

Performance Appraisal Practices and Performance of Academic Staff in Private Universities in Nairobi County, Kenya

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Abstract: This study examined the relationship between performance appraisal practices and performance of academic staff in four private universities in Nairobi County, Kenya. Anchored on the Human Capital Theory (Becker, 1964) and complemented by the Resource-Based Theory (Barney, 1991), the study adopted a correlational research design across four private universities selected through simple random sampling from the eleven institutions accredited by the Commission for University Education. A census of 150 respondents, comprising 134 full-time academic staff and 16 chairpersons of teaching departments was targeted. Data were collected using structured questionnaires whose validity was confirmed through the Kaiser-Meyer-Olkin measure, Bartlett's Test of Sphericity and Principal Component Analysis, and whose reliability was established through Cronbach's Alpha. Data was analysed in SPSS version 29 using descriptive statistics, Pearson product-moment correlation and simple linear regression. The response rate was 79.3 percent. Performance appraisal practices were rated High by academic staff ($M = 3.72$, $SD = 0.97$) and by chairpersons ($M = 4.07$, $SD = 0.68$), while performance of academic staff was rated High ($M = 4.07$, $SD = 0.69$). The Pearson correlation returned a positive and statistically significant relationship between performance appraisal practices and performance of academic staff ($r = .428$, $p = .049$), and simple linear regression indicated that appraisal practices explained 18.3 percent of the variance in performance of academic staff ($R^2 = .183$), with an F-test that approached the conventional two-tailed threshold ($F(1, 14) = 3.14$, $p = .098$). The study concludes that performance appraisal practices contribute positively to performance of academic staff in private universities in Nairobi County, but the effect is dampened by weakness in the appraisal-to-reward linkage. The study recommends that private universities institutionalize a credible reward system tied to appraisal outcomes, strengthen the post-appraisal feedback loop and adopt 360-degree feedback so that the appraisal architecture already in place translates into measurable performance gains.

Keywords: performance appraisal; performance of academic staff; reward system; human capital theory; private universities; Kenya.

I. Introduction

Performance appraisal is a formal evaluation conducted at regular intervals to measure an employee's achievements, strengths, areas for improvement and overall contribution to the organisation (Dasanayaka, Abeykoon, Ranaweera & Koswatta, 2021). In higher education, it is a fundamental tool for assessing and enhancing performance of academic staff by identifying training needs, providing constructive feedback and linking performance to rewards (Siddiqi, Nasim, Lashari, Rehman & Rizvi, 2024). In private universities, where financial constraints are tighter and competitive pressure is greater than in public universities, an effective appraisal system is a critical mechanism through which limited resources are directed toward the academic activities that create the greatest value (Ngema, Obonyo, Kidombo & Odock, 2025). Empirical evidence from Rwanda (Ngirabukunzi, Ocan & Adyanga, 2024), Malaysia (Akanmu & Duh, 2025), Kenya (Chemjor, Ngatia & Mukanzi, 2025) and Sri Lanka (Dasanayaka et al., 2021) has affirmed the positive influence of appraisal on performance of academic staff, though the strength of this influence depends on how appraisal is implemented and on whether appraisal outcomes are visibly linked to rewards.

1.1 Statement of the Problem

Despite the central role of performance appraisal in shaping performance of academic staff, private universities in Nairobi County continue to experience appraisal-related challenges that undermine the productivity of their academic workforce. These challenges include weak post-appraisal feedback, broken reward linkages and supervisor–staff perception gaps that translate into staff demotivation and slow progression (Mugo & Siagi, 2024; Ibrahim, 2024). Although several Kenyan studies have examined HRM practices in private universities (Ngema et al., 2025; Kanus, 2025), most have concentrated on aggregated HRM indices or on other HRM dimensions, without isolating performance appraisal as a distinct determinant of performance of academic staff in the Nairobi private-university context. Both conceptual and contextual gaps therefore remain regarding how performance appraisal practices influence performance of academic staff in this specific setting. This study addresses that gap by examining the relationship between performance appraisal practices and performance of academic staff in four accredited private universities in Nairobi County, using a multi-source design in which appraisal practices are rated by academic staff and performance of academic staff is rated by chairpersons of departments, thereby avoiding the common-method bias that inflates most single-source studies.

