

NAKAYITA FEDERESI SANYU (2011-M102-20065)

The Effect of Performance Appraisal in Business Organisations: A Case Study of Sheraton Kampala Hotel

This study explores Performance Appraisal and examines its effect on Organisational performance given that it is a key aspect in Performance Management. The study was about the effectiveness of performance appraisal in Business Organisations in Uganda using Sheraton Kampala Hotel as the case study. The major objective of the study was to assess the effectiveness of Performance Appraisal on Organisational Performance, and the specific objectives were to examine the relationship between the performance appraisal process and Organisational performance, to establish how performance appraisal methods influence organisational performance and lastly; to establish how performance appraisal procedures affect organisational performance. The research design used was a case study that triangulated both qualitative and quantitative approaches. The sampling techniques used were simple, purposive, and random techniques; whereas data were collected through documentary review, interview guide, semi-structured questionnaires as well as internet abstracts. Data management and processing was done by editing and coding, use of the Statistical Package for the Social Sciences (SPSS) and employed both qualitative and quantitative data analysis techniques. The findings revealed that 73.3% of respondents with an overall average mean of 3.64 agreed to the relationship between performance appraisal process and organisational performance, whereas 66% of respondents with an overall average mean of 3.3 agreed that performance appraisal methods influenced organisational performance and lastly 59% of respondents with a mean of 3.15 agreed that performance appraisal procedures had a strong relationship with organisational performance. The recommendations from the study included improving the Manager-Employee relationship by regularly discussing job performance and assist employees to set own goals. Managers at Sheraton Kampala Hotel need to sensitise and effectively communicate the purpose of a performance appraisal to enable all employees understand the concept fully. Sheraton management needs to rethink the performance appraisal procedures to enable employees get satisfaction from their jobs; need of a paradigm change and be proud to work at the Hotel and lastly; need to be fair when rewarding good performing employees as there are so many disgruntled employees about the reward system. The study suggested two areas for further research which are: the managers' competence about performance appraisal, and employees' attitude towards the performance appraisal concept.

Key words: Appraisal, Business, Organisation, Performance