

# The Role of Performance Measurement in Enhancing Employee Performance: Evidence from Kenyan State Corporations


Samuel K. Partoip\*, Mary Kamaara, and Kepha Ombui

## ABSTRACT

Over the past two decades, employee performance has been a central focus of public sector reforms in Kenya. In 2003, the government recognized that poor performance in central government and state agencies was hindering economic growth. Public sector employees in Kenya faced low productivity and weak performance linkages, with only 35.4% of man-hours utilized productively. Despite the introduction of performance management practices in state corporations, their effectiveness remains unclear. Existing studies focused on private sector while others limited data collection to single organizations. This study examined the influence of performance measurement on employee performance in Kenyan state corporations. A cross-sectional survey design was employed, incorporating both quantitative and qualitative approaches, and triangulated with secondary data. A list of 170 state corporations constituted the sampling frame while stratified sampling technique was used to sample of 119 respondents. Primary data was collected using a semi-structured questionnaire while secondary data was collected using data collection sheets. Data analysis was carried out using descriptive and inferential statistics. Regression analysis revealed a positive and significant relationship between performance measurement and employee performance. The findings highlighted the importance of structured performance measurement process, particularly the use of performance evaluation carried out in meetings where dialogue between the managers and employees is encouraged.

Submitted: February 18, 2025

Published: April 20, 2025

 10.24018/ejbm.2025.10.2.2621

*School of Business and Entrepreneurship,  
Jomo Kenyatta University of Agriculture  
and Technology Nairobi, Kenya.*

\*Corresponding Author:  
e-mail: skimpart@gmail.com

**Keywords:** Employee performance, human resource management, performance management, Performance measurement.

## 1. INTRODUCTION

Globally performance management practices as a means to realize desirable employee and organizational performance have continued to take root in the past three decades (Van Dooren *et al.*, 2015; Weiss, 2018). In the United States of America, performance management has been used to build a performance culture by linking the performance management processes and practices to the aspect of work-life balance (U.S. Office of Personnel Management, 2024). According to this office, meaningful employee performance can only be realized if the performance management system in place leads setting, measuring and rewarding organizational priorities at the individual employee level.

Historical evidence show that the performance of the public sector employees has been a matter of concern

of the government of Kenya over the years. The government set up a number of commissions of inquiry from the Ndegwa Commission of 1971 to the Ramtu Commission of 1985 to find ways of improving public servants' results. The common finding of the commissions set on the subject matter indicated that performance and productivity of public sector employee required to be improved (Manda, 2001; Kenya Institute for Public Policy Research and Analysis [KIPPRA], 2019). As a result, the national government in Kenya formally introduced performance-oriented reforms with a goal to improve public sector performance and service delivery in 2003 (Obong'o, 2009; Kobia & Mohammed, 2006; Government of Kenya, 2003).

Performing employees are a key supporting pillar of economic prosperity of a nation Kelemba *et al.*, (2017).



Poor employee performance in government entities is associated with economic issues on a massive scale (Kelemba et al., 2017; Kenya Institute for Public Policy Research and Analysis [KIPPRA], 2019). Osborne (2002) established that the public sector entities perform poorly in majority of developing countries. He points out that contributing factors include lack of accountability, ownership, and efficient performance management system. The scenario according to Osborne is different in the private sector where effective performance management exists, the organizations have ownership and profit centered strategies.

Armstrong and Taylor (2020) believe that employee performance can best be meaningful if it is linked with business strategy. According to them, employee performance is also seen as a consequence of performance management practices in the organization. They suggest that performance measurement and reporting leads to holistic realization of employee performance. Performance measurement is a critical component of performance management systems, systematically evaluating employee performance based on outputs and outcomes tied to predefined performance objectives or targets. The effort employees put into their work significantly affects organizational success.

Jonyo and Jonyo (2017) highlight that employee performance measurement forms the backbone of performance management systems, linking individual contributions to overall organizational performance. This process enables managers to gauge employee efficiency, identify high performers, and diagnose underperformance (Koopmans et al., 2014). In Kenya, tools for employee performance measurement include performance appraisal systems, key performance indicators, 360° feedback, balanced scorecards, and performance contracts (Kenya Institute for Public Policy Research and Analysis [KIPPRA], 2015). These tools often include an annual formal evaluation to reflect on employee.

Giblin (2019) emphasizes that performance measurement fosters better communication between employees and managers, cultivating productive professional relationships. Ramdani et al., (2019) add that it provides managers with insights into employees' skills, knowledge, competencies, and attitudes. To objectively measure performance, managers must be trained to understand the critical elements of performance measurement. Key components of performance measurement include criteria of assessment, measurable indicators, performance evaluation, and performance information (Van Dooren et al., 2015; Koopmans et al., 2014; Giblin, 2019; Ramdani et al., 2019; Armstrong & Taylor, 2020). The criteria of assessment establish benchmarks for success, measurable indicators provide quantifiable metrics, and the evaluation process assesses outcomes while identifying areas for improvement. Performance information, generated from these evaluations, supports informed decision-making and drives continuous improvement.

