance is the measure of output quality, effectiveness and efficiency with which an individual fulfils job requirements, contributes to organizational goals, and meets performance expectations (Cascio & Aguinis, 2019). This study will adopt the definition focussing on the quality of output, effectiveness and efficiency.

Working environment encompasses the physical environmental, and non-physical environment that affect employees' health, safety, and well-being in the workplace (ILO, 2020). Furthermore, working conditions refer to the aspects of the work environment, including physical, ergonomic, psychosocial, and temporal factors that impact employees' comfort, productivity, and job satisfaction (Eurofound, 2017). In another context, working environment include the circumstances under which employees perform their job tasks, including factors such as reward, workplace safety, workload, and organizational culture (Hammig, 2017).

1.1.4 Contextual background

National Water and Sewerage Corporation (NWSC) in Uganda is a public utility company 100% owned by the Government of Uganda. The Corporation was established in 1972 under Decree No: 34. At its inception in 1972, the Corporation operated in three (3) major towns of Kampala, Jinja and Entebbe. The NWSC Statute revised these laws in 1995 and later on, the statute was incorporated in the Laws of Uganda as CAP 317 (Uganda Government, 1995). The primary aim of this was to revise the objectives, powers and structure of NWSC to enable the corporation operate and provide water and sewerage services in areas entrusted to it on a sound commercial and viable basis.

As a key player in Uganda's utility sector, NWSC is tasked with delivering safe, reliable, and affordable water services to a rapidly growing population. This expansion requires a highly motivated and efficient workforce to maintain service quality and meet customer expectations (NWSC, 2023). Therefore, understanding the effect of performance appraisal system on employee performance within NWSC is crucial for achieving operational excellence and organizational sustainability.

1.2 Statement of the Problem

The competitiveness of every organization depends on the quality and commitment of its workforce. To ensure efficiency from every employee, the organization needs to conduct employee performance appraisal. Thus, level in which the organization meets its goals and achieve competitive advantage is dependent on how well they monitor and gauge the performance of its workforce through appropriate appraisal system (Mariti, 2019). According to Mariti (2019), successful organizations depend on the uniqueness of their human capital and the system put in place to manage their human resources effectively. Performance appraisal of employees is therefore a vital issue in this regard.

Despite the critical role of government parastatals such as the National Water and Sewerage Corporation (NWSC) in providing essential services, there are persistent concerns regarding employee performance. Evidence reveals significant challenges in maintaining optimal performance levels among employees, impacting service delivery and organizational effectiveness. Analysis of performance metrics within NWSC indicates discrepancies in meeting operational targets and service standards by employees (NWSC, 2022). Furthermore, surveys and feedback mechanisms highlight instances of dissatisfaction among customers due to service delays, quality issues, and inadequate responsiveness. Comparative studies with industry benchmarks reveal lower operational efficiency metrics, including higher incidences

of downtime, delays in service provision, and increased operational costs pointing to employee performance challenges (Ministry of Water and Environment, 2023).

In addition, despite the widely accepted view that effective performance appraisal systems have an influence on employee performance little has been done to document the effect these systems have on the performance of employees in National Water and Sewerage Corporation. This means a knowledge gap exists on what percentage of employee performance is attributed to performance appraisal systems. To fill this gap, this study contributes to the knowledge gap by examining the relationship between appraisal systems and employee performance in National Water and Sewerage Corporation.

1.3 Purpose of the Study

The purpose of this study was to examine the effect of appraisal systems on employee performance in National Water and Sewerage Corporation, Uganda.

1.4 Objectives of the Study

The specific objectives of the study included the following:

i. To examine the nature of appraisal systems used in NWSC, Kampala, Uganda.
ii. To assess the performance level of employees in NWSC, Kampala, Uganda.
iii. To examine the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda.
iv. To determine the moderating effect of work environment on the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda.

1.5 Research Questions

The study answered the following research questions:

i. What is the nature of appraisal systems used in NWSC, Kampala, Uganda?

ii. What is the performance level of employees in NWSC, Kampala, Uganda?

iii. What is the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda?

iv. What is the moderating effect of work environment on the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda?

1.6 Scope of the Study

The scope of the study has been categorized in to three sub sections;

1.6.1 Geographical scope

The study was conducted in Kampala, the capital city of Uganda, located in the central region of the country. It is Uganda's largest city and serves as the political, economic, and cultural hub of the nation. The city is situated on the northern shores of Lake Victoria, the largest lake in Africa, and covers a diverse and rapidly expanding urban area. Kampala is positioned at approximately 0.3476° N latitude and 32.5825° E longitude. The city is bordered by Wakiso District to the west, north, and east, and by Lake Victoria to the south. This strategic location makes Kampala a central point for trade and commerce in Uganda and the East African region.

The study was carried out from NWSC, Kampala water plot 39, Jinja road. The researcher has considered NWSC Kampala water office because of extensive number of staff working at

the facility. Due to the high number of staff, the researcher believes that NWSC Kampala water office can provide sufficient information for the study.

1.6.2 Content scope

The study intended to examine the appraisal system and employee performance in NWSC, with specific focus on the relationship between performance appraisal system and employee performance and ascertaining the effect of work environment on the relationship between appraisal system and employee performance. In this study, performance appraisal system was the independent variable and it was measured in terms of appraisal techniques, appraisal process and appraisal feedback. At the same time employee performance which was the DV was operationalized through output quality, effectiveness, efficiency and client satisfaction; while the moderating variable which was the work environment was measured in terms of physical environment and non-physical environment

1.6.3 Time scope

For purposes of obtaining enough reference for this study, information relating to the two variables was considered right from 2018 to 2023. The five years' period was sufficient to obtain relevant data for this particular study.

1.7 Significance of the Study

This study finding may be relevant to NWSC because it establishes existing forms of appraisal system, which can be used to measure employee work performance. The study findings may be useful in determining how significant the relationship between appraisal system and employee work performance. Furthermore, the study findings may be relevant in ascertaining the effect of work conditions on employee work performance.

To the decision makers in the water sector, the study findings will provide a clear picture on existing forms of appraisal, the relationship between appraisal system and employee work performance and work conditions and work performance. These will act as a reference point in decision-making.

This study will provide related literature to other researchers thus increasing on their existing body of knowledge in conducting further researcher.

To academia, the study will improve the researchers understanding on basic research and act as a requirement for the fulfilment of the award of a master's degree in Business Administration of Gulu University.

1.8 Conceptual Framework

The conceptual framework below is a diagrammatical illustration of the relationship that exists between the study variables. In this case, it demonstrates the relationship that exists between appraisal system and employee performance, moderated by working condition.

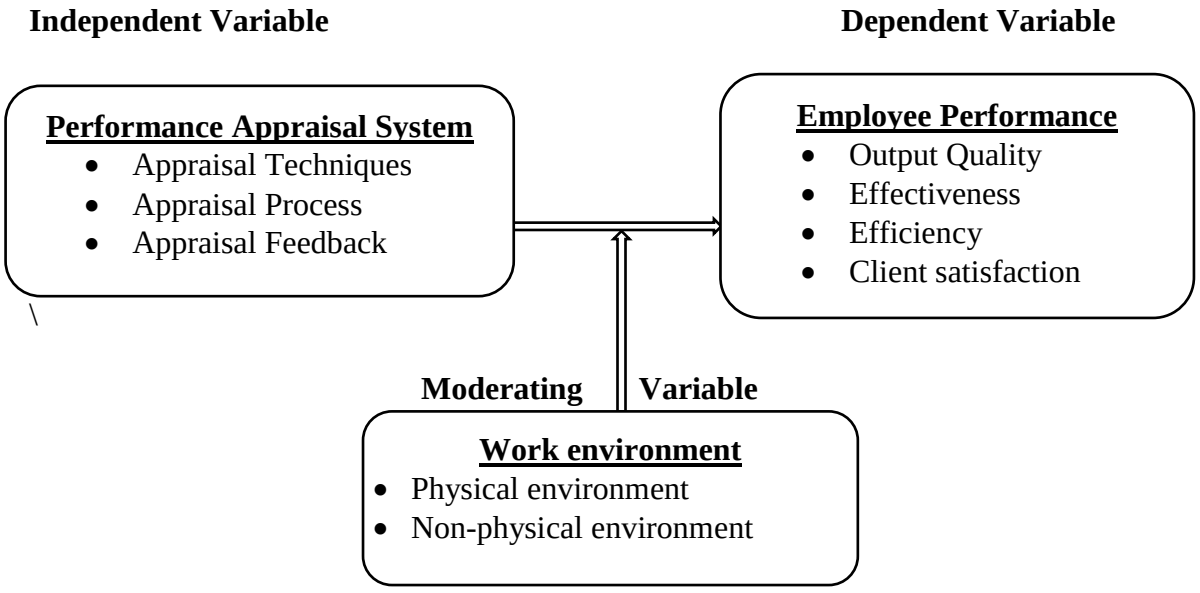


Figure 1: Conceptual Framework showing Appraisal system and employee performance

Source: Adapted with modification from Gongera (2008) and Denisi & Pritchard (2015)

From the above figure, it is conceptualised that appraisal system in terms of appraisal techniques, appraisal process and appraisal feedback represent the independent variable which is anticipated to influence employees' performance (dependent variable) in terms of output quality, effectiveness, and efficiency. However, this relationship depends on the influence of other factors in relation to working conditions such as workload and workplace safety which represent the moderating variable.

1.9 Operational definition of terms

Appraisal feedback

Appraisal feedback refers to the information provided to employees based on their performance evaluation. It includes constructive comments, suggestions for improvement, recognition of achievements, and discussion of future goals.

Appraisal process

The appraisal process encompasses the sequence of steps involved in conducting performance evaluations within an organization.

Appraisal system

An appraisal system refers to the structured process used by organizations to evaluate and assess the job performance of employees. It typically involves setting performance criteria, collecting performance data through different techniques and processes, and providing feedback to employees.

Appraisal techniques

Appraisal techniques are the methods or tools used within an appraisal system to evaluate employee performance.

Employee performance

Employee performance refers to the level of effectiveness with which an individual performs their job responsibilities and achieves organizational goals. It is often assessed based on efficiency, effectiveness and quality of work.

Work environment

Work environment encompasses the physical, environmental, and non-physical factors that affect employees' health, safety, comfort, and overall well-being in the workplace. Examples include workload, physical environment, safety protocols and ergonomics.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviews literature on relevance of performance appraisal on employee motivation in Government Institution with actual review on the effects of performance appraisal process on employee motivation, examining methods of appraisal used in various organisations and the challenges in appraising employee performance.

2.1 Theoretical Review

This study was guided by Goal Setting Theory proposed by Edwin A. Locke in the late 1960s. Locke's pioneering research, published in 1968, laid the foundation for understanding how goals can influence behaviour and performance in the workplace. Later, in collaboration with Gary P. Latham, the theory was further developed and refined. Their joint work, culminating in the seminal publication "A Theory of Goal Setting and Task Performance" in 1990, provided a comprehensive framework for applying goal setting in organizational contexts (Locke & Latham, 1990).

Goal Setting Theory stipulates that specific, challenging goals lead to higher performance than vague or easy goals. The theory emphasizes several key principles: Goals should be clear and specific. Vague goals can lead to confusion and lack of direction, whereas specific goals provide a clear target for employees to aim for (Locke & Latham, 2002). Goals need to be challenging yet achievable. Challenging goals push employees to extend their efforts and capabilities, thereby enhancing performance (Latham & Locke, 2017). In addition, employee commitment to the goals is crucial for success. When employees are involved in goal setting

and believe in the importance of the goals, they are more likely to be committed and motivated to achieve them.

Providing feedback on progress toward goals is essential according to the theory. Feedback helps employees adjust their strategies and efforts, maintaining motivation and focus on achieving the goals (Locke & Latham, 2019). The complexity of the task should be considered when setting goals. For complex tasks, it may be necessary to break down the goals into smaller, manageable parts and provide additional support and training (Wood, Mento, & Locke, 2017).

Constructs of Goal setting theory such as feed-back and process have been used as the dimensions of performance appraisal system. Goal setting enhances intrinsic and extrinsic motivation by providing employees with a sense of purpose and direction. Employees who have clear goals are more likely to be motivated to achieve them, leading to improved performance outcomes (Heslin & Keating, 2017).

The theory has been widely applied and validated across various studies and organizational settings for example Moser and Frantz (2016) applied goal setting theory in a retail context, demonstrating that sales teams with specific sales targets outperformed those with general goals. The study highlighted the importance of clarity and challenge in goal setting to drive sales performance (Moser & Frantz, 2016). In the healthcare sector, a study by Freund and Holling (2015) examined the role of goal setting in improving nursing performance. The researchers found that specific patient care goals led to enhanced nursing performance, improved patient outcomes, and higher job satisfaction among nurses.

Goal setting has been instrumental in driving organizational change initiatives. A study by Smith, Locke, and Barry (2013) explored the application of goal setting in change management, showing that setting clear goals facilitated successful change implementation

and improved organizational performance (Smith, Locke, & Barry, 2013). Goal Setting Theory, provides a robust framework for understanding how specific, challenging goals can enhance employee performance and motivation. By focusing on clear process, commitment and feedback, and task complexity, the theory offers valuable insights for performance appraisal systems and employee performance.

2.2 Appraisal System

The review of literature on appraisal system will focus on the appraisal technique, appraisal process and appraisal feedback as presented in the sub-sections below:

2.2.1 Appraisal techniques

Performance appraisal techniques are crucial components of organizational processes aimed at evaluating employee performance, providing feedback, and facilitating development. These techniques have evolved significantly over the years, reflecting advancements in management practices and psychological research. Traditional methods such as the graphic rating scale and ranking methods have been longstanding in performance appraisal. The graphic rating scale involves evaluating employees based on predefined criteria using a numerical or descriptive scale (Kendall, 2020). Similarly, ranking methods compare employees against each other based on performance, which can provide a simple yet effective means of differentiation (Jones et al., 2019).