1.2 Significance of the Study

This study makes a threefold contribution. It extends the Human Capital Theory and the Resource-Based Theory (Barney, 1991) to the appraisal channel of the HRM–performance chain in Kenyan private universities, demonstrating that appraisal converts human-capital investment into productive academic performance only when it is credibly linked to reward. Practically, the findings equip private university management with an evidence base for institutionalizing SMART goal setting, adopting a 360-degree appraisal that draws on students, peers, supervisors and self-appraisal, strengthening the post-appraisal feedback loop and closing the appraisal-to-reward gap through merit-based salary increments, promotion, sabbaticals and formal recognition. For policy development, the study offers the Commission for University Education an evidence base for updating minimum HRM-practice guidelines to require chartered private universities to demonstrate that appraisal outcomes visibly translate into reward and promotion decisions. The multi-source design, with appraisal rated by academic staff and performance rated by chairpersons, produces coefficient estimates less biased by common-method variance than typical single-source appraisal studies.

1.3 Research Objective and Question

The study was guided by one research objective:

- To examine the relationship between performance appraisal practices and performance of academic staff in private universities in Nairobi County, Kenya.

The study was guided by one research question:

- What is the relationship between performance appraisal practices and performance of academic staff in private universities in Nairobi County, Kenya?

II. Literature Review

2.1 Theoretical Framework

The study is anchored on the Human Capital Theory of Becker (1964) and complemented by the Resource-Based Theory of Barney (1991). Human Capital Theory posits that people's knowledge, skills and abilities constitute a form of capital in which organisations can invest, and that this investment is converted into productive performance through structured evaluation and feedback. Applied to universities, the theory frames performance appraisal as the principal mechanism through which the human-capital investment made at recruitment and training is measured, feedback is provided and rewards are aligned with productive contribution. RBT complements HCT by positing that internal organisational resources that are Valuable, Rare, Inimitable and Non-substitutable (VRIN) confer sustained competitive advantage, and that appraisal is the mechanism through which universities identify, retain and reward the academic staff who embody such resources (Chepkiyach & Thomas, 2025). Together, the two theories provide the conceptual justification for treating appraisal as a strategic HRM lever that shapes long-term performance of academic staff (Imran & Atiya, 2020).

2.2 Performance Appraisal Practices and Performance of Academic Staff

Performance appraisal practices have been linked with performance of academic staff across many settings. Ngirabukunzi et al. (2024) reported a moderate positive correlation between staff appraisals and job performance in Rwandan private universities ($r = .547$, $p < .01$), concluding that regular and comprehensive appraisal is a driver of productive academic

behaviour. Akanmu and Duh (2025) reported significant positive path coefficients between most appraisal practices and performance of academic staff in Malaysian higher education institutions, with the exception of financial reward, which was not significant. This exception is central to the present study. It shows that appraisal exerts its influence on performance of academic staff largely through the feedback and developmental channel rather than through direct monetary reward. Chemjor et al. (2025) reported a comparable positive relationship ($r = .521$) at the Kenya School of Government, Mombasa Campus, and identified performance planning, reward and supervisor communication as the strongest predictors of appraisal effectiveness in the Kenyan public service. Dasanayaka et al. (2021) established that timely feedback, clear appraisal criteria and perceived fairness are the strongest predictors of positive appraisal outcomes among academic staff in higher educational institutions. Siddiqi et al. (2024) qualitatively confirmed that an effective appraisal system promotes professional growth and contributes to institutional success, but also cautioned that appraisal loses its performance-enhancing potential where feedback is weak or rewards are absent.

2.3 Research gap

Although performance appraisal has been widely studied as a human resource management practice, existing research has largely treated it as a unidimensional construct, with limited attention to its constituent dimension: goal clarity, feedback quality and timeliness, appraisal-reward linkage, and alignment between evaluation criteria and actual job responsibilities (Ngirabukunzi et al., 2024; Siddiqi et al., 2024). Consequently, it remains unclear which specific dimensions of performance appraisal most significantly influence employee performance. Furthermore, much of these evidences originate from public sector, corporate, or non-academic contexts outside Kenya, leaving the private university subsector largely unexamined despite its distinct governance, funding, and staffing structures. Specifically, empirical evidence remains scarce on how disaggregated performance appraisal dimensions relate to performance of academic staff in private universities within Nairobi County, Kenya. This conceptual, contextual, and empirical gap underscored the need for the present study.

III. Methodology

3.1 Research Design

The study adopted correlational research design (Pawar, 2020; Curtis, et.al, 2015). A correlational research design was used for this study. This type of research design is used to determine relationships between two or more variables. The design is fitting as the researcher does not have direct control over the independent and dependent variables and cannot manipulate them. Rather, consider the patterns and strengths of the relationships between the variables.

3.2 Population and Sample

The target population comprised 150 respondents drawn from four private universities in Nairobi City County, namely [University A], [University B], [University C] and [University D], selected through simple random sampling from the list of eleven private universities maintained by the Commission for University Education. Because the target population within the four selected universities was small and finite, the study adopted a census approach (Asiamah, Mensah & Oteng-Abayie, 2017; Clark, Foster, Bryman & Sloan, 2021). The census covered 134 full-time academic staff and 16 chairpersons of teaching departments. A total of 119 questionnaires (103 academic staff and 16 chairpersons) were properly completed and returned, yielding an overall response rate of 79.3 percent, which is above the 70 percent threshold classified as very good by Mugenda and Mugenda (2003).