The role of performance measurement is well-documented, with scholars like Muriu (2017) and Mbiti et al., (2019) emphasizing its importance. A CIPD (2016) survey in the UK found that while performance appraisal is widely used, 64% of respondents considered

it ineffective. Despite this, performance appraisal remains relevant, as it provides a structured way to measure performance. Yet, studies in the Kenyan public sector, like those by Kihama and Wainaina (2019) and Ogolla and Oluoch (2019), reveal dissatisfaction with performance measurement and highlight that not all facets of employee performance are adequately covered. This implies that while performance measurement central to performance management systems, its effectiveness in the public sector in the Kenyan context requires more scrutiny to address persistent gaps and improve employee outcomes.

## 2. RESEARCH OBJECTIVE

The research objective is to assess the effect of performance measurement on employee performance in state corporations in Kenya.

## 3. RESEARCH HYPOTHESIS

H<sub>0</sub>: Performance measurement has no significant effect on employee performance in state corporations in Kenya.

## 4. THEORETICAL AND CONCEPTUAL FRAMEWORK

### 4.1. Agency Theory

Agency theory, rooted in economics, can be traced back to the works of Spencer and Zeckhauser (1971, as cited in Martin, 2003). The theory suggests a relationship between two parties: the principals, who delegate responsibilities, and the agents, who carry them out. The rights and responsibilities of both parties are outlined in an employment contract. The central issue addressed by the theory is how to structure the principal-agent relationship so that the agent acts in the best interest of the principal.

In the context of performance management, agency theory can be applied to government operations, where the government (principal) delegates tasks to agencies (agents), who act as contractors (Mulwa & Weru, 2017). These agents are held accountable for outcomes based on mutually agreed-upon contracts, regardless of the results. This dynamic is also reflected at the manager-employee level, where the manager serves as the principal and the employee as the agent. Both parties are bound by an employment contract and share a mutual obligation to meet performance targets. While agents are expected to strive toward these targets, principals are responsible for providing the necessary resources for success (Martin, 2003; Mbore & Cheruyiot, 2017).

The core assumption of agency theory stems from the relationship between the principal and the agent, where it is assumed that the principal has less information than the agent, leading to information asymmetry (Pfefferkorn et al., 2017). This information imbalance can create challenges, as the principal may be unable to fully observe the agent's behavior. In the context of this study, the information asymmetry can be mitigated through the performance measurement process, which facilitates the exchange of information between the two parties (Verbeeten, 2008).

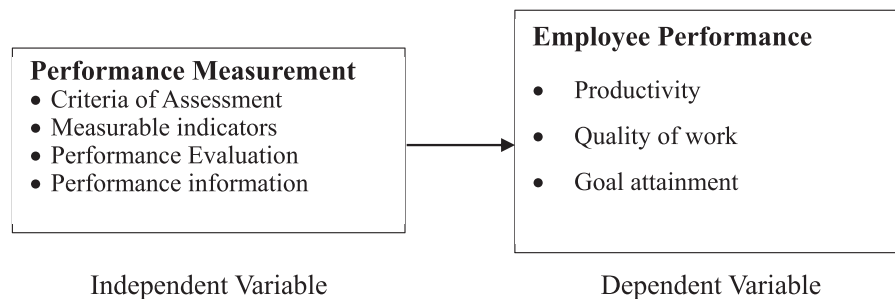


Fig. 1. Conceptual framework.

The performance measurement process has two key stages: first, establishing performance measures at the point where performance targets are set, and second, evaluating actual performance against these set targets using specific performance indicators (Mbore & Cheruyiot, 2017). By using this process, the principal can better control the agent's actions and, through performance measurement, can acquire additional information to further reduce information asymmetry. At the start of the performance period, the principal is able to guide the agent by establishing clear performance indicators that communicate the expected level of performance (Mbiti et al., 2019). Upon examining the elements of performance measurement alongside those of agency theory, it becomes evident that a strong connection exists between the two concepts.

To illustrate, for principals who are managers in this context, for them to significantly impact employee performance, they need only to establish effective performance indicators to assess the performance of agents, or individual employees (Martin, 2003; Mbore & Cheruyiot, 2017). This relationship allows managers to play a greater role in shaping and predicting outcomes, thus enabling them to influence the level of performance they expect. In doing so, the principal upholds values of responsibility, accountability, and leadership, while still preserving the employee's job autonomy. When evaluating the relationship between performance management practices and employee performance, agency theory underscores performance measurement as a key practice that directly influences employee performance outcomes.

#### 4.2. Conceptual Framework

The conceptual framework of the study is shown in Fig. 1.

### 5. EMPIRICAL REVIEW

Performance measurement is a critical component of performance management systems, enabling organizations to evaluate employee contributions and align them with strategic objectives. Muriu (2017), in a survey of Kenyan public servants, demonstrated that performance measurement generates valuable insights, including progress toward targets and identification of training needs. Similarly, Mbiti et al., (2019), in their study of 45 department heads in universities across Machakos and Kitui Counties, highlighted that clear communication of targets and alignment of individual goals with organizational objectives significantly enhance employee performance.