Behaviourally anchored rating scales (BARS) and behaviour observation scales (BOS) have gained popularity for their focus on observable behaviours rather than personality traits or overall impressions. BARS link specific behaviours to performance levels, enhancing the objectivity and reliability of assessments (Brown & Sergeant, 2021).Management by objectives (MBO) and results-oriented appraisal are outcome-focused techniques where

employees' performance is evaluated based on achievement of specific, measurable goals. MBO, introduced by Drucker (1954), emphasizes setting clear objectives collaboratively between managers and employees, aligning individual goals with organizational objectives (Robinson & Hewitt, 2018).

Literature highlights the shift towards continuous feedback mechanisms and agile performance management practices. Agile performance management emphasizes iterative goal-setting, frequent check-ins, and adaptive responses to changing circumstances, fostering a dynamic approach to performance improvement (Reilly & Williams, 2023). However, critics argue that traditional annual appraisals may still lack timeliness and fail to capture the complexity of modern work environments (Jackson & Stone, 2021).In conclusion, appraisal techniques are integral to performance management systems, influencing employee motivation, development, and organizational effectiveness. The evolution towards more frequent, feedback-oriented approaches reflects a broader trend towards enhancing fairness, transparency, and employee engagement in appraisal processes.

2.2.2 Appraisal Process

Appraisal Process refers to the methods and procedures used within performance appraisal systems to assess and evaluate employee performance. These processes are designed to provide a systematic and objective measurement of employees' job-related behaviours, achievements, and contributions within an organization (Denisi & Murphy, 2017).

Performance appraisal is a critical process in organizations for evaluating and improving employee performance. It involves various techniques aimed at assessing individual contributions, identifying strengths and weaknesses, and aligning employee goals with organizational objectives. The appraisal process here denotes procedures for rating

employees on various predefined traits such as communication skills, teamwork, and technical competence (Rao, 2020).

A good appraisal process gathers feedback from multiple sources including peers, subordinates, and supervisors, providing a comprehensive view of an employee's performance (Denisi & Murphy, 2017). 360-degree feedback enhances self-awareness and promotes development but requires careful implementation to manage biases (Lepsinger & Lucia, 2019).

Armstrong & Baron, (2021) emphasizes clarity of expectations and employee involvement in the appraisal process which enhances motivation and overall employee. Emphasizing employee strengths rather than weaknesses can boost engagement and productivity (Buckingham & Goodall, 2019). This process advocates leveraging individual strengths to achieve organizational goals effectiveness. In summary appraisal processes are evolving to meet the dynamic needs modern workplaces, emphasizing continuous improvement, fairness, and alignment with organizational goals.

2.2.3 Appraisal feedback

Performance appraisal systems play a critical role in organizational management by evaluating employee performance and providing feedback to guide future improvement and development. Appraisal feedback is a fundamental component of these systems, serving as a bridge between evaluation and action. Literature has emphasized the importance of appraisal feedback in enhancing employee performance, motivation, and satisfaction.

Appraisal feedback is essential for effective performance management as it provides employees with information about their performance relative to organizational expectations and goals. Feedback serves multiple purposes as it reinforces desired behaviours, corrects

undesired behaviours, and guides employees towards achieving organizational goals (London & Smither, 2020). The feedback process helps align individual performance with organizational objectives and fosters a culture of continuous improvement. Studies have shown that feedback that is specific, timely, and constructive can significantly enhance employee motivation and engagement, leading to improved performance (Bakker et al., 2019).

Appraisal feedback contributes to employee development by identifying areas for improvement and providing a roadmap for personal growth. Zhang & Leung (2019) highlights that employees who receive regular, constructive feedback are more likely to engage in self-directed learning and development activities. This proactive approach to development is linked to increased job satisfaction and reduced turnover intentions, as employees feel valued and supported in their

The effectiveness of appraisal feedback largely depends on its delivery and reception. Feedback is most effective when it is perceived as fair, balanced, and relevant to the employee's role and goals (Aguinis, Joo, & Gottfredson, 2019). The credibility of the feedback provider and the clarity of the feedback message are also crucial factors that influence how feedback is received and acted upon. Effective feedback should be specific, providing clear examples and actionable insights, rather than vague or overly general.

Regular feedback sessions, rather than annual appraisals, allow for more timely interventions and adjustments to performance (Sparr & Sonnentag, 2018). This on-going dialogue between managers and employees fosters a culture of openness and trust, encouraging employees to seek feedback actively and view it as an opportunity for growth. Despite its importance, delivering effective appraisal feedback is not without challenges. One significant challenge is the potential for feedback to be perceived as negative or critical, leading to defensiveness or

demotivation among employees (Biron, Peretz, & Turgeman-Lupo, 2020). To mitigate this, managers must be trained to deliver feedback in a supportive and empathetic manner, focusing on strengths and opportunities for improvement rather than solely on weaknesses. Despite its weaknesses, appraisal process remains crucial component of performance appraisal system.

2.3 Employee Performance

Literature review on the dimensions of employee performance covers output quality, efficiency, effectiveness and client satisfaction as presented in the bub-sections below:

2.3.1 Output quality

Output quality refers to the degree to which work outputs meet established standards, specifications, or expectations within an organization (Robbins & Judge, 2020). It encompasses factors such as accuracy, completeness, relevance, all of which contribute to overall organizational success (Armstrong & Baron, 2021.These include metrics such as error rates, defect counts, and adherence to deadlines (Jackson & Schuler, 2019). These metrics provide numerical indicators of performance and help in identifying areas for improvement.

Qualitative assessments involve subjective evaluations based on customer feedback, stakeholder perceptions, and overall satisfaction levels (Murphy & Cleveland, 2018). These insights offer a holistic view of how well outputs meet the intended requirements and expectations. The knowledge, skills, and competencies of employees play a critical role in determining their ability to produce high-quality outputs (Fletcher, 2017). Continuous training and development are essential for enhancing skills and maintaining output quality standards. Adequate resources, including technology, tools, information, and organizational

support, are essential for employees to perform their tasks effectively and deliver high-quality outputs (Denisi & Murphy, 2017).

Effective quality assurance mechanisms and processes ensure that outputs meet specified standards and requirements, thereby enhancing overall output quality (Robbins & Judge, 2020). High output quality directly impacts customer satisfaction and loyalty by delivering products or services that meet or exceed customer expectations (Rao, 2020). Improved output quality reduces rework, errors, and wastage, leading to enhanced operational efficiency and resource optimization (Armstrong & Baron, 2021). In summary, Output quality is a critical component of employee performance, impacting organizational success, customer satisfaction, and competitive advantage.

2.3.2 Effectiveness

Effectiveness in the context of employee performance refers to the degree to which an employee achieves organizational goals and objectives, meets job requirements, and contributes positively to overall organizational success. Employee effectiveness is often defined as the extent to which an employee accomplishes tasks, meets performance standards, and achieves desired outcomes in alignment with organizational goals (Robbins & Judge, 2020). It encompasses both the efficiency and the quality of work performed, reflecting the employee's contribution to organizational success.

Efficiency include productivity measures, output volumes, sales targets achieved, project deadlines met, and other tangible outcomes that demonstrate task accomplishment (Jackson & Schuler, 2019). Qualitative evaluations consider factors such as job knowledge, problem-solving ability, decision-making skills, teamwork, and leadership qualities, providing insights into the overall effectiveness and impact of an employee's contributions (Murphy & Cleveland, 2018).

The knowledge, skills, and abilities (KSAs) possessed by employees significantly influence their ability to perform effectively in their roles (Armstrong & Baron, 2021). Continuous development and training are essential for enhancing these competencies. Employee motivation, job satisfaction, and engagement levels directly impact their commitment to achieving organizational goals and performing effectively (Buckingham & Goodall, 2019).

The rise of remote work has necessitated new approaches to measuring and managing employee effectiveness, emphasizing outcomes and results over traditional metrics (Wiley, 2023). Adoption of agile methodologies in performance management, enabling frequent feedback, goal alignment, and adaptive goal-setting to enhance employee effectiveness in dynamic environments is a crucial development (Armstrong & Baron, 2021).

In summaries, effectiveness is a critical component of employee performance, influencing organizational success, customer satisfaction, and employee performance. By understanding the factors that drive effectiveness, implementing robust measurement strategies, and embracing innovative practices, organizations can optimize employee performance.

2.3.3 Efficiency

Efficiency in the context of employee performance is a crucial determinant of organizational success. It refers to the ability of employees to achieve maximum output with minimum inputs, thereby optimizing resources and enhancing productivity (Sharma & Jain, 2017). This review synthesizes existing literature to explore the multifaceted nature of efficiency and its implications for organizational performance.

Inputs can include time, effort, and resources, while outputs are typically measured in terms of productivity, quality of work, and overall effectiveness (Smith et al., 2019). From a

managerial perspective, efficiency encapsulates the ability of employees to perform tasks competently while minimizing waste and unnecessary effort (Williams, 2020).

Several factors contribute to employee efficiency. One significant factor is skill level and competence, as employees with appropriate skills and knowledge tend to perform tasks more efficiently (Brown & Smith, 2016). Additionally, organizational culture and work environment play pivotal roles in shaping employee efficiency (Li & Chen, 2018). Supportive work environments that encourage collaboration and provide adequate resources can significantly enhance efficiency levels (Martin & Jackson, 2019).

Further, measuring efficiency poses a challenge due to its subjective nature and reliance on various performance metrics. Traditional methods include performance appraisals, where supervisors assess individual performance based on predefined criteria (Green et al., 2017). However, contemporary approaches integrate objective data such as output per hour or error rates to quantify efficiency more accurately (Clark & Lee, 2021).

Efficient employees contribute to overall organizational success by reducing operational costs, improving customer satisfaction, and fostering innovation (Davis & Walker, 2020). High levels of efficiency correlate with increased profitability and competitive advantage, highlighting its strategic importance in a dynamic business environment (Taylor & Brown, 2019).

Yang & Huang, (2021) argued that factors such as technological advancements and market fluctuations present both challenges and opportunities for enhancing efficiency through automation and process improvement initiatives Efficiency serves as a cornerstone of employee performance, influencing organizational effectiveness and competitiveness. By fostering a conducive work environment, investing in employee development, and leveraging

technological advancements, organizations can optimize efficiency and achieve sustainable growth (Parker et al., 2022).

2.3.4 Client Satisfaction

Client satisfaction refers to the degree to which a client's expectations are met or exceeded by the services provided by an organization. It is a critical indicator of a company's success and is closely linked to employee performance (Homburg, Jozić, & Kuehnl, 2017). High levels of client satisfaction are associated with increased client loyalty, positive word-of-mouth, and a competitive advantage in the marketplace. Moreover, satisfied clients are more likely to engage in repeat business, contributing to an organization's long-term sustainability (Anderson, Fornell, & Lehmann, 2020).

The relationship between client satisfaction and employee performance is often bidirectional, with each influencing the other. Employee performance, characterized by the quality, efficiency, and effectiveness of service delivery, is a significant determinant of client satisfaction. Conversely, feedback from satisfied clients can enhance employee motivation and engagement, leading to improved performance (Gronroos & Voima, 2018).

Service quality is a primary determinant of client satisfaction and a key component of employee performance. The SERVQUAL model, which measures service quality across dimensions such as tangibility, reliability, responsiveness, assurance, and empathy, has been widely used to assess the impact of service quality on client satisfaction (Parasuraman, Zeithaml, & Berry, 2018). Employees who deliver high-quality services are more likely to achieve higher client satisfaction, as evidenced by recent studies (Lai & Chen, 2020).

Employee engagement, defined as the emotional commitment employees have towards their organization and its goals, plays a vital role in determining client satisfaction. Engaged

employees are more likely to go above and beyond in their service delivery, leading to enhanced client experiences and satisfaction (Saks, 2019). Research by Anitha (2019) suggests that organizations that prioritize employee engagement tend to report higher levels of client satisfaction.

Effective communication between employees and clients is crucial for fostering client satisfaction. Employees who actively listen to client needs and communicate effectively are better positioned to meet client expectations (van Doorn et al., 2017). Studies have shown that positive interactions and clear communication contribute significantly to client satisfaction and overall employee performance (Bharadwaj & Menon, 2020). Client satisfaction is a vital component of employee performance, with each influencing the other in a cyclical relationship. High levels of client satisfaction can enhance employee motivation and performance, while effective employee performance is crucial for achieving client satisfaction.

2.4. Work Environment

The work environment is understood to have a significant impact on employee performance, satisfaction, and overall well-being. The work environment is typically divided into two main components: the physical environment and the non-physical environment. These components encompass a wide range of factors that contribute to how employees experience their work settings and how these settings influence their performance and job satisfaction.

2.4.1 Physical environment

The physical environment of a workplace refers to the tangible, material aspects of the work setting that can be seen, touched, and experienced by employees (O'Neill and Wymer, 2021). This includes elements such as office layout, lighting, noise levels, temperature, and

ergonomic furniture. Research has shown that the physical environment can significantly affect employee productivity, health, and morale.

An Open office layouts are often designed to foster communication and collaboration. However, research suggests that while open offices may facilitate interaction, they can also lead to distractions and reduced privacy, potentially lowering productivity (Bernstein & Turban, 2018). Furthermore, efficient use of space that balances collaborative areas with private spaces can enhance employee satisfaction and productivity. Therefore, creating a variety of workspaces to suit different tasks is critical (Haapakangas et al., 2018).