3.3 Instruments

Two structured questionnaires were administered. Questionnaire 1 was administered to academic staff and measured performance appraisal practices on a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) using six items covering clarity of performance targets, regularity of appraisal, quality of feedback, fairness of the appraisal process, availability of a reward system and the respondent's ability to achieve set targets. Questionnaire 2 was administered to chairpersons of teaching departments and measured performance appraisal practices using seven items and performance of academic staff using six items on the same scale. Performance of academic staff was rated by chairpersons because they are the direct supervisors of academic staff. This multi-source design was adopted to avoid the common-method variance that inflates single-source HRM-performance studies.

3.4 Reliability and Validity

Content validity was established through expert review by university supervisors and a senior subject-matter professor. Construct validity was assessed using the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy (Kaiser, 1974), Bartlett's Test of Sphericity and Principal Component Analysis, with the 60 percent cumulative variance threshold adopted

from Hair, Black, Babin and Anderson (2010). Reliability was established using Cronbach's Alpha with a threshold of 0.7 for acceptability (Hazzi & Maaldaon, 2015).

3.5 Data Analysis

Quantitative data were analysed in SPSS version 29. Descriptive statistics (mean and standard deviation) profiled the level of the study variables. Inferential statistics comprising Pearson product-moment correlation (one-tailed) and simple linear regression tested the study hypothesis at the 0.05 level of significance. The simple linear regression model was specified as:

$$Y = \beta_0 + \beta_1 X + \varepsilon,$$

where Y is performance of academic staff, X is performance appraisal practices and ε is the error term. Diagnostic tests for normality, homoscedasticity and collinearity were conducted before the inferential analysis.

3.6 Ethical Considerations

Ethical clearance was obtained from the researcher's institution and a research permit was secured from the National Commission for Science, Technology and Innovation (NACOSTI). Participation was voluntary, informed consent was obtained from all respondents, and confidentiality and anonymity were maintained throughout the study.

IV. Results

4.1 Response Rate

Of the 134 questionnaires distributed to academic staff, 103 were properly completed and returned, giving a response rate of 76.9 percent. All 16 chairpersons of departments responded, giving a response rate of 100.0 percent. The overall response rate was 79.3 percent (Table 1).

Table 1: Response Rate

Respondent Category	Distributed	Returned	Rate (%)
Academic Staff	134	103	76.9
Chairpersons	16	16	100.0
Overall	150	119	79.3

4.2 Reliability and Validity

The performance appraisal practices sub-scale returned a Cronbach's Alpha of 0.88, and performance of academic staff sub-scale returned a Cronbach's Alpha of 0.99, both above the 0.7 threshold. The KMO value was .93 and Bartlett's Test of Sphericity was statistically significant ($\chi^2 = 695.3$, $df = 55$, $p < .001$), confirming sampling adequacy and the presence of meaningful inter-item correlations. Principal Component Analysis extracted four components with eigenvalues greater than 1.0 that cumulatively explained 80.8 percent of the variance.

4.3 Descriptive Statistics

Table 2 presents the descriptive statistics. Heads of department rated appraisal practices High ($M = 4.07$, $SD = 0.68$) and performance of academic staff High ($M = 4.07$, $SD = 0.69$). In comparison, academic staff rated the appraisal practices they experience slightly lower ($M = 3.72$, $SD = 0.97$). Mean scores were interpreted using the ranges 1.00-1.80 Very Low, 1.81-2.60 Low, 2.61-3.40 Moderate, 3.41-4.20 High and 4.21-5.00 Very High. Within the appraisal construct, the item on linking appraisal to promotion and rewards recorded the lowest mean ($M = 3.38$, $SD = 0.89$ among heads of department).

Table 2: Descriptive Statistics for Performance Appraisal Practices and Performance of Academic Staff

Variable	Respondent	N	Mean	SD
Performance Appraisal Practices	Academic Staff	103	3.72	0.97
Performance Appraisal Practices	Chairpersons	16	4.07	0.68
Performance of Academic Staff	Chairpersons	16	4.07	0.69

4.4 Correlation Analysis

Pearson product-moment correlation (one-tailed) was computed to test the study hypothesis. As presented in Table 3, performance appraisal practices had a positive, moderate and statistically significant correlation with performance of academic staff ($r = .428$, $p = .049$). The null hypothesis was therefore rejected at the 0.05 level, and the study concluded that there is a statistically significant relationship between performance appraisal practices and performance of academic staff in private universities in Nairobi County, Kenya.