Van der Kolk (2022), in a comprehensive review of two decades of public sector performance measurement research, identified fairness, subjectivity, and clarity as key factors influencing employee performance. Spanning sectors like government, health, and education, the study emphasized that structured performance measurement systems promote accountability and transparency. However, challenges such as subjective evaluations and fairness concerns can undermine employee motivation, necessitating the careful design of evaluation criteria.

In the context of higher education, Nazaruddin et al., (2024) explored the effectiveness of performance measurement systems in Indonesia, surveying 293 lecturers. Their findings revealed that systems designed for development purposes enhanced effectiveness through satisfaction with rating and feedback mechanisms, as well as increased organizational commitment. Systems aimed at strategic objectives had direct and indirect effects on performance, emphasizing the role of self-monitoring and constructive feedback in driving results.

Vuong and Nguyen (2022), in a meta-analysis of employee performance measurement methodologies, underscored the motivational impact of these systems. Their study revealed that collaborative performance evaluation frameworks foster improved teamwork and productivity, provided they align with organizational goals. These frameworks not only highlight strengths and weaknesses but also promote a culture of continuous improvement.

Studies within the Kenyan public sector reinforce the importance of measurable indicators. Ndubai (2016), examining performance contracting, found that clear metrics enable employees to focus on critical tasks, thereby improving performance. This aligns with the principle that "what gets measured gets done," as illustrated by Saunila et al., (2015), who demonstrated that performance measurement helps identify and communicate results that inform managerial decisions.

In Eastern Uganda, Azah et al., (2024) surveyed 336 civil servants, including HR managers and department heads, to examine performance appraisal practices in local governments. They found that centralized government control negatively influenced perceptions of appraisal systems, which were often viewed as routine and unproductive. The study recommended tailored appraisal systems and manager training to enhance fairness and relevance. Similarly, Chirasha et al., (2018) assessed performance measurement practices in Zimbabwe's city councils, finding a



need for improved communication of performance indicators and enhanced training policies to support employee development.

Smith and Bititci (2017) highlighted the dual role of performance measurement in both technical and social organizational controls. Through action research in two UK bank departments, they demonstrated that integrating social controls within performance measurement systems fosters collaboration and engagement, leading to improved performance. Dusterhoff et al., (2014) echoed this, emphasizing the role of performance measurement in building trust and dialogue between employees and managers, thereby aligning individual behavior with strategic goals.

From a productivity perspective, Gichuki (2014) reported a positive relationship between performance measurement and employee output in Kenya. Nwanolue et al., (2018) quantified this impact, noting a 27% increase in productivity linked to effective appraisal systems. Armstrong (2015) further argued that performance measurement informs incentive-based decisions, reinforcing its strategic significance.

Siyum (2020), studying Ethiopian hospitals, demonstrated that performance measurement strengthens team dynamics and fosters constructive feedback. However, Liu et al., (2020) warned of potential “gaming” behaviors in performance systems, particularly under pressure to achieve favorable outcomes. They recommended robust management of performance expectations to preserve system integrity.

Collectively, these studies underscore the transformative potential of performance measurement systems in enhancing employee performance through accountability, feedback, and alignment with strategic objectives. Nonetheless, challenges such as fairness, subjectivity, and system misuse highlight the need for careful design and implementation, particularly in public sector contexts like Kenya's, where dissatisfaction with existing systems remains prevalent. This study seeks to address these issues by investigating how performance measurement influence employee performance in Kenyan state corporations.

## 6. METHODOLOGY

A cross-sectional survey design was adopted for this study with both quantitative and qualitative approaches to provide a broad understanding of the subject (Hunziker & Blankenagel, 2021). This design is normally used to collect data at one point in time from a cross-section of the population especially where the interest is to obtain an overall picture of the subject matter of study (Kumar, 2009). The study targeted 170 state corporations in Kenya, where one Human Resource Managers/Line Managers from manager per state corporation. A sample size of 119 respondents was determined using the Yamane (1967) formular. Respondents were proportionately picked using stratified simple random sampling where classification of state corporations constituted the strata. Primary data was collected using was collected using semi-structured questionnaire. The responses structured part of the questionnaire was anchored on a five-point scale ranging from strongly agree to strongly disagree (a scale of 1–5, where

5 = Strongly Agree, 4 = Agree, 3 = Not Sure, 2 = Disagreeand, 1 = Strongly Disagree). The Likert Scale was believed to be appropriate for the study since it is a multiple-indicator measure, thus overcoming the challenge associated with reliance on just a single indicator (Sekaran & Bougie, 2016). Secondary data was collected using data collection sheets to provide a basis for triangulation.

## 7. RESULTS AND DISCUSSION

### 7.1. Response Rate

From the sample of 119 respondents for the study, the total response rate for the questionnaire for primary data collection was 78.15%.