Research continues to show that natural light is associated with positive health outcomes and increased productivity for example Browning et al. (2020) found that employees with access to natural light experienced lower stress levels and higher job satisfaction compared to those in artificially lit environments. In addition, high noise levels can be distracting and detrimental to concentration and productivity. Conversely, controlled ambient noise can enhance focus for some tasks (Banbury & Berry, 2015).

Optimal temperature and air quality are crucial for maintaining employee comfort and performance. Poor air quality and uncomfortable temperatures can lead to health issues and decreased productivity (Lan et al., 2017). Similarly, ergonomically designed furniture and equipment can prevent health issues such as musculoskeletal disorders, improving employee comfort and reducing absenteeism (Robertson et al., 2017).

Chandrasekar (2021) highlights how the physical environment can contribute to stress or relaxation, impacting overall well-being and job satisfaction. The research suggests that enhancing physical conditions like lighting, noise, and ergonomics can lead to better employee outcomes. In addition, O'Neill and Wymer (2021) emphasize the importance of

designing workspaces that accommodate diverse needs, including those of introverted and extroverted employees, to maximize productivity and satisfaction.

2.4.2 Non-physical environment

The non-physical environment of a workplace refers to the intangible elements that affect employees' experiences, such as organizational culture, leadership style, interpersonal relationships, and job autonomy (Shore et al., 2018). These factors can significantly influence employee motivation, engagement, and job satisfaction.

A positive organizational culture that aligns with employees' values can enhance engagement and loyalty. Research by Chatman & O'Reilly (2016) demonstrates how a strong, positive culture can lead to improved performance and job satisfaction. Leadership styles such as transformational and supportive leadership have been shown to positively impact employee motivation and performance. Effective leaders foster a supportive work environment that encourages growth and development (Kelloway et al., 2017).

Positive relationships with colleagues and supervisors can lead to increased job satisfaction and reduced stress. Social support is a critical factor in creating a supportive work environment (Chiaburu & Harrison, 2018). Furthermore, Job autonomy allows employees to have control over their work, leading to increased motivation and job satisfaction. Flexible work arrangements, such as remote work options, can also enhance work-life balance and job satisfaction (Parker et al., 2017).

Emphasizing diversity and inclusion can lead to a more innovative and dynamic work environment. Research indicates that diverse teams often outperform homogenous ones, provided there is an inclusive culture (Shore et al., 2018). A study by Bakker et al. (2020) found that a positive non-physical environment, characterized by supportive leadership and a

strong organizational culture, significantly enhances employee engagement and reduces turnover intentions. Edmondson and Lei (2014) highlight the importance of psychological safety in fostering an environment where employees feel safe to express ideas and take risks, which can lead to greater innovation and performance.

2.5 Relationship between Appraisal System and Employee Performance

Studies have established that there is some relationship between appraisal system and employee performance in any organisation. Indeed, Angella & Zikusooka (2024) who aimed to evaluate the relationship between performance appraisal and employee performance within the context of Moroto Town Council as the case study organisation. According to their findings, as the transparency, effectiveness and timeliness of communicating evaluation outcomes to personnel increased, employees tended to exhibit enhanced levels of role enactment, goal fulfilment and productivity outcomes. In the study aimed at evaluating the relationship between performance appraisal and employee performance within the context of Moroto Town Council in Uganda, Flora & Enock (2023) established the former influences the way employees performed their delegated responsibilities and achieved organizational objectives.

2.6 Moderation Effect of Work Environment

In this study work environment was studied as a moderating variable in the relationship between appraisal system and employee performance. This was based on the fact that previous studied have established it moderation role in organisations. For instance, Jumady (2022) established that work environment as a moderator can strengthen the impact of organisational culture, employee motivation, and performance appraisal on job satisfaction. Ginting et al (2024) adds that, “employees working in a well-maintained, safe, and supportive environment are more likely to feel the positive effects of a strong organisational culture,

high motivation, and effective performance". The significant role of the work environment as a moderator in circumstances relating to employee performance has been demonstrated in a number of studies. For instance, Ginting et al (2024) cites a study by Chiang and Jang (2008) which established that work environment significantly moderated the relationship between organisational culture and job satisfaction in the hospitality industry; and another by Karatepe & Uludag (2007) which established that the work environment moderated the relationship between employee motivation and job satisfaction among hotel employees.

2.7 Summary of Literature

The literature is an overview of what was previously advanced and written by other scholars in line with the relationship between appraisal systems and work at performance in National Water and Sewerage Corporation in Nakasero, (Kampala). It should be noted that all these aspects of review were in line with the study objectives. Goal setting theory advanced by Edwin Locke and the Expectancy theory advanced by Victor Vroom in 1964 are the main theories used to explain the relationship between appraisal systems and work at performance. However, these theories do not clearly demonstrate how different appraisal systems can be used to improve employee performance; it only highlights the different appraisal techniques to be used. This study thus applied the different management appraisal techniques that apply in motivating staffs in the work place in relation to required performance.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter provides informtion on how the study was designed, study population that was chosen and sample size for the study. The chapter also describes the data collection methods, research procedure, and the data analysis techniques which was employed during the course of the study. Finally, the chapter also deals with the ethical considerations to be observed by the researcher during the course of undertaking this investigation.

3.1 Research Design

The study adopted a corss-sectional study design, which involves collecting information from the same group using questionnaires, which are administered to a representative sample of that particular group. Descriptive research design is relevant for gathering information from a large population in a limited period. Descriptive study seeks to inquire from the unknown by posing research questions like who, what and how questions (Babbie, 2002). Alongside a descriptive research design, both quantitative and qualitative research approaches were used on quantitative and qualitative variables respectively. The use of both approaches is justified on grounds that quantitative approach permited gathering data from a larger number of respondents while qualitative data permited gathering detailed and in-depth information. Besides, the use of mixed method allowed for methodological triangulation and calrification from one method to another and both aprroaches complemented each other.

3.2 Population of the Study

The population of this study comprised of all employees of National Water and Sewerage Corporation Nakasero, Kampala. The researcher was interested in employees in all sections and department of National Water and Sewerage Corporation since a performance management system permeates all cadres in an organization. Therefore the target population of the study consisted of staff drawn from all departments including accounting and finance, engneering, administration, and audit and compliance (NWSC, 2016). The total population of the study therefore comprised of 320 respondent (NWSC, 2023).

3.3 Sample Size Determination

Sample size is the number of elements selected from the population for a study, and its determination is crucial for the reliability and generalizability of the research findings (Saunders, Lewis & Thornhill, 2019). The sample size was determined using Krejcie and Morgan (1970) where from the total of 320 employees of National Water, a sample of 175 respondents were selected and distributed across the different departments based on proportion of the total population.

Table 1: Sample Size Composition

SN	Categories of Respondents	Study Population	Sample Size	Sampling Techniques
1.	Managers	2	2	Purposive Sampling
2.	Heads of Department	6	6	Purposive Sampling
	Subtotal – Qualitative	**8**	**8**	
3.	Administration Staff	35	19	Simple Random Sampling
4.	Accounting & Finance	20	11	Simple Random Sampling
5.	Engneering & Technical Services	113	62	Simple Random Sampling
6.	Audit & Compliance	22	12	Simple Random Sampling
7.	Commercial & Customer Care	94	51	Simple Random Sampling
8.	Support Staff	36	20	Simple Random Sampling
	Subtotal – Quantitative	**320**	**175**	
	Total	**328**	**183**	

Source: National Water and Sewerage Corporation (2023)

According to the Table 1 the total sample size was 183 which was comprised of 8 key informants and 175 respondents who were to participated in filling the questionnaires.

Response Rate

On undertaking the study, the actual number of those respondents who participated in were as summarised in Table 2.

Table 2: Response Rate

SN	Categories of Respondents	Sample Size	Atual Responded	Response Rate (%)
1.	Qualitative (Interviews)	8	6	75.0
2.	Quantitative (Questionnaires)	175	160	91.4
	Total	**183**	**166**	**90.7**

Source: Primary Data.

The results implied that adequate data were collected and this implied that this allowed for effective analysis and credible results.

3.4 Sampling Techniques

As far as the sampling techniques were concerned, both purposive selection and simple random sampling techniques were used to get the study sample. Purposive sampling was used to select the managers and the Heads of Department (HoDs). This method was ideal because it involved respondents with different relevant experience and professional training. These purposively selected respondents were competent enough to raise data on the study variables. Simple random sampling was used for the rest of the respondents who included: administration staff, accounting and finance, engneering and technical services, audit and compliance, commercial and customer care and finally the support staff. This was because simple random sampling avoids bias in determining who will participate in a study. That it, Simple random sampling was chosen because it ensured high degree of representativeness by subjects and it could easily be used when the population members are similar to one another on important variables.

3.4.1 Simple random sampling

The study employed simple random sampling after stratification. Simple random sampling is a fundamental sampling technique where every member of a population has an equal chance of being selected in the sample (Thompson, 2012). This method ensures that each possible sample of a given size has the same probability of being chosen. Simple random sampling was used to eliminate bias and ensure the sample accurately represents the population. Its application is justified by its simplicity, clarity, and statistical validity, making it an essential tool for drawing accurate inferences about the study population.

3.4.2 Purposive sampling

The researcher also employed Purposive sampling, also known as judgmental or selective sampling, a non-probability sampling technique where the researcher selects participants based on their knowledge, relationships, and specific purpose of the study. This method involves the deliberate choice of participants due to the qualities they possess, making it a suitable approach when specific characteristics of the population are of interest and the researcher wants to gather in-depth and insightful data. This technique was justified on the grounds that it enabled the researcher to select participants from administration who are knowledgeable about appraisal system and employee performance.

3.5. Data Collection Methods

The methods involved both qualitative and quantitative research methods. This involved a process that was used to collect data for the purpose of making decision. The methodology that was employed included interviews with administrative staff and questionnaire on the opinions of operational workers on the present and past information concerning appraisal systems and work performance.

3.5.1. Questionnaire survey method

Questionnaire survey as method for research data collection, which consists of a list of questions, along with the choice of answers, printed or typed in a sequence on a form used for acquiring specific information from the respondents (Bryman, 2016). The researcher developed a written questionnaire with standardized responses that was used to gather the necessary data. The use of questionnaire was adopted because it ensured that data collection was standardized such that each respondent gets the same question and in the same format for ease of data analysis.

3.5.2 Interview method

Interview method was used to collect data from a small group of subjects on a broad range of topics. The researcher used unstructured interview which was flexible enough to capture unstructured views from the respondents. In this case, interviews were conducted with the staff in the administration department. This was intended to gather in depth information on appraisal system and employee performance.

3.6 Data Collection Instruments

The researcher used questionnaires to collect quantitative data. The logic of selecting this instrument was to provide accurate primary data for analysis in relation to appraisal systems and work performance. The questionnaires were administered to the operaional staffs as they adopt and use the different appraisal techniques. On the other hand, interview questions were administered to the selected members from administration since they are the ones who over see the process of appraisal in the corporation.

3.6.1 Questionnaires

A questionnaire was self-administered by the researcher to the respondents. The questionnaire contained close ended and open ended questions to collect opinions from respondents.The questionnaire was used on the basis that the variables under the study could not be observed for instance the views, opinions, perceptions, feelings of the respondents, number of members or elements in which the researcher is interested in. The advantage of using questionnaire is that it is easy to code and analyze the data. It also saves time as the researcher can distribute and collect later when filled by the respondents. Questionnaire was filed by a total of 175 respondents.

3.6.2 Interview guide

The interview guide was directed to a sample of 19 administrative staffs since they are the ones who oversee the implementation and use of appraisal techniques and they could as well provide more indepth information on appraisal systems and workforce performance. The interview guide captured indepth information on the appraisal techmiques, process and feedback. Besides, it captured information on employee performance based on the different parameters. The use of interview guide was justified on its ability to gather indepth and detailed information.

3.7 Data Quality Control

The quality of data was ensured through reliability and validity measures as detailed in the ensuing sub-sections below:

3.7.1 Reliability

Reliability is the consistency of set of measurement items (Thompson, 2012). Reliability is the consistency of measurement or the degree to which instrument measures the same way

each time it is used under the same condition. Reliability also shows degree to which scores are free from errors. Researcher used the most common internal consistency measure known as Cronbach's Alpha (α) generated by Statistical Package for Social Sciences (SPSS)**.** According to Bryman (2016), a cut –off alpha coefficient of 0.7 is sufficient to prove that the items in the instrument are reliable. Going by literature, a tool is considered to be reliable if a Cronbach's alpha coefficient value of 0.70 and above is obtained. The results in this case were as presented in Table 3.

Table 3: Cronbach's Alpha Coefficient Test of Reliability

Variable	Dimension	Cronbach's Alpha Coefficient	Number of Items
1. Appraisal System	• Appraisal Technique	0.823	7
	• Appraisal Process	0.733	7
	• Appraisal Feedback	0.881	7
2. Employee Performance	• Work Quality	0.796	5
	• Efficiency	0.808	6
	• Effectiveness	0.779	7
	• Client Satisfaction	0.903	7
3. Work Environment	• Physical Environment	0.811	7
	• Non-physical Environment	0.790	7
	Average Reliability	**0.814**	**60**

Source: Primary Data

The results from Table 3 show that the questionnaire was able to collect reliable data since all the Cronbach's alpha coefficients for the entire tool and for the different dimensions under the different variables were all above the minimum acceptable value of 0.7. The average coefficient as presented was 0.814.

