

Beyond The Scores: Rethinking Performance Appraisal And Staff Retention In Kenyan Public Universities

Nyamao. M.N
Yego .C N.
Okello. S
(Kisii University)

Abstract

Employee retention remains a critical challenge in Kenya's public universities, particularly among non-academic staff whose contributions are vital for institutional continuity. This study investigates the influence of performance appraisal (PA) practices on the retention of non-teaching staff at the public University of Kabanga. Grounded in Social Exchange Theory and Human Capital Theory, the research employed a descriptive design with data collected from a stratified random sample of 201 respondents. Factor analysis validated eight key items measuring performance appraisal, with the highest loading on feedback-related constructs such as motivation and clarity of appraisal criteria. Despite moderately favourable perceptions of appraisal practices evidenced by a composite mean score of 29.01 (SD = 4.94) simple linear regression revealed a statistically insignificant relationship between PA and retention ($R = 0.037$, $p = 0.599$). The findings suggest that current appraisal systems, while operational, are not effectively influencing staff retention. Therefore, a reconfiguration of appraisal frameworks is recommended to enhance their motivational and developmental value. These insights can guide HR policy reforms and institutional strategies aimed at improving non-academic staff stability within public universities.

Keywords: Performance Appraisal, Employee Retention, human resource, public university workforce

Date of Submission: 07-10-2025

Date of Acceptance: 17-10-2025

I. Introduction

Performance appraisal plays a vital role in employee retention, particularly in higher education institutions, where retaining skilled non-academic staff is crucial for operational efficiency and institutional stability. Universities globally, including those in Kenya, are increasingly recognizing that structured performance management systems directly influence staff satisfaction, motivation, and retention (Ondari & Ondiba, 2019). Effective appraisal systems help in setting clear expectations, providing feedback, and aligning individual goals with organizational objectives, thus fostering a sense of purpose and engagement among employees (Mumbi & Were, 2024). Studies in Kenya have demonstrated that performance appraisal, alongside fair compensation and opportunities for training and development, significantly influences the decision of employees to remain in an institution (Kabar, 2019; Choso & Wetaba, 2019). As academic and administrative demands grow, institutions that implement comprehensive and transparent performance management practices are better positioned to retain top talent, minimize turnover, and sustain institutional growth (Mitale & Wanyama, 2024). In light of global challenges in higher education such as increased competition for talent and changing workforce expectations strategic performance appraisal has become not only a tool for accountability but also a critical lever for enhancing employee loyalty and institutional effectiveness (Wilkin & Nwoke, 2011; Hassan, 2022).

II. Statement Of The Problem

Performance appraisal in universities should serve as a strategic human resource tool used not only to assess staff performance, but also to guide promotions, identify development needs, and foster retention through fair recognition and reward systems (Gulzar et al., 2017). However, the reality in many Kenyan public universities sharply contrasts this expectation. Despite significant government and institutional investments in non-academic staff development particularly through scholarships, international training, and postgraduate studies there is a growing exodus of qualified personnel, especially non-academic and academic staff, to better-paying jobs abroad. According to the Kenya Commission for University Education (CUE) 2024 report, over 2,000 university staff members have left for international opportunities in the last five years, citing poor career advancement systems, lack of performance-based promotions, and unattractive work conditions. This brain drain is costly, with estimates indicating that the government spends between KES 2 million to 5 million per staff member on full training and international fellowships (MoE, 2023). Unfortunately, poorly structured performance appraisal systems have

contributed significantly to this problem by failing to link performance evaluations to incentives, promotions, or skill development (Ondari & Ondiba, 2019; Dasanayaka et al., 2021). Moreover, dissatisfaction with appraisal fairness and lack of supervisor feedback has demotivated staff, further weakening retention (Sabo & Suleiman, 2022). Given this backdrop, this study is essential to investigate how performance appraisal influences employee retention in Kenyan public universities, providing evidence-based recommendations to improve appraisal systems, curb staff attrition, and protect national investments in human capital development.

III. Literature Review

Performance appraisal and employee retention are grounded in several theoretical frameworks, notably Social Exchange Theory (SET) and Human Capital Theory (HCT). SET posits that workplace relationships are built on reciprocal exchanges where employees evaluate the rewards (such as recognition, development opportunities, and fair treatment) against the costs (like effort or stress) in their interaction with employers (Cropanzano et al., 2017). When employees perceive the exchange as fair and beneficial through systems like performance appraisals, they are more likely to remain committed to the organization. This mutual benefit fosters trust, loyalty, and job satisfaction, thereby enhancing retention (Chernyak-Hai & Rabenu, 2018). However, SET is often critiqued for overemphasizing rational decision-making and neglecting emotional and contextual factors like culture and power dynamics (Molm, 2015; Blau, 2017).