### 7.2. Descriptive Analysis for Performance Measurement

Respondents were asked to indicate their assessment on various aspects about performance measurement in their state corporation. A total of eight five-point Likert scale items were analyzed ranging from: SD = Strongly Disagree, D = Disagree, NS = Not Sure, A = Agree, and SA = Strongly Agree and (SD = 1, D = 2, NS = 3, A = 4 & SA = 5). The descriptive statistics for performance measurement gave a weighted mean = 3.96 and a standard deviation = 1.037. This suggests as strong opinion that performance measurement was well established in state corporations in Kenya. Since the standard deviation is near 1 it that the implies that most responses are moderately dispersed around the mean and the differences in opinion are very minimal.

Analysis results from unstructured part of the questionnaire was also carried out. Respondents were asked how often performance evaluation is conducted in their organization. The results indicated that the evaluation is done either quarterly, Semi Annually or annually. Based on the finding's the most frequent code was [Annually] where majority respondents indicated that their organizations perform evaluation annually. Another frequent code was [Semiannually] where a significant number of respondents indicated that performance is done semiannually while, while the less frequent code was [Quarterly]the organization does performance evaluation on quarterly basis. Some organizations do the evaluation both quarterly, semiannually and also annually represented by the code [Quarterly, Semiannually, Annually]. We thus conclude that majority of the organization undertake performance evaluation once in a performance year, while substantial number carry out evaluation twice in a performance year and only a few state corporations undertake evaluation on a quarterly basis.

On how the evaluation is carried out, two aspects come out clearly. In a meeting between the supervisor and the employee or by the supervisor alone reviewing appraisal forms. the results shows that over 74% of the respondents indicated that the performance evaluation in their organization is done in a meeting between the supervisor and the employee. Only 26% of the respondents indicated that the supervisor reviews the appraisal forms alone. These results suggests that the majority of state corporations conduct performance evaluations through meetings between supervisors and employees (74%), while a minority conduct evaluations by supervisors alone reviewing

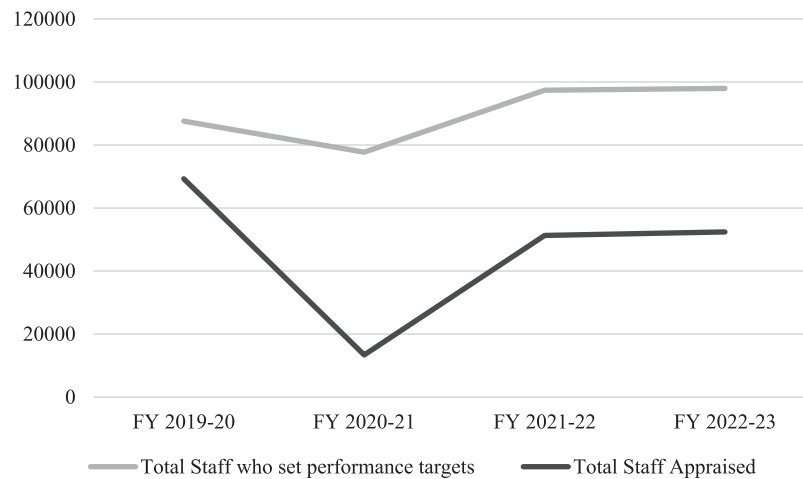


Fig. 2. Comparison of employee numbers who set performance targets and those appraised in state corporations in FY 2019/20 to FY 2022/23. Note: Data from public service commission (2020–2023).

appraisal forms (26%). In this context, the distribution of evaluation methods reflects the prevailing practices within state corporations. The dominance of the method involving meetings between supervisors and employees indicates an inclination towards direct communication, feedback, and interaction during the evaluation process. This approach emphasizes the importance of dialogue, collaboration, and transparency in assessing employee performance and setting expectations which gives employees room to express their views. The minority preference for evaluations conducted by supervisors alone reviewing appraisal forms may suggest that some state corporations are still in the process of transforming their performance management system and have not yet enhance dialogue and communication from the side of employees. This may lead to bias and does give employees room to be understood well by the supervisor.

Secondary data showing number of staff who set performance targets compared with those whose performance was appraised was analyzed and the results presented in Fig. 2.

The graphical illustration in Fig. 2 compares the number of staff in Kenyan state corporations who set performance targets with those appraised from FY 2019-20 to FY 2022-23. Across all fiscal years, the data reveals a consistent gap between the two groups, highlighting areas of inefficiency in performance measurement practice.

In FY 2019-20, both groups had relatively higher numbers, suggesting that performance measurement and target-setting practices were more aligned. However, a noticeable decline occurred in FY 2020-21, with appraisals experiencing a sharper drop than target setting. This disparity can likely be attributed to the challenges posed by COVID-19, including the shift to remote working and limited access to appraisal systems or tools. These disruptions exposed vulnerabilities in the appraisal mechanisms, such as the lack of digital infrastructure or adaptive strategies to accommodate changing working conditions.