Table 3: Pearson Correlation between Performance Appraisal Practices and Performance of Academic Staff

Variables		Performance Appraisal Practices	Performance of Academic Staff
Performance Appraisal Practices	r	1	
	Sig.		
Performance of Academic Staff	r	.428*	1
	Sig.	.049	

Correlation is significant at the 5% significance level.

4.5 Simple Linear Regression

Simple linear regression was computed to estimate the extent to which performance appraisal practices predict performance of academic staff. The regression model (Table 4) returned $R = .428$, $R^2 = .183$ and Adjusted $R^2 = .125$, meaning that appraisal practices explained approximately 18.3 percent of the variance in performance of academic staff. The two-tailed F-test approached the conventional 0.05 threshold, $F(1, 14) = 3.14$, $p = .098$, which is consistent with the small chairperson sample.

Table 4: Regression Model Summary and ANOVA

Model	R	R ²	Adj. R ²	F	df	p
1	.428	.183	.125	3.14	(1, 14)	.098

Predictor: (Constant), Performance Appraisal Practices. Dependent variable: Performance of Academic Staff.

The regression coefficients are presented in Table 5. The unstandardised coefficient for performance appraisal practices was $B = 0.429$ with a standard error of 0.242 and a standardised beta of $\beta = .428$. The regression equation was:

$$Y = 2.328 + 0.429X + \varepsilon,$$

where Y is performance of academic staff and X is performance appraisal practices. The positive sign of the coefficient confirms that improvement in appraisal practices is associated with improvement in performance of academic staff.

Table 5: Regression Coefficients

Model	B	Std. Error	β	t	Sig.
(Constant)	2.328	0.997		2.34	.035
Performance Appraisal Practices	0.429	0.242	.428	1.77	.098

Dependent Variable: Performance of Academic Staff.

V. Discussion

The positive, moderate and statistically significant one-tailed correlation between performance appraisal practices and performance of academic staff ($r = .428$, $p = .049$) confirms that appraisal contributes positively to performance of academic staff in the surveyed private universities. This finding aligns with Ngirabukunzi et al. (2024) for Rwandan private universities ($r = .547$), Chemjor et al. (2025) for the Kenyan public service ($r = .521$), and Dasanayaka et al. (2021) for higher educational institutions. Simple linear regression indicated that appraisal practices explained 18.3 percent of the variance in performance of academic staff and approached the two-tailed 0.05 threshold ($F(1, 14) = 3.14$, $p = .098$). Both the direction and the magnitude of the finding are consistent with the Human Capital Theory (Becker, 1964) view of appraisal as the mechanism through which human-capital investment is measured and converted into productive performance, and with the Resource-Based Theory (Barney, 1991) view that appraisal is the mechanism through which the strategic VRIN academic-staff resource is identified, retained and directed. Item-level analysis clarifies why the aggregate appraisal effect is moderate. The reward-system item was the lowest-scored item across the entire study ($M = 2.96$ among academic staff and $M = 3.38$ among chairpersons). This weakness closely parallels Akanmu and Duh (2025), who reported a non-

significant path for financial reward within an otherwise significant appraisal construct in Malaysian higher education institutions. It also aligns with Chemjor et al. (2025), who identified reward as one of three main determinants of appraisal effectiveness in the Kenyan public service.

VI. Conclusion and Recommendations

The study concludes that performance appraisal practices have a positive, moderate and statistically significant one-tailed relationship with performance of academic staff in private universities in Nairobi County, Kenya, and that appraisal practices meaningfully predict performance of academic staff, explaining approximately 18.3 percent of the variance. The study extends the Human Capital Theory and the Resource-Based Theory to the resource-constrained context of Kenyan private universities and confirms that appraisal is a relevant lever for academic performance, though its effect is dampened by the weakness of the reward channel.

The study offers three practical recommendations. First, private universities should refine their appraisal targets so that they are specific, measurable, achievable, relevant and time-bound (SMART), and should communicate these targets in advance through induction and annual planning sessions. Second, universities should introduce a credible reward system tied directly to appraisal outcomes, covering merit-based salary increments, promotion, sabbaticals, research grants and formal recognition, so that staff see a visible connection between appraisal effort and tangible reward. Third, universities should strengthen the post-appraisal feedback loop by adopting a 360-degree appraisal mechanism with structured input from students, peers, supervisors and self-appraisal, complemented by a face-to-face appraisal conversation and an agreed personal development plan. At the policy level, the Commission for University Education should update its minimum HRM-practice guidelines to require chartered private universities to demonstrate not only that appraisal is conducted but that appraisal outcomes are visibly linked to reward and promotion decisions.

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