3.7.3 Validity

Validity is the accuracy and meaningfulness of inferences, which are based on the research results (Kothari, 2014). Therefore, validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. To ensure content validity, the questionnaire was subjected to thorough examination by three research experts. They were asked to evaluate the statements in the questionnaire for relevance and whether

they were meaningful and clear. Besides, content validity index was computed from where a CVI of 0.7 and above was obtained and the instrument considered reliable. CVI was computed using the formula below:

$$CVI = \frac{\text{Number of items considered relevant}}{\text{Total number of items in the instrument}}$$

The computation of the CVI from the feedback by three experts was as shown in Table 4 where the average CVI was 0.887 meaning that the tool passed the validity test.

Table 4: Content Validity Test Results

SN	Expert	Rating	CVI
1.	Expert 1	59/65	0.923
2.	Expert 2	56/65	0.862
3.	Expert 3	58/65	0.892
	Average		**0.887**

Source: Primary Data

The tool was then pre-tested by engaging five respondents who were required to fill in the questionnaire while pointing out any mistake or errors in the tool in terms of spellings, ambiguity, redundancy and so on. The feedback was then used to polish the tool before it was used for collecting data. At the same time, all the five respondents who participated in pre-testing, were excluded from the actual data collection process.

3.8 Data collection Procedure

The researcher obtained an introductory letter from the research coordinator at the university. This acted as a proof for the study being an academic research in order to obtain permission from NWSC head office in Nakasero Kampala. The researcher sought clearance from the executive director, then the researcher continued by making appointments with all the other staff to take part in the study. Questionnaires were self-administered to the respondents on agreed upon date and then retrieved later in the course of the day. Call backs were made for those respondents who were absent and for one or the other reason have not responded to the

questionnaire. Interviews were conducted on a later date agreed after the questionnaires have been retrieved. Any errors on completeness and any edits on the data collected were done while still at the field. The researcher then returned back from the field and organized the data by entering in the computer with the help of SPSS version 26.

3.9 Data Analysis and Presentation

The analysis of data derived from both questionnaires and interview guide was analysed both quantitatively and qualitatively as below:

3.9.1 Quantitative data analysis

The researcher analyzed the quantitative data from questionnares by use of SPSS to generate frequency counts and percentages to provide description of the variables through numerical calculations, graphs and tables. In this case, responses were quantified in terms of percentages and presented in form of graphs and charts in order to present accurately the views of the respondents. Correlation coefficient was used to establish the association between appraisal systems and employee performance. In addition, regression analysis was used to establish the effect of the different dimensions appraisal system on the performance of employees in National Water. The results were presented in tables.

3.9.2 Qualitative data analysis

The qualitative data analysis from the interviews involved the identification, examination and interpretation of patterns in the contextual data and determining how these patterns help answer the research questions and this was inline with appraisal system and employee performance. In addition, quotations and verbatim reporting were used to strengthen the qualitative analysis. The written data was classified, summarised and tabulated and later interpreted.

3.10 Limitations and Delimitations of the Study

During the study, the researcher encountered a problem of not finding all respondents in the time of the study due to them being too busy with the organization work. The researcher however remained flexible with the respondents arranged for convenient time favourable to all the respondents during the process of data collection for reliable and valid information.

Most libraries in Gulu do not have adequate books on performance appraisal therefore the researcher was limited to only old reports and books since the library books were not updated. However, the researcher utilized the different academic websites and the University library to get the relevant literature.

Some respondents also feared or suspected that the information they give out could be used against them. This was overcome by the researcher first of all creating a good rapport with the respondents and convincing them that the information will be treated with all the confidentiality it deserves. The researcher also provided an authorization letter from the University to ensure confidentiality.

3.11 Ethical Considerations

Prior to the study, the researcher obtained an introductory letter from the Faculty of Business and Development Studies, Gulu University. The introductory letter was presented to the management of National Water to enable researcher gain access to the respondents. The researcher sought permission to undertake this study from the authorities in National Water & Sewerage Corporation. The researcher then mobilized resources, recruited a research assistant and trained the person to help with the data collection. Informed consent was obtained from the participants after explaining the study objectives to them. This therefore meant that researcher did not forcefully recruit and involve respondents in this study against their will. It

was purely voluntary. Personal identities of respondents were not included in the data for confidentiality and anonymity reasons. So, only pseudonyms were used. The researcher as well maintained privacy and confidentiality of the respondents and the respondents had the freedom to ignore items that they did not wish to respond to. Data collected from respondents including confidential information were filed and kept in lockable locations to prevent access by unauthorized persons and to mitigate exposure of confidential information of respondents. The researcher made attempt to disseminate the research findings to the different stakeholders by distributing the reports to the different departments of NWSC.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.0 Introduction

This chapter consists of the presentation of the analysis results and interpretation of the results. It starts with a section on the background information of the respondents followed by presentation of results as per the study objectives which were about, (i) examining the nature of appraisal systems used in NWSC; (ii) assessing the performance level of employees in NWSC; (iii) examining the relationship between appraisal system and employee performance in NWSC; and (iv) determining the moderating effect of work environment on the relationship between appraisal system and employee performance in NWSC.

4.1 Background Information of Respondents

The background information of the respondents that was studied and for which the findings are presented below included the gender of the respondents, their age, and their marital status, highest education standard, position of the employee in the organisations, and, duration in service.

Table 5: Background Information of Respondents

Variables		Frequency (X)	Percent (%)
1. Gender	i. Male	89	**55.6**
	ii. Female	71	**44.4**
	Total	**160**	**100.0**
2. Age Bracket	i. 20-30 years	22	**13.8**
	ii. 31-40 years	63	**39.4**
	iii. 41-50 years	60	**37.5**
	iv. Above 50 years	15	**9.4**
	Total	**160**	**100.0**
3. Marital Status	i. Married	74	**46.2**
	ii. Single	33	**20.6**
	iii. Separated	7	**4.4**
	iv. Divorced	0	**0.0**
	v. Widowed	46	**28.8**
	Total	**160**	**100.0**
4. Highest Level of Education	i. O-Level	0	**0.0**
	ii. A-Level	1	**0.6**
	iii. Certificate	62	**38.8**
	iv. Bachelor's degree	0	**50.0**
	v. Master's degree	17	**10.6**
	Total	**160**	**100.0**
5. Position of the employee	i. Manager	2	**1.2**
	ii. Senior Officer	26	**16.2**
	iii. Field Officer	59	**36.9**
	iv. Finance officer	21	**13.1**
	v. Human Resource	15	**9.4**
	vi. Support Staff	37	**23.1**
	Total	**160**	**100.0**
6. Duration in service	i. less than 1 years	4	**2.5**
	ii. 1 - 3 years	15	**9.4**
	iii. 4 - 5 years	17	**10.6**
	iv. 5+ years	124	**77.5**
	Total	**160**	**100.0**

Source: Primary Data

According to the results presented in Table 5, the majority of the respondents (55.6%) were male while their female counterparts accounted for 44.4%. These findings imply that both genders were represented and therefore, their views were captured during data collection.

As far as age was concerned, the majority of the respondents (39.4%) were of the age group 31-40 years old followed by those of the age group of 42-50 years old at 37.5%, and then those aged 20-30 years at 13.8%. In total, therefore, 53.2% of the respondents were aged 40 years and below. This implies that the majority of the respondents were relatively young.

This was further supported by the fact that none of the respondents was of the age of 60 years and above.

It was further established that the majority of the respondents who participated in this study were married (46.2%) followed by those who are single at 20.6%. Those who were widowed came third at 28.8%. While 4.4% were separated, none were divorced. This implies that most of the respondents had families regardless of their marital status, save for the 20.6% of those who were single.

In terms of education, respondents who hold a bachelor's degree were the majority (50.0%) followed by those with certificate (38.8%) and those with master's degree (10.6%). There were none with o-level certificate as their highest level of education. The fact that there none of the respondents at the O-Level education and below it implies that the respondents in this study were educated and this in turns implies that they were able to understand the questions posed to them to allow then give credible responses.

As far as the positions of the respondents in the organisation were concerned, the majority of the respondents were field officers (36.9%). This category was followed by the support staff at 23.1%, the senior officers at 16.2% and those in finance department (13.1%). In general, all the relevant departments were represented in this study implying that views from the departments were represented in the data collected.

Concerning their duration at NWSC Kampala City, the majority the respondents (77.5%) had worked with NWSC Kampala City for over 5 years. This was followed by those who had worked at the NWSC for 4-5 years at 10.6% and for 1-3 years at 9.4%. This finding implies that most of the respondents had worked for NWSC for a reasonably long time to be considered to be knowledgeable about the status of NSWC Kampala City.

4.2 Performance Appraisal System

The results presented here are about the first objective of this study which was to examine the nature of appraisal systems used in NWSC, Kampala, Uganda. They are presented under three subsections in line with the three dimensions of performance appraisal system.

4.2.1 Descriptive results of appraisal techniques

Table 6 presents the descriptive results of the appraisal techniques.

Table 6: Appraisal Techniques

SN	Statements on Appraisal Process	Percentages						
		SD	D	SD+D	NS	A	SA	A+SA
1.	The appraisal techniques used in our organization are clearly explained to all employees.	0.0	16.9	16.9	5.0	65.0	13.1	**78.1**
2.	I understand the methods used to evaluate my performance.	5.6	11.9	17.5	2.5	68.1	11.9	**80.0**
3.	The appraisal techniques are easy to understand.	1.9	8.8	10.7	3.8	72.5	13.1	**85.6**
4.	The criteria used in the appraisal techniques are well-defined.	5.1	14.0	19.1	3.8	66.9	10.2	**77.1**
5.	The appraisal techniques are applied consistently across all departments.	5.6	12.5	18.1	3.8	66.9	11.2	**78.1**
6.	I believe the appraisal techniques used are fair and unbiased.	2.5	8.8	11.3	5.6	70.0	13.1	**83.1**
7.	The appraisal techniques accurately reflect my job performance.	0.0	6.9	6.9	8.8	68.1	16.2	**84.3**
	Average	**3.0**	**11.4**	**14.4**	**4.8**	**68.2**	**12.7**	**80.9**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree.

Source: Primary Data

The results as presented in Table 6 show that, on average, appraisal techniques at NWSC Kampala City was rated at 80.9%. Specifically, all the seven (7) statements were rated above 75.0%. The highest rated was the statement that "The appraisal techniques are easy to understand" which was rated at 85.6% followed by the statements that, "The appraisal techniques accurately reflect my job performance" and "I believe the appraisal techniques used are fair and unbiased" at 84.3% and 83.1% respectively. The least scored statement was that, "The

criteria used in the appraisal techniques are well-defined" at 77.1%; "The appraisal techniques are applied consistently across all departments" at 78.1% and "The appraisal techniques used in our organization are clearly explained to all employees" at 78.1%. In summary, appraisals are highly practiced at NWSC Kampala City.

The above results agreed with those obtained from the key informants who also indicated that NWSC Kampala City takes staff appraisals very seriously and they are ever practiced. This means that both the quantitative and qualitative results imply that staff appraisals are highly practiced at NWSC, Kampala City. The findings from of the KII regarding appraisal techniques in NWSC, Kampala City revealed that, they have been practiced for many years and that employee actual look forward for them. For instance, one key informant said,

> *Most times staff in NWSC looks forward for the annual performance appraisals because as an organisation, we reward those who perform exceptionally well. We have been practicing performance appraisal for many years now and indeed, it has become our culture. As a n organisation, we have witnessed how this has actually improved the performance of our employees over the years.*

Yet another key informant said

> *We have relied on performance appraisal to assess how our employees are performing and make administrative decisions that enable us to serve our clients well. This actually is done for all employees including top management. The appraisal findings are always discussed and where we think corrective actions are needed, we plan for the same.*

It is also noted that, performance appraisals are actually conducted in many organisations as a good human resource management practice that is geared towards ensuring organisational

performance. It was also established that in the case of NWSC Kampala, apart from the annual appraisals, there are also monthly and quarterly appraisals in some departments and depending on the activities of the department.

4.2.2 Descriptive results of appraisal process

Table 7 presents the descriptive information of appraisal process at NWSC, Kampala City.

Table 7: Appraisal Process

SN	Statements on Appraisal Process	Percentages						
		SD	D	SD+D	NS	A	SA	A+SA
1.	The appraisal process is clearly communicated to all employees.	1.9	8.8	10.7	5.0	69.4	15.0	**84.4**
2.	I understand each step involved in the appraisal process.	3.8	5.6	9.4	1.9	63.8	25.0	**88.8**
3.	The objectives of the appraisal process are well-defined.	8.8	3.1	11.9	5.6	73.8	8.8	**82.6**
4.	I am aware of the timeline for the appraisal process.	8.8	1.9	10.7	5.6	70.6	13.1	**83.7**
5.	I believe the appraisal process is fair and unbiased.	6.2	5.6	11.8	13.8	52.5	21.9	**74.4**
6.	The appraisal process is transparent and open.	6.9	6.9	13.8	7.5	53.8	25.0	**78.8**
7.	I am satisfied with the current performance appraisal process.	5.0	5.6	10.6	5.6	69.4	14.4	**83.8**
	Average	**5.9**	**5.4**	**11.3**	**6.4**	**64.8**	**17.6**	**82.4**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree.

Source: Primary Data

According to the results as presented in Table 7 above, on average, the appraisal process at NWSC Kampala City was rated at 82.4%. Results of the individual statements show that, all the statements were rated above 70.0%. The highest rated statement was "I understand each step involved in the appraisal process" at 88.8% followed by the statement, "The appraisal process is clearly communicated to all employees" at 84.4% and "I am satisfied with the current performance appraisal process" at 83.3%. The least scored, although still high, were the statements, "I believe the appraisal process is fair and unbiased"; "The appraisal process is transparent and open"; and "The objectives of the appraisal process are well-defined" at 74.4%;

78.8% and 82.2% respectively. According to these results all the statements were highly rated implying that the appraisal process is effectively practiced at NWSC Kampala City.