By FY 2021-22, both target-setting and appraisal numbers recovered significantly, reflecting improvements in performance measurement as organizations adjusted to the post-pandemic environment. The alignment between appraisals and target setting continued to improve into FY

2022-23, demonstrating efforts to strengthen the connection between goal establishment and employee evaluation. Despite this progress, the persistent gap between the two groups indicates that performance appraisals have not fully caught up with the scale of target-setting activities, suggesting room for further enhancement in measurement frameworks particularly adopting technology driven performance measurement tools.

These findings underscore the importance of robust and consistent performance measurement systems in state corporations. Effective measurement ensures that employees' achievements are evaluated against their targets, providing a basis for rewards, feedback, and development opportunities.

### 7.3. Descriptive Analysis for Employee Performance

A total of eight 5-point Likert statements in regard to effectiveness of employee performance were analyzed. The descriptive statistics for employee performance presented a weighted mean = 3.78 and a standard deviation = 1.121. A weighted mean = 3.78 which is quite close to four implies that majority of the respondents agree with most of the statements and the standard deviation show moderate variability of opinion. In summary the results that the opinion of the respondents on the effectiveness of all the items of the was positive and strong.

Secondary data analysis of trends in performance among state corporations' employees was presented in Fig. 3. The graph in Fig. 3 provides a detailed visualization of the number of staff in Kenyan state corporations who met their performance targets, as measured by achieving a score of 100% and above (101% or more), from FY 2019-20 to FY 2022-23. The data reveals significant fluctuations in goal attainment, which correlate with external and internal organizational factors.

In FY 2019-20, around 20,000 employees successfully met their performance targets if only those who met 100% of target are considered. When those met at least 80% of target are considered the figure moves to 70,000. This performance reflects a period of relatively stable operational conditions. This achievement was likely due to well-established performance management frameworks, with employees evaluation contributing to effectiveness in

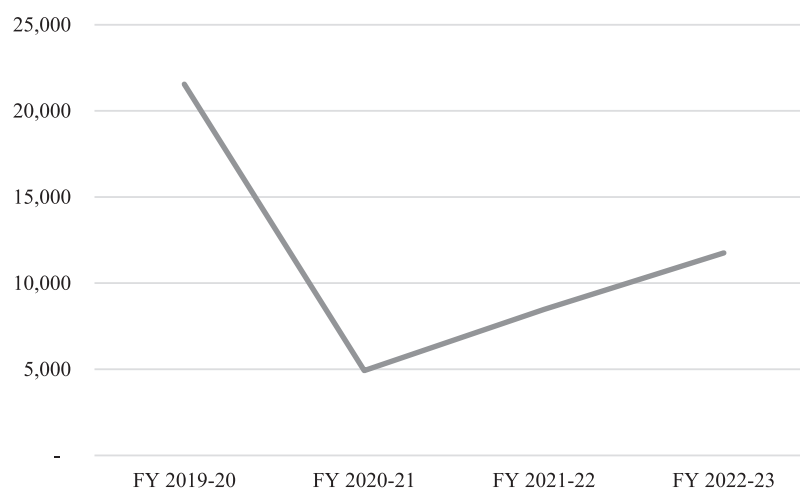


Fig. 3. Total number of employees who met performance targets (100% and 101+%) in State Corporations in FY 2019/20 to FY 2022/23.

Note: Data from public service commission (2020–2023).

employee performance as shown by the trend of evaluated performance shown in Fig. 3. This may have resulted into effectiveness in working toward organizational objectives.

In comparison with data on independent variable (performance measurement), a dramatic decline occurred in FY 2020-21, with the number of staff meeting performance targets dropping to below 5000. This sharp decrease can be attributed to the unprecedented challenges posed by the COVID-19 pandemic. The shift to remote working, disruptions in day-to-day operations, and the heightened uncertainty created significant obstacles to goal setting and execution. The rapid transition to virtual environments and the constraints of limited resources likely hindered many employees' ability to meet established performance goals, contributing to the sharp drop.

From FY 2021-22 onward, a marked recovery in performance levels is observable. The gradual increase in the number of staff meeting their targets from this period suggests that state corporations began to adapt to the new realities and fostering resilience among their workforces. By FY 2022-23, the recovery had continued, with more staff successfully aligning their individual goals with organizational expectations. This upward trend can be seen as indicative of the ability of state corporations to re-establish and strengthen performance management systems, improving goal-setting processes, providing ongoing support to employees, and incorporating lessons learned during the pandemic.

The overall trajectory from FY 2019-20 to FY 2022-23 in employee performance (measured by the number of staff meeting performance targets) mirrors the trends in the independent variable (performance measurement). This parallel suggests a potential causal relationship, indicating that variations in performance outcomes are closely linked to changes in how performance is managed within state corporations.

In FY 2019-20, effective performance management practices contributed to higher employee performance, as seen in the number of staff meeting targets. The sharp decline in number of employees meeting targets in FY 2020-21, coinciding with disruptions due to the COVID-19 pandemic, further supports this relationship. As robustness performance management practices improved and

adapted in the post COVID-19 period from FY 2021-22 onward, employee performance gradually improved, reinforcing the idea that robust performance management practices are crucial in driving performance outcomes.

