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**FACTORS AFFECTING THE USE OF 360-DEGREES APPRAISAL TOOL  
IN ORGANIZATIONAL PERFORMANCE; A SURVEY OF MUNICIPAL  
COUNCIL OF NAKURU, KENYA**



**BY**

**TARUS BENJAMIN KIPCHUMBA**

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### ABSTRACT

Given the complex nature and competitive environment under which organizations operate, the way forward for organizations is to have an efficient workforce. Organizations are faced with problems of demotivated staff, rivalry among others resulting in poor performance with feedback as the major constraint. The purpose of this study was to establish the factors affecting the use of 360 degrees performance appraisal tool and its organizational performance. The study was guided by the systems theory and it utilized survey research design. The study targeted employees in 8 departments with a population of 1062 employees. The sample population of 282 employees was surveyed. Stratified sampling technique was used in arriving at strata on the basis of departments while purposive sampling technique was utilized in determination of the minimum qualification of form four for the respondents after which simple random sampling was used to identify respective respondents. Two hundred and nineteen questionnaires were returned and found to be usable. Data was analyzed using the Statistical Package for Social Science (SPSS 18.0). First, study findings indicated that 360 degrees as an appraisal tool is adopted by the council and it has improved its performance. Secondly, the results indicated that 360 degrees affects organization performance ( $\chi^2_c=14.487$  and a p-value of 0.001) and lastly, there is a significant relationship between 360 degrees and other forms of performance appraisal ( $\chi^2_c=7.917$  and a p-value of 0.019). The study recommends that employees be educated on the importance of 360 degrees appraisal tool. They should also be encouraged to participate fully during development and implementation of 360 degrees appraisal tool. The study further recommends that there is need to study the impact of 360 degrees on employees' morale and work productivity and lastly effects of using 360 degrees and its cost implication on the organization.