Results from the KIIs were also in agreement with the above in that, respondents stated that the appraisal process is very well executed in NWSC Kampala. Many of the key informants indicated that there is policy in place that guides the appraisal process and as such it very well executed every year. In support if this one respondent had this to say;

> *At NWSC Kampala we believe that employees must be appraised very well so that we can get the best findings. This was we will be in a position to make the best decisions. As such, we have polished our appraisal process specifically for that purpose. It has thus been our tradition to conduct the performance appraisal every year.*

According to another KII,

> *I have been one of those who in involved in conducting the employee performance appraisals and I always adhere to the appraisal process so as to make sure that I get credible feedback. But have made it our responsibility to be reviewing the appraisal process regularly. This way we have managed to perfect our performance appraisal process.*

4.2.3 Descriptive results on appraisal feedback

Table 8 presents the descriptive results on appraisal feedback at NWSC Kampala City.

Table 8: Appraisal Feedback

SN	Statements on Appraisal Feedback	Percentages						
		SD	D	SD+D	NS	A	SA	A+SA
1.	The feedback I receive from my performance appraisals is clear and easy to understand.	5.7	11.4	17.1	3.8	70.9	8.2	**79.1**
2.	The feedback provided is specific and detailed.	7.5	14.4	21.9	6.9	60.6	10.6	**71.2**
3.	The feedback helps me understand my strengths.	11.9	3.1	15.0	3.8	66.9	14.4	**81.3**
4.	The feedback helps me understand areas that need improvement.	1.9	1.9	3.8	1.9	76.9	17.5	**94.4**
5.	The feedback I receive is constructive and helpful.	4.2	1.2	5.4	4.6	71.2	18.8	**90.1**
6.	The feedback is actionable and provides clear steps for improvement.	3.8	1.9	5.7	4.4	71.2	18.8	**90.0**
7.	The feedback is timely and given soon after the appraisal.	0.0	16.9	16.9	5.0	65.0	13.1	**78.1**
	Average	**5.0**	**7.3**	**12.3**	**4.3**	**69.0**	**14.5**	**83.4**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree.

Source: Primary Data

As presented in Table 8, appraisal feedback at NWSC Kampala City was rated at 83.4% on average. Of the seven (7) statements, it was observed that, all of them were scored at above 70.0%. The highest scored was the statement that "The feedback helps me understand areas that need improvement" which was rated at 94.4% followed by the statements that, "The feedback I receive is constructive and helpful" and "The feedback is actionable and provides clear steps for improvement" at 90.1% and 90.0% respectively. The least scored statement was that, "The feedback provided is specific and detailed" at 71.4% followed by "The feedback is timely and given soon after the appraisal" at 78.1% and "The feedback I receive from my performance appraisals is clear and easy to understand" at 79.1%.

Qualitative results on appraisal feedback at NWSC Kampala were in support of the quantitative results that show that giving feedback to employees after an appraisal is a common practice. It was established that NWSC Kampala mainly uses the open-appraisal

system which is itself is about conducting face-to-face interviews and hence giving instant feedback to the appraisees. In line with this, one key informant said,

> *I think the key thing in our organisation is to make sure that all activities, especially involving employees, are as open as possible. For that matter feedback where is sought as in the case of appraisals is promptly provided. I think it is this open communication approach that we use that makes us be who we are.*
>
> *At NWSC Kampala, we work together as teams which are headed by supervisors and managers and all of us, regardless of our positions and roles are required to give freely communicate. This thus makes it easy for supervisors and managers to give appraisal feedback to appraisees not long after the appraisal process.*

4.2.4 Summary results on appraisal system at NWSC, Kampala City

The results from the Likert tables show that, on average, appraisal techniques at NWSC Kampala City was rated at 80.9%; the appraisal process at 82.4%; and the appraisal feedback at 83.4% on average. As such, the overall rating of the appraisal system was 82.2% which was above average. These results imply that the appraisal system at NWSC Kampala City is well practiced.

4.3 The Level of Employee Performance at NWSC, Kampala City

The results presented here are about the second objective of the study which was about assessing the level of employee performance at NWSC. They are presented under the four dimensions namely, target realization, beneficiary satisfaction, efficiency, and effectiveness.

4.3.1 Descriptive results on output quality

Table 9 presents the descriptive results on output quality.

Table 9: Descriptive results on Output Quality

SN	Statements on Output Quality	Percentages						
		SD	D	SD+D	NS	A	SA	A+SA
1.	High-quality output is recognized in my organization.	5.6	11.9	17.5	2.5	68.1	11.9	**80.0**
2.	Employees in this organization produce output with minimal errors.	1.9	8.8	10.7	3.8	72.5	13.1	**85.6**
3.	Stakeholders are satisfied with the quality of output produced by employees in this organizations	0.0	3.8	3.8	0.0	68.1	28.1	**96.2**
4.	The quality of output produced by employees in this organization is high.	3.8	1.9	5.7	4.4	71.2	18.8	**90.0**
5.	There is high level of accuracy in task accomplishments in this organization.	0.0	16.9	16.9	5.0	65.0	13.1	**78.1**
	Average	**2.3**	**8.7**	**10.9**	**3.1**	**69.0**	**17.0**	**86.0**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree
Source: Primary Data

According to the results as presented, output quality at NWSC Kampala City was scored at 86.0% on average. This was, however, opposed by 10.9% of the respondents while 3.1% of that were non-committal. The results further reveal that, all the five statements were scored above 75.0%. The least scored despite this were the statements, “There is high level of accuracy in task accomplishments in this organization” at 78.1% followed by the statement that; “High-quality output is recognized in my organization” at 80.0%. On the other hand, the highest rated statements were, “Stakeholders are satisfied with the quality of output produced by employees in this organizations”; “The quality of output produced by employees in this organization is high”; and “Employees in this organization produce output with minimal errors” at 96.2%; 90.0% and 85.6% respectively. These results imply that quality output at NWSC Kampala is above average.

The above quantitative results were in line with the qualitative results as derived from the interviews that were conducted. In this regard one respondent said:

Here at NWSC Kampala, it is very critical that everyone is able to meet his/her set targets. It is the responsibility of the managers and supervisors to make sure that each member does so by regularly appraising that staff. At NWSC, we have adequate resources available to enable us deliver services effectively and so it is up to an individual to make sure he/she does his best.

4.3.2 Descriptive results on Effectiveness

The descriptive results of the level of effectiveness were as presented in Table 10.

Table 10: Results on Effectiveness

SN	Statements on Effectiveness	Percentages						
		SD	**D**	**SD+D**	**NS**	**A**	**SA**	**A+SA**
1.	Employees in this organization usually meet all their task goals.	5.6	11.9	17.5	2.5	68.1	11.9	**80.0**
2.	Employees usually meet all the assigned tasks.	1.9	8.8	10.7	3.8	72.5	13.1	**85.6**
3.	All monthly targets are met by employees in this organization.	7.5	4.4	11.9	5.6	58.8	23.8	**82.6**
4.	All the expectations of supervisors are met by employees in this organizations	16.2	7.5	23.7	7.5	60.6	8.1	**68.7**
5.	Employees in this organization usually adhere to set deadlines.	16.9	6.2	23.1	7.5	67.5	1.9	**69.4**
	Average	**9.6**	**7.8**	**17.4**	**5.4**	**65.5**	**11.8**	**77.3**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree

Source: Primary Data

The level of work effectiveness at NWSC Kampala City as a measure of employee performance was, on average rated at 77.3%. This was opposed by17.4% of the respondents while 5.4% indicated that they were not sure about this. Of the five statements posed to the respondents, all were rated above 60.0%. The least scored statement was that, "All the expectations of supervisors are met by employees in this organizations" at 68.7% followed by the statement that, "Employees in this organization usually adhere to set deadlines" at 69.4%. All the other statements were scored at above 80.0% with the highest two being, "Employees usually meet all the assigned tasks" and "All monthly targets are met by employees in this

organization" at 85.6% and 82.6% respectively. In general, the level of effectiveness was scored highly

It was established from the qualitative results that employee effectiveness at NWSC Kampala is rated highly even by the key informants who stated that the organisation takes this very seriously. It was reported that all supervisors and managers are required to work towards that and ensure that their direct reportees are effective in whatever they do. In line with this one key informant said,

> *We value employee effectiveness because that is what our clients want. As such, we all take our roles and responsibilities very seriously at all times. In fact, this is used to assess the person of every employee especially during appraisals. Further than that, every employee is given set targets which have to be realised and hence the reason why everyone in keen in being effective in what they do.*

4.3.3 Descriptive results on efficiency

The results on employee efficiency were as presented in Table 11.

Table 11: Results on Employee Efficiency

SN	Statements on Efficiency	Percentages						
		SD	**D**	**SD+D**	**NS**	**A**	**SA**	**A+SA**
1.	Employees in this organization accomplish their tasks with minimal use of financial resources	13.8	5.6	19.4	11.2	56.9	12.5	**69.4**
2.	Employees in this organization accomplish their tasks with minimal effort	13.1	8.8	21.9	15.0	52.5	10.6	**63.1**
3.	Employees in this organization accomplish their tasks within the shortest time possible.	28.8	11.2	40.0	5.6	33.8	20.6	**54.4**
4.	Employees usually meet their assigned tasks irrespective of the budgetary constraints.	33.1	5.0	38.1	1.2	43.1	17.5	**60.6**
5.	There is minimal waste of resources by employees in this organizations	31.2	7.5	38.7	8.1	45.0	8.1	**53.1**
6.	Optimal output is usually produced by employees with less use of resources.	39.4	19.4	58.8	6.9	21.9	12.5	**34.4**
	Average	**26.6**	**9.6**	**36.2**	**8.0**	**42.2**	**13.6**	**55.8**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree

Source: Primary Data

Employee efficiency as per the results was on average scored at 55.8% which was above average as much as it was opposed by 36.2% of the respondents with 8.0% stating that they were not sure about this. Of the six statements posed to the respondents, one of them was scored below 50%. This was the statement that, "Optimal output is usually produced by employees with less use of resources" at 34.4%. The top most statements were the statements that, "Employees in this organization accomplish their tasks with minimal use of financial resources"; "Employees in this organization accomplish their tasks with minimal effort r"; and "Employees usually meet their assigned tasks irrespective of the budgetary constraints" at 69.4%; 63.1% and 60.6% respectively.

Results arising from the interviews on employee efficiency were in support of the above quantitative results that the efficiency at NWSC Kampala is above average. For instance, one senior manager said that;

> *We at NWSC Kampala, we are used to working hard and this has become our culture and so anyone who joins the organisation has to run at the pace of the organisation. Most of us have learnt how to achieve optimum results using minimal time, minimal effort and minimal budgets. This is actually attested for by our clients who are happy with our services.*

He further added that,

> *Employee efficiency is critical to us considering that we deal with water which has been equated to life itself and so we must be efficient in all our operations. In fact, this factor is also included in our performance appraisal whereby every employee is supposed to demonstrate the extent to which he/she has been operating innovatively to cut down operational costs while maximizing client satisfaction.*

4.3.4 Descriptive results on client satisfaction

Table 12 presents the descriptive results on the level of client satisfaction at NWSC Kampala.

Table 12: Results on Client Satisfaction

SN	Statements on Client Satisfaction	Percentages						
		SD	D	SD+D	NS	A	SA	A+SA
1.	The quality of service provided by our employees meets client expectations.	38.1	17.5	55.6	9.4	21.2	13.8	**35.0**
2.	The services offered by NWSC are reliable and dependable.	39.4	19.4	58.8	6.9	21.9	12.5	**34.4**
3.	The employees consistently deliver high-quality services to customers.	20.0	15.0	35.0	17.5	36.2	11.2	**47.4**
4.	The employees maintain a positive and courteous attitude towards customers.	16.2	7.5	23.7	7.5	60.0	8.1	**68.1**
5.	The employees are willing to help and provide support to customers whenever needed.	16.9	6.2	23.1	7.5	67.5	1.9	**69.4**
6.	NWSC receives limited complaints from customers about services offered	13.8	5.6	19.4	11.2	56.9	12.5	**69.5**
7.	Customers often praise the quality of services offered by NWSC	13.1	8.8	21.9	15.0	52.5	10.6	**63.1**
8.	Our clients are appreciative of the services offered to them by NWSC.	0.0	5.1	5.1	1.3	74.5	19.1	**93.6**
	Average	**19.7**	**10.6**	**30.3**	**9.5**	**48.8**	**11.2**	**60.1**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree
Source: Primary Data

The results as presented show that, on average, client satisfaction was at 60.1%. This was against 30.3% of the respondents who were opposed about this as 9.5% were non-committal. These results stem from the fact that all the five statements about client satisfaction were scored above 50.0%. Further, only three were scored below 50.0% and these were the statements that, “The services offered by NWSC are reliable and dependable”; “The quality of service provided by our employees meets client expectations” and “The employees consistently deliver high-quality services to customers” at 34.4%, 35.0% and 37.4% respectively. The highest scored statements on the other hand were, “Our clients are appreciative of the services offered to them by NWSC” and “NWSC receives limited complaints from customers about services offered” at 93.6% and 69.5% respectively.