#### 7.4. Regression Analysis and Test of Hypothesis

The specific objective for the study was 'To assess the effect of performance measurement on employee performance in state corporations in Kenya' the hypothesis tested was  $H_0$ : Performance measurement has no significant effect on employee performance in state corporations in Kenya. Regression analysis and analysis of variance was carried out on performance measurement and employee performance and results presented in Table I.

From Table I, the value of R is 0.664, which suggests a strong positive correlation between the performance measurement and employee performance in state corporations in Kenya. The  $R^2$  is 0.440, indicating that approximately 44% of the variance in employee performance is explained by performance measurement. Our adjusted  $R^2$  is 0.434 which means the model provides a moderate level of explanatory power and that there is variance in the depended variable that is not accounted for, implying the model could be improved by additional variables. Generally, the model summary suggests that the independent variable collectively explain a moderate proportion of variance in the dependent variable.

The Analysis of variance results in Table II showed that  $[F(1,91) = 71.598, p = 0.000 < 0.05]$ , this implies that the relationship between performance measurement and employee performance in state corporations in Kenya exists and was significant at 95% confidence level. Additionally, the results indicated in Table III show positive and statistically significant path coefficients ( $\beta = 0.639, t = 8.462, p = 0.000 < 0.05$ ), which means that for a unit change in performance measurement, employee performance changes by 0.639 units. This suggests a highly significant relationship between the performance measurement and employee performance in state corporations.

The model equation for performance measurement and employee performance will be depicted by equation below:

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon \quad (1)$$

TABLE I: MODEL SUMMARY OF REGRESSION OF PERFORMANCE MEASUREMENT ON EMPLOYEE PERFORMANCE

Model	R	R square	Adjusted R square	Std. error of the estimate
1	0.664 <sup>a</sup>	0.440	0.434	0.50723

Note: a. Predictors: (Constant), performance measurement.

TABLE II: MODEL SUMMARY OF REGRESSION OF PERFORMANCE MEASUREMENT ON EMPLOYEE PERFORMANCE (ANOVA)

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	18.421	1	18.421	71.598	0.000 <sup>b</sup>
	Residual	23.412	91	0.257		
	Total	41.833	92			

Note: a. Dependent Variable: Employee Performance, b. Predictors: (Constant), Performance Measurement.

TABLE III: MODEL SUMMARY OF REGRESSION OF PERFORMANCE MEASUREMENT ON EMPLOYEE PERFORMANCE (COEFFICIENT)

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	1.250	0.304		4.117	0.000
	Performance measurement	0.639	0.076	0.664	8.462	0.000

Note: a. Dependent Variable: Employee Performance.

where  $Y$  is employee performance,  $\beta_0$  is the  $Y$  intercept or constant,  $\beta_2$  is the gradient of the regression line or coefficient of the independent variable,  $X_2$  is performance measurement and  $\varepsilon$  is the error term.

When substituted (1) became

$$Y = 1.250 + 0.639X_2 + \varepsilon$$

From this equation and Table I it follows that there exists a positive and significant relationship between 'performance measurement' and 'employee performance' and we thus reject the  $H_0$ , and accept  $H_A$ : That performance measurement has a significant effect on employee performance in state corporations in Kenya.

This finding corroborated with those of Yahya (2020), in his study performance appraisal and civil servants' performance of in Kenya. He found out that, when performance is effectively measured it has a positive association with employee performance. A similar study by Ogolla and Oluoch (2019) sought to determine the relationship of performance appraisal and employee productivity. They concluded that, there exists a positive and significant relationship between measurement of performance on employee productivity. These findings also agree with those of Mbiti et al., (2019) who studied the influence of performance appraisal on performance in Universities in Machakos and Kitui County, they concluded that measurement of performance has a significant positive effect on employee performance.

## 8. CONCLUSIONS

The study confirmed a significant positive correlation between performance measurement and employee performance within state corporations in Kenya. Performance measurement alone accounts for a noteworthy portion of the variance in employee performance, underscoring its vital role in fostering alignment with organizational

goals and reducing information asymmetry. The findings highlight the importance of structured performance measurement processes, particularly the use of performance evaluations conducted in meetings, which emphasize dialogue and transparency in assessing employee contributions.

## 9. RECOMMENDATIONS

There is a need for state corporations to invest in robust performance measurement systems that provide accurate and timely feedback to employees. This includes implementing key performance indicators (KPIs) that are aligned with organizational objectives, ensuring transparency and fairness in performance assessments, and leveraging technology to streamline data collection and analysis processes.

## CONFLICT OF INTEREST

The authors declare that they do not have any conflict of interest.