Qualitative results from the KIIs also support the above results in that most of the key informants indicated that client satisfaction at NWSC Kampala is way above average. In line with this, one key informant stressed this point by saying;

> *It is a fact that many clients are happy with our services. This partly comes from out good customer care services which are inculcated in our staff during their induction about working towards realizing organisational goals, one of which is about customer care. We also endeavour to handle all customer complaints that are raised to the satisfaction of our clients*

Yet another respondent said,

> *Under our core values, clients are ranked high up there and we do all what it takes to make then happy by ensuring that we exceed their expectations. It is indeed, the responsibility of every employee to work towards ensuring that customer satisfaction is our brand at all times.*

4.3.5 Summary of the results on level of employee performance at NWSC

According to the results as presented in the previous sub-sections, the output quality at NWSC Kampala City was scored at 86.0% on average; work effectiveness at 77.3%; employee efficiency at 55.8%; and client satisfaction was at 60.1%. Overall, employee performance was scored at 69.8%. These results imply that the performance of employees at NWSC Kampala City is commendable by being above average.

4.4 Relationship between Appraisal System and Employee Performance

This section presents the results of objective three which was about examining the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda. It starts with correlations results followed by regressions results

4.4.1 Pearson Correlation analysis results

The correlation results involving the dimensions of the appraisal system (IV) and those of the employee performance (DV) were as presented in Table 13.

Table 13: Correlation Analysis Results

Correlations

		Appraisal Techniques	Appraisal Process	Appraisal Feedback	Work Quality	Effectiveness	Efficiency	Client Satisfaction
Appraisal Techniques	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	157						
Appraisal Process	Pearson Correlation	.501**	1					
	Sig. (2-tailed)	.000						
	N	157	160					
Appraisal Feedback	Pearson Correlation	.691**	.537**	1				
	Sig. (2-tailed)	.000	.000					
	N	155	158	158				
Work Quality	Pearson Correlation	.843**	.531**	.667**	1			
	Sig. (2-tailed)	.000	.000	.000				
	N	157	160	158	160			
Effectiveness	Pearson Correlation	.734**	.336**	.815**	.751**	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
	N	157	160	158	160	160		
Efficiency	Pearson Correlation	.266**	.060	.352**	.238**	.435**	1	
	Sig. (2-tailed)	.001	.452	.000	.002	.000		
	N	157	160	158	160	160	160	
Client Satisfaction	Pearson Correlation	.409**	.225**	.578**	.375**	.688**	.856**	1
	Sig. (2-tailed)	.000	.004	.000	.000	.000	.000	
	N	157	160	158	160	160	160	160

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

Source: primary Data

According to the results in Table 13, some dimensions of the appraisal system (appraisal techniques, appraisal process and appraisal feedback) were positively and statistically significantly correlated to those of employee performance which included, work quality, effectiveness, efficiency and client satisfaction. Further, the results show that for all those that were correlated, the correlations were significant at the 99% level of significance. The specific results were as follows:

The appraisal techniques as a dimension of appraisal system was established to be positively, statistically significantly and strongly correlated to work quality, effectiveness, efficiency, and client satisfaction at (r = .843**, p = .000), (r = .734**, p = .000), (r = .266**, p = .000) and (r = .409**, p = .000) respectively. This implies that by improving the appraisal techniques, NWSC can improve their employees' performance in terms of work quality, effectiveness, efficiency, and client satisfaction,

The appraisal process as a dimension of appraisal system was established to be positively, statistically significantly and strongly correlated to work quality, effectiveness, and client satisfaction at (r = .531**, p = .000), (r = .336**, p = .000) and (r = .255**, p = .000) respectively, but not to efficiency (r = .060, p = .452). These results imply that by improving the appraisal process, there can be an improvement in the work quality, effectiveness, and client satisfaction but not work efficiency.

The appraisal feedback as a dimension of appraisal system was established to be positively, statistically significantly and strongly correlated to work quality, effectiveness, efficiency, and client satisfaction at (r = .667**, p = .000), (r = .815**, p = .000), (r = .352**, p = .000) and (r = .578**, p = .000) respectively. The above results point out to the fact that there is a positive, strong and statistically significant correlation between the appraisal feedback and employee performance at NWSC, Kampala City.

Overall, the above results imply that the by further improving the appraisal system in terms of its techniques, process and feedback, the employee performance will improve in terms of quality, effectiveness, efficiency and client satisfaction.

4.4.2 Regression analysis results

It was important to establish how the dimensions of the independent variable (appraisal system) affect the dependable variable (employee performance). To do so, linear regression analysis was conducted using SPSS version 23 and three output tables were generated as presented below. These included the model summary, Analysis of Variance (ANOVA), and the Coefficients Table. The details for each output are as presented below.

Table 14: Model Summary of Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744[a]	.554	.545	.40891

a. Predictors: (Constant), feedback, process, techniques

Source: Primary Data

According to the model summary (Table 14), the value for the regression analysis (R square) was .554 while adjusted R-square was .545. The adjusted R-square in this model is the proportion of variation in employee performance at NWSC that is explained by the independent variable dimensions (appraisal technique, appraisal process and appraisal feedback). Based on the Adjusted R Square value, these results imply that 54.5% of the variation in employee performance in NWSC, Kampala City can be explained by the appraisal system. To determine whether this model is statistically significant or not, the other output of the regression analysis- the Analysis of Variance (ANOVA) - was generated as shown in Table 15.

Table 15: The Analysis of Variance (ANOVA) Results

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.361	3	10.454	62.518	.000[a]
	Residual	25.249	151	.167		
	Total	56.610	154			

a. Predictors: (Constant), feedback, process, techniques

b. Dependent Variable: performance

Source: field Data

The results in Table 15 show that the proportion of variance explained in the model summary table is statistically significant at 99% level of significance considering that the p-value is .000. This implies that the overall model is statistically significant and that the appraisal techniques, appraisal process and appraisal feedback collectively have a significant combined effect on employee performance at NWSC, Kampala City. In summary, they have a significant combined effect on employee performance, $F(3, 151) = 62.518$, $p < .001$. The final output of the regression analysis was the coefficient table as presented in Table 16 and this was about the regression coefficients.

Table 16: Coefficients of Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.833	.254		3.276	.001
	Appraisal techniques	.408	.079	.402	5.143	.000
	Appraisal process	.219	.065	.215	3.361	.001
	Appraisal feedback	.510	.078	.504	6.574	.000

a. Dependent Variable: performance

Source: field Data

According to the findings as displayed in the coefficient table, the p-value of appraisal techniques was (Beta = .402, p = .000); that of appraisal process was (Beta = .215, p = .001), while that of the appraisal feedback was (Beta = .504, p = .000). This implies that all the three dimensions of the IV can be considered to be significant predictors (or significantly related to) of employee performance at NSWS, Kampala City at 99% levels of confidence. Based on the above, the prediction equation using on the unstandardized coefficients, can be expressed as follows:

Employee Performance = 0.833 + 0.408 Appraisal Technique + 0.219 Appraisal Process + 0.510 Appraisal Feedback+ constant (e)

Where, the constant (0.833) is the predicted value of the employee performance when the independent variable dimensions have a zero value.

4.5 Moderation Effect of Work Environment

This section presents the results of objective four which was about determining the moderating effect of work environment on the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda. It starts with descriptive results of physical environment and non-physical environment followed by moderation test results.

4.5.1 Descriptive results on physical environment

Table 17 presents the descriptive results on the physical environment in NWSC, Kampala City.

Table 17: Results on Physical Environment

SN	Statements on Physical Environment	Percentages						
		SD	D	SD+D	NS	A	SA	A+SA
1.	The furniture in my workspace is comfortable and ergonomically designed.	13.8	5.6	19.4	11.2	56.9	12.5	**69.4**
2.	The workplace is adequately equipped with safety measures (fire extinguishers, first aid kits etc.	13.1	8.8	21.9	15.0	52.5	10.6	**63.1**
3..	I receive adequate physical support from my supervisor to manage my workload.	0.0	6.9	6.9	1.2	73.1	18.8	**91.9**
4.	Distractions in my workspace are minimized, allowing me to focus on my tasks.	1.2	11.2	12.4	9.4	60.6	17.5	**78.1**
5.	The layout of my workspace facilitates easy movement and access to resources.	0.0	12.5	12.5	8.1	60.6	18.8	**79.4**
6.	I have the necessary resources facilities to perform my job effectively.	0.0	0.0	0.0	10.0	71.2	18.8	**90.0**
7.	The design of my workspace promotes collaboration	3.1	14.4	17.5	5.6	54.4	22.5	**76.9**
	Average	**4.5**	**8.5**	**12.9**	**8.6**	**61.3**	**17.1**	**78.4**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree
Source: Primary Data

The results as presented in Table 17 indicate that, on average, the rating of the physical environment at NWSC Kampala was at 78.4%. This was against 12.9% of the respondents who stated otherwise and 8.6% who stated that they were not sure about this. Specifically, of the seven statements posed to the respondents, all were rated above 60%. The highest rated statements were “I receive adequate physical support from my supervisor to manage my workload”; “I have the necessary resources facilities to perform my job effectively” and “The layout of my workspace facilitates easy movement and access to resources” at 91.9%, 90.0% and 79.5% respectively. On the other hand, the least scored were the statements, “The workplace is adequately equipped with safety measures (fire extinguishers, first aid kits etc” at 63.1% followed by" The furniture in my workspace is comfortable and ergonomically

designed" at 69.4% and "The design of my workspace promotes collaboration" at 76.9%. These findings imply that the physical environment at NWSC Kampala City is very conducive for its operations.

Qualitative results from the interviews were also found to be in agreement with the above quantitative results. Most of those interviewed stated that NWSC Kampala City has adequate physical environment to allow it effective service its clients and even create an ambiance suitable for employees to work effectively. For instance, some of them had the following to say,

> *Our main infrastructure has what it take for clients to appreciate that NWSC Kampala City care for them. The office space is spacious enough to allow for easy flow of clients and even sitting space for those who have to wait to be served. We even have adequate office space for the managers including board rooms and recreation space for staff.*

Yet another one said,

> *At NWSC Kampala we do not only have adequate recreation facilities but as much as these are important, the organisation has ensured that there is a conducive working environment for all staff and adequate space for serving our customers who come for office services such as matters related to paper work or when they come to complain about lack of services.*

4.5.2 Descriptive results non-physical environment

Table 18 presents the descriptive results on the non-physical environment at NWSC, Kampala City.

Table 18: Results on Non-Physical Environment

SN	Statements on Non-Physical Environment	Percentages						
		SD	**D**	**SD+D**	**NS**	**A**	**SA**	**A+SA**
1.	The noise level in my workplace is manageable without disruptions	5.8	6.4	12.2	14.1	56.9	16.8	**73.7**
2.	The organization fosters an inclusive and diverse work environment.	9.4	12.1	21.5	15.0	53.6	9.9	**63.5**
3.	Management provides the necessary support to help me succeed in my role.	3.1	12.3	15.4	4.0	64.0	16.6	**80.6**
4.	I receive regular feedback and guidance from my manager.	1.2	9.2	10.4	8.7	63.0	17.9	**80.9**
5.	There is transparency and openness in communication with management.	6.3	3.6	9.9	11.2	60.1	18.8	**78.9**
6.	I am able to maintain a healthy work-life balance.	1.2	8.6	9.8	11.3	69.2	9.7	**78.9**
7.	I feel comfortable expressing my ideas and opinions at work.	5.1	11.0	16.1	7.0	54.4	22.5	**76.9**
	Average	**4.6**	**9.0**	**13.6**	**10.2**	**60.2**	**16.0**	**76.2**

Key: SD = Strongly disagree; D = Disagree; NS =Not sure; A = Agree; and SA = Strongly agree
Source: Primary Data

On average, 76.2% of the respondents indicated that the culture at NWSC as its non-physical environment is conducive. This is against 13.2% of the respondents who opposed this assertion and 10.2% who indicated that they were not sure about this. Only one statement (The organization fosters an inclusive and diverse work environment) out of the 7 was rated below 70% and that is at 63.5%. On the other hand, the highest rated statement was that, "I receive regular feedback and guidance from my manager" at 80.94%. The implication of these results is that the non-physical environment at the NWSC Kampala City is very conducive for its operations.

The qualitative results from the interviewees about the non-physical environment at NWSC, pointed out that most of them were quick to state that they believe that they have the best

working environment one can think of. They stated that the open communication culture in organisation enables the staff to freely communicate amongst themselves and with clients, and even with management. One respondent had the following to say:

> *NWSC Kampala City is a place one will enjoy working. We have freedom to communicate freely and our leadership is supportive of the subordinates. The welcoming culture in all our offices makes it easy even for clients to walk in in case of any complaints that they have concerning the service rendered to them.*
>
> *I must say that there is transparency in the way things are run here and this makes everyone of us feel at home regardless of our backgrounds.*

4.5.2 Moderation test results for work environment

The fourth objective of this study was to establish the moderation effect of work environment on the relationship between appraisal system and the employee performance at NWSC, Kampala City. This was done by undertaking a moderation test using SPSS version 23 and the results were as presented if the following two subsections as seen in terms of two outputs namely, the Analysis of Variance (ANOVA) table and the model summary table. The ANOVA was used to establish if the two models, one without the moderator and the other with the moderator, are significant and if the amount of variance accounted for in Model 2 with the interaction (work environment) is significantly more than Model 1 (without the moderator).

Table 19: Analysis of Variance (ANOVA)

ANOVA[c]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	31.361	3	10.454	62.518	.000[a]
	Residual	25.249	151	.167		
	Total	56.610	154			
2	Regression	32.198	4	8.050	49.462	.000[b]
	Residual	24.411	150	.163		
	Total	56.610	154			

a. Predictors: (Constant), feedback, process, techniques

b. Predictors: (Constant), feedback, process, techniques, physical

c. Dependent Variable: performance

Source: Primary Data

According to the results in Table 19, model 1 in this case (without the interaction term) was significant, F (3, 151) = 62.518 p <.001 and so was model 2 (with the interaction term), F (4, 150) = 49.162, p <.001. In both instances the p-value was .000 meaning that the relationships were significant at 99.0% level of significance.

Having checked of the statistical significance of the models, the next step was to establish whether model 2 (with the moderator) accounts for significantly more variance than model 1 (without the moderator). The results were as presented in the Model Summary, Table 20.

Table 20: Model Summary Table

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.744[a]	.554	.545	.40891	.554	62.518	3	151	.000
2	.754[b]	.569	.557	.40341	.015	5.145	1	150	.025

a. Predictors: (Constant), feedback, process, techniques

b. Predictors: (Constant), feedback, process, techniques, physical

Source: field Data

Reading from the Table 20, the R^2 change from model 1 to model 2 = .012(.557 -.545), p = .000 and this shows that there is a statistically significant moderation on the relationship between the appraisal system and employee performance at NWSC. This implies that the work environment, both physical and non-physical, plays a critical role as a moderator and so, for NWSC Kampala City to maximally realize employee performance through performance appraisal, it must take into consideration its work environment.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter presents the discussions of the findings that were presented in chapter four. The discussions are as per the research objectives which were about: examining the nature of appraisal systems used in NWSC; (ii) assessing the performance level of employees in NWSC; (iii) examining the relationship between appraisal system and employee performance in NWSC; and (iv) determining the moderating effect of work environment on the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda.

5.2 Nature of Performance Appraisal System at NWSC

This section discusses the results of the first objective of this study which was about examining the nature of appraisal systems used in NWSC, Kampala, Uganda. They are presented under three subsections in line with the three dimensions of performance appraisal system.

5.2.1 Descriptive results of appraisal techniques

The results revealed that the appraisal techniques are highly practiced at NWSC Kampala City. It was established that the appraisal techniques used at NWSC are easy to understand and that they accurately reflect the job performance of employees. Further, the appraisal techniques used are fair and unbiased. It was also established that the criteria used in the appraisal techniques are well-defined, are applied consistently across all departments, and are clearly explained to all employees. It was also established that in the case of NWSC

Kampala, apart from the annual appraisals, there are also monthly and quarterly appraisals in some departments and depending on the activities of the department.

These results agree with Jackson & Stone (2021) that appraisal techniques are integral to performance management systems, influencing employee motivation, development, and organizational effectiveness although, critics argue that traditional annual appraisals may still lack timeliness and fail to capture the complexity of modern work environments. In the case of NWSC as explained by some key informants, mainly open appraisal technique is mainly practiced.

5.2.2 Descriptive results of appraisal process

According to the results the appraisal process at NWSC Kampala City was highly rate by the respondents who further stated that staff understands each step involved in the appraisal process and that the process is clearly communicated to all employees. To this effect, they are satisfied with the current performance appraisal process. At the same time, the results revealed that staff believe that the appraisal process is fair and unbiased, it is transparent and open; and that it is well-defined.

These results agree with the assertion by Denisi & Murphy (2017) that a good appraisal process gathers feedback from multiple sources including peers, subordinates, and supervisors, providing a comprehensive view of an employee's performance. They also agree with Armstrong & Baron (2021) who emphasizes clarity of expectations and employee involvement in the appraisal process which enhances motivation and overall employee. Buckingham & Goodall (2019) add that, appraisal process advocates leveraging individual strengths to achieve organizational goals effectiveness.

5.2.3 Descriptive results on appraisal feedback

According to the results of this study, appraisal feedback at NWSC Kampala City was highly rated with the respondents indicating that the feedback helps them understand areas that need improvement. They also stated that the feedback they receive is constructive and helpful and it provides clear steps for improvement. Further, the feedback provided is normally specific, detailed, clear and easy to understand.

These results support the argument by London & Smither (2020) that feedback serves multiple purposes as it reinforces desired behaviours, corrects undesired behaviours, and guides employees towards achieving organizational goals. This is also in line with the desires of the appraisal feedback system at the NWSC Kampala where according to this study aims at improving the performance of the staff. This is also line with the assertion by Bakker et al. (2019) that the feedback process helps align individual performance with organizational objectives and fosters a culture of continuous improvement. Zhang & Leung (2019) highlights that employees who receive regular, constructive feedback are more likely to engage in self-directed learning and development activities.

5.3 The Level of Employee Performance at NWSC, Kampala City

The discussions of the results presented here are about the second objective of the study which was about assessing the level of employee performance at NWSC. They are presented under the four dimensions namely, target realization, beneficiary satisfaction, efficiency, and effectiveness.

5.3.1 Descriptive results on output quality

This study established that output quality at NWSC Kampala City is very high and that there is high level of accuracy in task accomplishments at NWSC Kampala. At the same time,

stakeholders are satisfied with the quality of output produced by employees of NWSC Kampala. While the quality of output produced by employees in NWSC is high, it is also produced with minimal errors. These results imply that quality output at NWSC Kampala is above average.

These results support the position of Robbins & Judge (2020) that output quality refers to the degree to which work outputs meet established standards, specifications, or expectations within an organization. In the case of NWSC Kampala, this means meeting the expectations of the organisation as relates to its mandate which is to do with water and sewerage services to the Kampala City residents. Armstrong & Baron, 2021) adds that work outputs encompasses factors such as accuracy, completeness, relevance, all of which contribute to overall organizational success.

5.3.2 Descriptive results on Effectiveness

The level of work effectiveness at NWSC Kampala City as a measure of employee performance is very high and that, all the expectations of supervisors are met by employees at NWSC Kampala who also make sure that they adhere to set deadlines. It was further revealed that employees usually meet all the assigned tasks and all monthly targets are met. Also, the results established that employee effectiveness at NWSC Kampala is rated highly even by the key informants who stated that the organisation takes this very seriously. It was reported that all supervisors and managers are required to work towards that and ensure that their direct reports are effective in whatever they do.

The findings of this study were found to be in line with Robbins & Judge (2020) definition that employee effectiveness can be seen as the extent to which an employee accomplishes tasks, meets performance standards, and achieves desired outcomes in alignment with organizational goals. Jackson & Schuler, 2019) adds that it encompasses both the efficiency

and the quality of work performed, reflecting the employee's contribution to organizational success. On their part Murphy & Cleveland (2018), qualitative evaluations of effectiveness consider factors such as job knowledge, problem-solving ability, decision-making skills, teamwork, and leadership qualities, providing insights into the overall effectiveness and impact of an employee's contributions.

5.3.3 Descriptive results on efficiency

Employee efficiency at NWSC Kampala was scored at above average as much as respondents opposed the statement that, “optimal output is usually produced by employees with less use of resources”. The results revealed that employees in NWSC accomplish their tasks with minimal use of financial resources and that they accomplish their tasks with minimal effort. Further, the employees usually meet their assigned tasks irrespective of the budgetary constraints.

The findings of this study as summarised above agree with Brown & Smith (2016) who points out that there are several factors that contribute to employee efficiency where one significant factor is skill level and competence, as employees with appropriate skills and knowledge tend to perform tasks more efficiently. At the same time these findings of this study are in line with the position by Li & Chen (2018) that organizational culture and work environment play pivotal roles in shaping employee efficiency. Williams (2020) further adds that, from a managerial perspective, efficiency encapsulates the ability of employees to perform tasks competently while minimizing waste and unnecessary effort.

5.3.4 Descriptive results on client satisfaction

The results of this study show that there is satisfactory client satisfaction at NWSC Kampala. This is in spite of the fact the study established that the services offered by NWSC are not

always reliable and dependable; that the quality of service provided do not always meet client expectations and that employees do not consistently deliver high-quality services to customers..

The above findings are in line with those of Anderson et al (2020), that high levels of client satisfaction are associated with increased client loyalty, positive word-of-mouth, and a competitive advantage in the marketplace. Also, satisfied clients are more likely to engage in repeat business, contributing to an organization's long-term sustainability. The findings also support the assertion by Gronroos & Voima (2018) that feedback from satisfied clients can enhance employee motivation and engagement, leading to improved performance.

5.4 Relationship between Appraisal System and Employee Performance

This section presents the discussions of the results of objective three which was about examining the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda.

According to the Pearson Correlation results, some dimensions of the appraisal system (appraisal techniques, appraisal process and appraisal feedback) were positively and statistically significantly correlated to those of employee performance which included, work quality, effectiveness, efficiency and client satisfaction. Specifically, the appraisal techniques as a dimension of appraisal system was established to be positively, statistically significantly and strongly correlated to work quality, effectiveness, efficiency, and client satisfaction. At the same time, the appraisal process as a dimension of appraisal system was established to be positively, statistically significantly and strongly correlated to work quality, effectiveness, and client satisfaction. Similarly, appraisal feedback as a dimension of appraisal system was established to be positively, statistically significantly and strongly correlated to work quality, effectiveness, efficiency, and client satisfaction.

On the other hand, the regression analysis established that the variation in employee performance in NWSC, Kampala City can majorly be explained by the appraisal system. The results further revealed that, the appraisal techniques, appraisal process and appraisal feedback collectively have a significant combined effect on employee performance at NWSC, Kampala City. This implies that appraisal techniques, appraisal process and appraisal feedback can be considered to be significant predictors (or significantly related to) of employee performance at NSWS, Kampala City.

Overall, the above results imply that the by further improving the appraisal system in terms of its techniques, process and feedback, the employee performance will improve in terms of quality, effectiveness, efficiency and client satisfaction. The results of this study further agree with those of Toseef, Imran & Owais (2019) who in theor study established that there exists an association between performance appraisal systems and seem to suggest that organisations are interested in improving their performance through the performance appraisal systems. The findings verified the fact that there exists an association between motivation with employee performance.

5.5 Moderation Effect of Work Environment

This section presents discusses the results of objective four which was about determining the moderating effect of work environment on the relationship between appraisal system and employee performance in NWSC, Kampala, Uganda. The results show that there is a statistically significant moderation on the relationship between the appraisal system and employee performance at NWSC. This implies that the work environment, both physical and non-physical, plays a critical role as a moderator and so, for NWSC Kampala City to maximally realize employee performance through performance appraisal, it must take into consideration its work environment.

These results on moderation as presented above agree with those by Martin & Jackson (2019) that supportive work environments that encourage collaboration and provide adequate resources can significantly enhance efficiency levels and improve employee performance. Considering that employee performance heavily depend on how conducive the working environment is, it follows that in the case of NWSC Kampala, the having good appraisal system would not be enough without having a conducive working environment in terms of both the physical and non-physical environments.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.0 Introduction

This chapter is the last in this report and it presents the summary of the results which were presented in chapter four, the conclusions which were arrived at from the results and their discussions, the recommendations arising from the afore stated subsections, and finally, a section on areas for further research.

6.1 Summary of the Results

The summary of the results are presented under the four study objectives as follows.

6.1.1 Nature of Performance Appraisal System at NWSC

The appraisal techniques are highly practiced at NWSC Kampala City and the appraisal techniques used are easy to understand and that they accurately reflect the job performance of employees. Further, the appraisal techniques used are fair and unbiased; are well-defined and are clearly explained to all employees. At the same time, the appraisal process at NWSC Kampala City was highly rated where each step involved in the appraisal process is clearly communicated to all employees. At the same time, the appraisal process was considered to be fair, unbiased, transparent, open and well-defined. Appraisal feedback at NWSC Kampala City was highly rated with the feedback helping staff understand areas that need improvement. At the same time, the feedback was considered to be constructive, helpful, detailed, clear and easy to understand.

6.1.2 The Level of Employee Performance at NWSC, Kampala City

This study established that output quality at NWSC Kampala City is very high and that there is high level of accuracy in task accomplishments with the stakeholders being satisfied with the quality of output produced by the employees. The level of work effectiveness as a measure of employee performance is very high and all the expectations of supervisors are met by employees at NWSC Kampala. Also, employees usually meet all the assigned tasks and all monthly targets are met, established that employee effectiveness at NWSC Kampala is rated highly. Employee efficiency was scored at above average and the results revealed that employees in NWSC accomplish their tasks with minimal use of financial resources and that they accomplish their tasks with minimal effort. At the same time, there is satisfactory client satisfaction in spite of the fact the services offered are not always reliable and dependable. Generally, though, clients are appreciative of the services offered to them and there are limited complaints from customers about the services.

6.1.3 Relationship between Appraisal System and Employee Performance

The results of objective three indicate that some dimensions of the appraisal system were positively and statistically significantly correlated to those of employee performance which included, work quality, effectiveness, efficiency and client satisfaction. On the other hand, the regression analysis established that the variation in employee performance can majorly be explained by the appraisal system. The results further revealed that, the appraisal techniques, appraisal process and appraisal feedback collectively have a significant combined effect on employee performance at NWSC, Kampala City.

6.1.4 Moderation Effect of Work Environment

The results of the fourth objective show that there is a statistically significant moderation on the relationship between the appraisal system and employee performance at NWSC. This implies that the work environment plays a critical role as a moderator and so, to maximally realize employee performance through performance appraisal, NWSC Kampala City must take into consideration its work environment.

6.2 Conclusions

The conclusions in this study were drawn as per the study objectives as presented in the subsequent sub-sections.

6.2.1 The nature of appraisal systems used in NWSC, Kampala

NWSC Kampala City has a good appraisal system in place, and the appraisal techniques used are easy to understand, accurately reflect the job performance of employees, and are well-defined and are clearly explained to all employees. The appraisal feedback helps the staff to understand areas that need improvement.

6.2.2 Level of performance of employees in NWSC, Kampala

The level of employee performance at NWSC Kampala City is very high as measured in terms of the level of accuracy in task accomplishment and stakeholder satisfaction. Similarly, the level of work effectiveness is very high and all the expectations of supervisors are met by employees. Also, employees usually meet all the assigned tasks and all monthly targets are met. Employees in NWSC accomplish their tasks with minimal use of financial resources and they accomplish their tasks with minimal effort.