## REFERENCES

- Armstrong, M. (2015). *Armstrong's Handbook of Performance Management: An Evidence-Based Guide to Delivering High Performance*. 5th ed. London, UK: Kogan Page.
- Armstrong, M., & Taylor, S. (2020). *Armstrong's Handbook of Human Resource Management Practice*. 15th ed. London, UK: Kogan Page.
- Azah, T., Tarabinah, W., & Adeyemo, D. (2024). An empirical study of employee performance appraisal in selected local governments, Eastern-Uganda. *International Journal of Research and Innovation in Social Science (IJRISS)*, 8(4), 105. <https://doi.org/10.47772/IJRISS.2024.804008>.
- Chirasha, V., Chipunza, C., & Dzimbiri, L. (2018). Measuring employee performance in Gweru and Kwekwe city councils in midlands province. *Zimbabwe African Journal of Business Management*, 12(14), 448–457. <https://doi.org/10.5897/AJBM2017.8484>.
- CIPD. (2016). Could do better? Assessing what works in performance management. Chartered Institute of Personnel and Development.



- <https://www.cipd.org/en/knowledge/reports/performance-management>.
- Dusterhoff, C., Cunningham, J. B., & MacGregor, J. N. (2014). The effects of performance rating, leader-member exchange, perceived utility, and organizational justice on performance appraisal satisfaction: Applying a moral judgment perspective. *Journal of Business Ethics*, 119(2), 265–273. <https://doi.org/10.1007/s10551-013-1634-1> PhilPapers+3.
- Giblin, M. J. (2019). Measuring individual performance, leadership and management in police organization. In *Leadership and management in police organizations* (2nd ed., Chapter 10). Thousand Oaks, CA: SAGE Publications. <https://doi.org/10.4135/9781483398006.n10>.
- Gichuki, BW. (2014). *Influence of performance management on employee productivity in the Civil Service. A case of the immigration department in Kenya* [Dissertation]. University of Nairobi.
- Government of Kenya. (2003). Economic recovery strategy for wealth and employment creation 2003–2007. Ministry of Planning and National Development. <https://documents1.worldbank.org/curated/en/237511468753295366/pdf/27200.pdf>.
- Hunziker, S., & Blankenagel, M. (2021). Cross-sectional research design. In *Research design in business and management* (1st ed., pp. 187–199). Springer. [https://doi.org/10.1007/978-3-658-34357-6\\_10](https://doi.org/10.1007/978-3-658-34357-6_10).
- Jonyo, D., & Jonyo, B. (2017). Performance management in Kenyan public schools: Implications and challenges. *European Journal of Educational Sciences*, 4(3), 19–35. <https://doi.org/10.19044/ejes.v4.no3a3>.
- Kelemba, J. K., Chepkilot, R., & Zakayo, C. (2017). Effect of personal attributes on employee performance in the public services in Kenya. *Journal of Management and Business Administration*, 2, 19–35.
- Kenya Institute for Public Policy Research and Analysis [KIPPRA] (2015). Review of performance measurement tools and performance contracting in Kenya. KIPPRA Discussion Paper No. 186. <https://kippra.or.ke>.
- Kenya Institute for Public Policy Research and Analysis [KIPPRA] (2019). Public sector reforms in Kenya: Challenges and opportunities (Working Paper No. 29). <https://kippra.or.ke>.
- Kihama, J., & Wainaina, L. (2019). Performance appraisal feedback and employee productivity in water and sewerage companies in Kiambu County, Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(5), 376–393. <https://iajournals.org>.
- Kobia, M., & Mohammed, N. (2006, December, 4–6). The Kenyan experience with performance contracting: Discussion paper. 28th AAPAM Annual Roundtable Conference, Arusha: Tanzania. <https://citeseerx.ist.psu.edu>.
- Koopmans, L., Bernaards, C., Hildebrandt, V., & De Vet, H. (2014). Measuring individual work performance: Identifying and selecting indicators. *Work*, 48(2), 229–238. <https://doi.org/10.3233/WOR-131659>.
- Kumar, R. (2009). *Research Methodology: A Step-by-Step Guide for Beginners*. 3rd ed. Los Angeles, CA: SAGE Publications.
- Liu, W., Wang, G., Yu, M., Chen, H., Jiang, Y., Yang, M., & Shi, Y. (2020). Projecting the future vegetation-climate system over East Asia and its RCP-dependence. *Climate Dynamics*, 55(9), 2725–2742. <https://doi.org/10.1007/s00382-020-05411-2>.
- Manda, D. K. (2001). *Incentive structure and efficiency in the Kenyan civil service (WIDER Discussion Paper No. 2001/52)*. The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki. <https://hdl.handle.net/10419/52849>.
- Martin, L. (2003). Performance-based contracting for human services: A review of literature, Florida, university of central of Florida, working paper No. 1. <https://library.ucf.edu>.
- Mbiti, A., Arasa, R., & Kinyili, J. (2019). Influence of performance appraisal on performance of Universities in Machakos and Kitui Counties. *European Journal of Business and Management Research*, 4(5), 1–5. <https://doi.org/10.24018/ejbmr.2019.4.5.107>.
- Mbore, C., & Cheruyiot, T. (2017). Employee performance measurement and management in the African public sector. *International Journal of Sciences: Basic and Applied Research (IJBAR)*, 36(1), 187–201.