6.2.3 Relationship between appraisal system and employee performance in NWSC

Generally, the appraisal system positively and statistically significantly influences employee performance in terms of work quality, effectiveness, efficiency and client satisfaction. A change in the appraisal techniques corresponding improves employee performance respectively. At the same time, the appraisal process has a positive, statistically significantly and strong influence on work quality, effectiveness, and client satisfaction but not to employee efficiency. Finally, the appraisal feedback positively, strongly and statistically significantly influences employee performance at NWSC, Kampala City in terms of work quality, effectiveness, efficiency, and client satisfaction to an extent that, a change in it improves employee performance in general.

6.2.4 Moderating effect of work environment

The work environment at NWSC plays a critical role as a moderator and so, to maximally realize employee performance through performance appraisal, NWSC Kampala City must take into consideration its work environment.

6.3 Recommendations

This study makes the following recommendations arising from the study results, their discussions and conclusions.

i. NWSC Kampala City should keep up the good practice of performance appraisal including the techniques used considering it is well understood by the employees and it is well-defined.

ii. For NWSC Kampala to improve its performance, it has to improve its appraisal techniques, appraisal process and appraisal feedback since the study established that they collectively have a significant combined effect on employee performance.

iii. NWSC should make sure that the work environment (physical and non-physical) is favourable at all times for it to optimise its employee performance.

6.4 Areas for Further Research

Since this study was limited by scope, it could not address all aspects as far as performance appraisal and employee performance is concerned. As such this study recommends the following as areas for further research.

i. To examine the role of staff performance appraisal on staff career development at National Water and Sewerage Corporation Kampala

ii. To examine the effect of appraisal systems on employee performance in other branches of National Water and Sewerage Corporation in Uganda.

iii. To establish the determinants of employee job satisfaction and the organisational performance in the case of NWSC, Uganda.

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APPENDICES

Appendix I: Questionnaire

Dear respondent,

I am Okot P Denis pursuing a Master's degree in Business Administration in Gulu University. I am carrying out a research on the topic: Performance Appraisal Systems and Employee Performance in National Water and Sewerage Corporation, kampala water. This research is purely for academic purposes and all the responses will be treated with utmost confidentiality. Please take time to answer these few questions by ticking the appropriate options as your views will play a very important role in the process of this study. Thank you so much for your cooperation in advance.

SECTION A: BIO DATA

Tick in the appropriate box

S/No	Item	Response
1	Gender	Male ☐ Female ☐
2	Age (years)	(20-30) ☐ (31-40) ☐ (41-50) ☐ (51-60) ☐ Above 60 ☐
3	Marital status	Married ☐ Widowed ☐ Single ☐ Separated ☐ Divorced ☐
4	Education level	O Level ☐ A Level ☐ Certificate ☐ Diploma ☐ Bachelor's Degree ☐ Post Graduate Diploma ☐ Master's Degree ☐ PhD ☐
5	Position	Manager ☐ Senior Officer ☐ Field Officers ☐ Finance officer ☐ Human Resource ☐ Support Staff ☐ Others (Specify)……

6	How long have you been working with National Water and Sewerage Corporation?	Less than 1 year ☐ 1-3 years ☐ 4-5 years ☐ 5 years and Above ☐

SECTION B: APPRAISAL SYSTEMS

Instructions: Please tick your opinion basing on the below Likert scale.

Scale	SD	D	NS	A	SA
Description	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

AT	**Appraisal Techniques**	**SD**	**D**	**NS**	**A**	**SA**
1	The appraisal techniques used in our organization are clearly explained to all employees.					
2	I understand the methods used to evaluate my performance.					
3	The appraisal techniques are easy to understand.					
4	The criteria used in the appraisal techniques are well-defined.					
5	The appraisal techniques are applied consistently across all departments.					
6	I believe the appraisal techniques used are fair and unbiased.					
7	The appraisal techniques accurately reflect my job performance.					
AP	**Appraisal Process**	**SD**	**D**	**NS**	**A**	**SA**
1	The appraisal process is clearly communicated to all employees.					
2	I understand each step involved in the appraisal process.					
3	The objectives of the appraisal process are well-defined.					
4	I am aware of the timeline for the appraisal process.					
5	I believe the appraisal process is fair and unbiased.					
6	The appraisal process is transparent and open.					
7	I am satisfied with the current performance appraisal process.					
AF	**Appraisal Feedback**	**SD**	**D**	**NS**	**A**	**SA**
1	The feedback I receive from my performance appraisals is clear and easy to understand.					
2	The feedback provided is specific and detailed.					
3	The feedback helps me understand my strengths.					
4	The feedback helps me understand areas that need improvement.					

5	The feedback I receive is constructive and helpful.					
6	The feedback is actionable and provides clear steps for improvement.					
7	The feedback is timely and given soon after the appraisal.					

SECTION C: EMPLOYEE PERFORMANCE

Instructions: Please tick your opinion basing on the below Likert scale.

Scale	SD	D	NS	A	SA
Description	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

	Output Quality	**SD**	**D**	**NS**	**A**	**SA**
1	High-quality output is recognized in my organization.					
2.	Employees in this organization produce output with minimal errors.					
3.	Stakeholders are satisfied with the quality of output produced by employees in this organizations					
4	The quality of output produced by employees in this organization is high.					
5	There is high level of accuracy in task accomplishments in this organization.					
EFE	**Effectiveness**	**SD**	**D**	**NS**	**A**	**SA**
1	Employees in this organization usually meet all their task goals.					
2	Employees usually meet all the assigned tasks.					
3	All monthly targets are met by employees in this organization.					
4	All the expectations of supervisors are met by employees in this organizations					
5	Employees in this organization usually adhere to set deadlines.					
EFI	**Efficiency**	**SD**	**D**	**NS**	**A**	**SA**
1	Employees in this organization accomplish their tasks with minimal use of financial resources					
2	Employees in this organization accomplish their tasks with minimal effort					
3	Employees in this organization accomplish their tasks within the					

	shortest time possible.					
4	Employees usually meet their assigned tasks irrespective of the budgetary constraints.					
5	There is minimal waste of resources by employees in this organizations					
6	Optimal output is usually produced by employees with less use of resources.					
CS	**Client Satisfaction**					
1	The quality of service provided by our employees meets client expectations.					
2	The services offered by NWSC are reliable and dependable.					
3	The employees consistently deliver high-quality services to customers.					
4	The employees maintain a positive and courteous attitude towards customers.					
5	The employees are willing to help and provide support to customers whenever needed.					
6	NWSC receives limited complaints from customers about services offered					
7	Customers often praise the quality of services offered by NWSC					
8	Our clients are appreciative of the services offered to them by NWSC.					

SECTION D: WORK ENVIRONMENT

Instructions: Please tick your opinion basing on the below Likert scale.

Scale	SD	D	NS	A	SA
Description	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree

WL	**Physical Environment**	**SD**	**D**	**NS**	**A**	**SA**
1	The furniture in my workspace is comfortable and ergonomically designed.					
2	The workplace is adequately equipped with safety measures (fire extinguishers, first aid kits etc.					
3	I receive adequate physical support from my supervisor to manage my workload.					
4	Distractions in my workspace are minimized, allowing me to focus on my tasks.					
5	The layout of my workspace facilitates easy movement and access to resources.					
6	I have the necessary resources facilities to perform my job effectively.					
7	The design of my workspace promotes collaboration					
WPS	**Non-Physical Environment**	**SD**	**D**	**NS**	**A**	**SA**
1	The noise level in my workplace is manageable without disruptions					
2	The organization fosters an inclusive and diverse work environment.					
3	Management provides the necessary support to help me succeed in my role.					
4	I receive regular feedback and guidance from my manager.					
5	There is transparency and openness in communication with management.					
6	I am able to maintain a healthy work-life balance.					
7	I feel comfortable expressing my ideas and opinions at work.					

The End

Thank You For Your Time

Appendix II: Interview Guide

Dear respondent,

I am Okot P Denis pursuing a Master's degree in Business Administration in Gulu University. I am carrying out a research on the topic: Performance Appraisal Systems and Employee Performance in National Water and Sewerage Corporation, kampala water. This research is purely for academic purposes and all the responses will be treated with utmost confidentiality. Please take time to answer these few questions by ticking the appropriate options as your views will play a very important role in the process of this study. Thank you so much for your cooperation in advance.

1. What are the appraisal systems used in National Water and Sewerage Corporation?
2. What is the extent of employee performance at National Water and Sewerage Corporation?
3. What is the status of working conditions of staffs of National Water and Sewerage Corporation?
4. How has the appraisal system affected staff performance in National Water and Sewerage Corporation?
5. How has the working condition affected employee performance in NWSC?
6. Do you observe any improvement in employee performance after appraisal?
7. What are the challenges experienced by your organisation in employee performance appraisal?

Thank you for your active participation

Appendix III: Krejcie & Morgan (1970) Table of Sample Size Determination

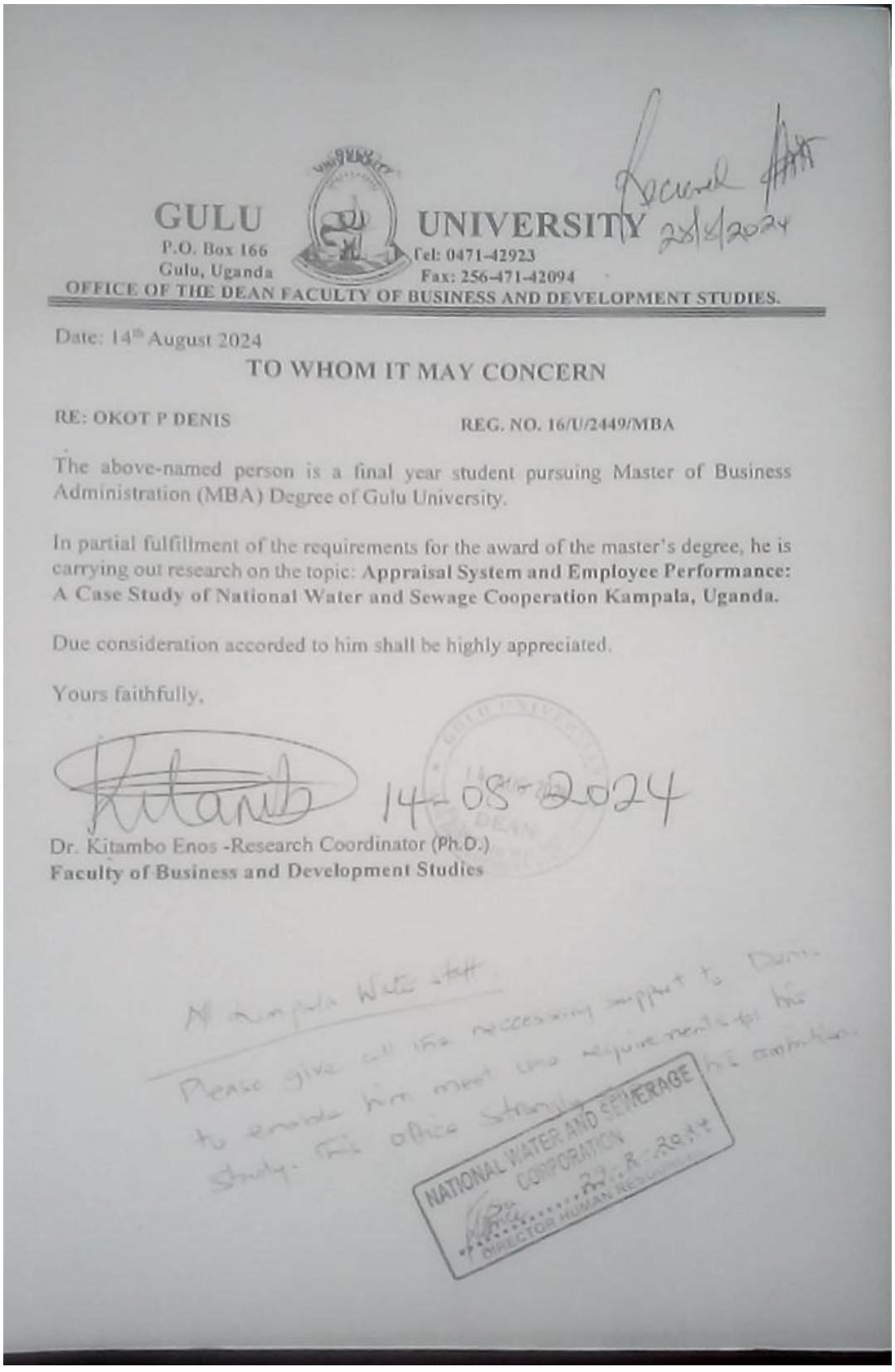
Table for Determining Sample Size for a Given Population

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan, 1970

Appendix IV: PERMISION LETTER FOR DATA COLLECTION



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OFFICE OF THE DEAN FACULTY OF BUSINESS AND DEVELOPMENT STUDIES.

Date: 14th August 2024

TO WHOM IT MAY CONCERN

RE: OKOT P DENIS REG. NO. 16/U/2449/MBA

The above-named person is a final year student pursuing Master of Business Administration (MBA) Degree of Gulu University.

In partial fulfillment of the requirements for the award of the master's degree, he is carrying out research on the topic: **Appraisal System and Employee Performance: A Case Study of National Water and Sewage Cooperation Kampala, Uganda.**

Due consideration accorded to him shall be highly appreciated.

Yours faithfully,

14-08-2024

Dr. Kitambo Enos -Research Coordinator (Ph.D.)
Faculty of Business and Development Studies

NATIONAL WATER AND SEWERAGE CORPORATION
DIRECTOR HUMAN RESOURCE