- Mulwa, M. N., & Weru, J. M. (2017). The influence of performance management systems on employee performance in commercial banks in Kitui Town, Kitui County, Kenya. *International Journal of Humanities and Social Sciences*, 7(6), 207–215.
- Muriu, A. R. (2017). *Performance management in the Kenyan public service: A study on performance information use* [Doctoral dissertation]. Faculty of Economic and Social Sciences, University of Potsdam, Potsdam, Germany.
- Nazaruddin, I., Sofyani, H., & Utami, T. P. (2024). Promoting performance measurement system effectiveness in higher education institution: Antecedents and consequences. *BAR-Brazilian Administration Review*, 21(2), e230070. <https://doi.org/10.1590/18077692bar2024230070>.
- Ndubai, R. (2016). *Performance contracting, measurement and public service delivery in Kenya* [Unpublished PhD thesis]. University of Nairobi.
- Nwanolue, B. O. G., Obiora, C. A., & Ezeabasili, I. E. (2018). Performance management and employee productivity in Chukwuemeka Odumegwu Ojukwu University. *EPH-International Journal of Humanities and Social Science*, 3(4), 25–36. <https://doi.org/10.53555/eijhss.v3i4.62>.
- Obong'o, S. O. (2009). Implementing performance contracting in Kenya. *International Journal of Public Management*, 10(2), 66–84. <http://www.ipmr.net>.
- Ogolla, C., & Oluoch, M. (2019). Performance management practices and employee productivity at state department of Labour, Kenya. *International Journal of Business Humanities and Technology*, 9(4), 20–30. <https://doi.org/10.30845/ijbht.v9n4p3>.
- Osborne, S. (2002). *Public Management: Critical Perspective on Business and Management*. vol. 4. London: Routledge Taylor and Francis Group.
- Pfefferkorn, T., Bititci, U., & Jackson, W. (2017). Management attention in performance measurement: A systematic literature review of theories for phenomenon-based research. Paper presented at the 9th EIASM Conference on Performance Measurement and Management Control, Nice, France. <https://researchportal.hw.ac.uk/en/publications/management-attention-in-performance-measurement-a-systematic-lite>.
- Ramdani, Z., Marliani, R., & Rahman, A. (2019). The individual work performance scale: A psychometric study and its application for employee performance. *Humanities and Social Sciences Reviews*, 7(5), 405–414. <https://doi.org/10.18510/hssr.2019.7545>.
- Saunila, M., Tikamäki, K., & Ukko, J. (2015). Managing performance and learning through reflective practices. *Journal of Organizational Effectiveness. People and Performance*, 2(4), 370–390. <https://doi.org/10.1108/JOEPP-05-2015-0017>.
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach*. 7th ed. Hoboken, NJ: Wiley. <https://doi.org/10.13140/RG.2.1.1419.3126>.
- Siyum, A. (2020). Impact of performance appraisal on employee productivity in private and public hospital in Tigray, Ethiopia. *Internal Journal of Research Innovation in Social Science*, 4(5), 360–368.
- Smith, M., & Bititci, U. S. (2017). Interplay between performance measurement and management, employee engagement and performance. *International Journal of Operations & Production Management*, 37(9), 1207–1228. <https://doi.org/10.1108/IJOPM-06-2015-0313>.
- Spence, M., & Zeckhauser, R. (1971). Insurance, information, and individual action. *The American Economic Review*, 61(2), 380–387. <https://www.jstor.org/stable/1812869>.
- U.S. Office of Personnel Management (2024). Human capital framework: Performance culture. <https://www.opm.gov/policy-data-oversight/humancapitalframework/performance-culture>.
- Van der Kolk, B. (2022). Performance measurement in the public sector: Mapping 20 years of survey research. *Financial Accountability & Management*, 38(4), 703–729. <https://doi.org/10.1111/faam.12345>.
- Van Dooren, W., Bouckaert, G., & Halligan, J. (2015). *Performance Management in the Public Sector*. 2nd ed. London New York: Routledge.
- Verbeeten, F. H. (2008). Performance management practices in public sector organization: Impact on Performance. *Accounting Auditing & Accountability Journal*, 21(3), 427–454. <https://doi.org/10.1108/09513570810863996>.
- Vuong, T. D. N., & Vuong, L. T. (2022). The key strategies for measuring employee performance in companies: A systematic review. *Sustainability*, 14(21), Article 14017. <https://doi.org/10.3390/su142114017>.
- Weiss, J. (2018). Performance management and strategic management at work: NPM-inspired models of management in German local governments. *EGPA Conference, Lausanne–Study Group XI Strategic Management in Government*. <https://www.researchgate.net/publication/327720526>.
- Yamane, T. (1967). *Statistics, An Introductory Analysis*. 2nd ed. New York: Harper and Row.
- Yahya, E. I. (2020). Influence of performance appraisal on performance of civil servants in Kenya. *European Journal of Engineering Research and Science*, 5(4), 415–420. <https://doi.org/10.24018/ejers.2020.5.4.1857>.