On the other hand, Human Capital Theory (HCT) emphasizes the economic value of investing in people through education, training, and skills development (Becker, 1964; Schultz, 1961). It assumes that employees will remain with organizations that invest in their growth, as such investments enhance productivity, job satisfaction, and long-term employability. For non-teaching staff in universities, this theory suggests that opportunities for professional development, when integrated into performance appraisal systems, can increase their sense of value and commitment to the institution (Boudarbat & Chernoff, 2010). Critics argue, however, that HCT overlooks structural barriers like labor market inequality and assumes perfect alignment between education and job market needs (Psacharopoulos & Patrinos, 2004).

The literature surrounding performance appraisal and employee retention reveals a consistent understanding that appraisal systems significantly influence employees' job satisfaction and decisions to remain within organizations, especially in academic settings. Dasanayaka et al. (2021) investigated the effects of performance review systems on academic staff satisfaction in a leading UK university and found that appraisal processes overly emphasized research output, lacked direct reward linkage, and ultimately contributed to staff dissatisfaction. This disconnect between appraisal outcomes and incentives (such as promotions or bonuses) undermined employee morale and led to a recommendation for further refinement of appraisal frameworks to enhance retention. Similarly, dissatisfaction with performance evaluation mechanisms appears to be widespread in academic institutions, where appraisals often fail to account for diverse academic contributions such as teaching or service.

There are empirical studies supporting the critical role of appraisal in retention, Gulzar et al. (2017) studied 316 employees in the banking sector and found that proper implementation of feedback systems, career advancement opportunities, and job satisfaction directly influenced staff retention. The study used multiple regression analysis to show that performance appraisals were not only tools for employee evaluation but also mechanisms for fostering long-term engagement. These results were consistent with previous research, highlighting the importance of structured, fair, and empowering appraisal systems. Sabo and Suleiman (2022) echoed similar findings in the education sector in Nigeria, where performance reviews significantly affected teachers' decisions to stay in public secondary schools. Their study, grounded in expectancy and equity theories, reinforced the idea that when performance reviews are aligned with career development and reward expectations, they become instrumental in reducing turnover.

In a non-academic context, Chiboiwa (2020) examined employee retention in a large private medical laboratory in Zimbabwe and found that poor management of the pay system, as revealed through staff performance evaluations, led to high turnover rates. Although not limited to universities, this study highlighted how weak appraisal systems, when disconnected from reward structures, could contribute to dissatisfaction and attrition. Closer to the Kenyan context, Ondari and Ondiba (2019) explored the influence of performance appraisal on employee performance in Narok University. They discovered that performance appraisal systems were widely understood by staff and that effective appraisals depended heavily on training appraisers and incorporating multi-rater feedback. Their findings emphasized that performance appraisal should not only assess current performance but should also inform contract renewals, thereby improving long-term employee retention in public universities.

While multiple studies, both global and regional, have confirmed the positive relationship between well-structured performance appraisal systems and employee retention, few have explored this relationship specifically within the context of non-teaching staff in Kenyan public universities. Most existing literature focuses on academic staff or general corporate settings, leaving a gap in understanding how performance appraisal practices impact the retention of administrative and support personnel, who are equally essential to institutional success.

Moreover, few studies integrate both qualitative and quantitative approaches to capture the nuanced perceptions of non-academic staff toward performance appraisal systems. This study, therefore, seeks to fill this gap by examining the effect of performance appraisal on employee retention specifically among non-teaching staff in Kenyan public universities using a mixed-method approach.

IV. Methodology

This study adopted a descriptive cross-sectional design to investigate the impact of human resource practices (performance appraisal practice) on staff retention among non-teaching staff at public University of Kabianga, Kenya. The research targeted all 296 non-teaching staff (12% management, 54% administration, 34% clerical), using stratified random sampling to draw a sample size of 243 (including a 30% buffer for non-responses), based on Yamane's formula. Data was collected through structured, self-administered questionnaires divided into three parts: demographics, HR practices (Performance appraisal), and staff retention rated on a 5-point Likert scale. Reliability was confirmed through a pilot study at Kisii University (17 respondents) using Cronbach's alpha (≥ 0.70), while validity was ensured via content, face, construct, and internal assessments by experts. Data analysis was conducted in SPSS, using descriptive statistics and multiple regression models to assess the effect of four HR strategy of performance appraisal, & development on employee retention. Ethical approval was secured from NACOSTI, and all participants were protected through informed consent, anonymity, and voluntary participation, ensuring compliance with ethical research standards.

The assumptions for multiple linear regression were thoroughly tested and met according to Miot (2018). Normality was confirmed through a histogram with a mean of approximately 0 (1.70E-14) and a standard deviation near 1 (0.990), as well as a normal P-P plot showing residuals along the 45° line, indicating normal distribution. Linearity was evident in scatterplots showing positive linear relationships between employee retention and recruitment, compensation, and training & development, while performance appraisal showed a weak, near-flat relationship. Multicollinearity was assessed using Variance Inflation Factor (VIF), with all predictors showing VIFs well below the critical threshold of 10 (ranging from 1.017 to 2.395) and tolerances above 0.100, indicating no multicollinearity. Finally, homoscedasticity was supported by a residual scatterplot displaying a fairly random and consistent spread around zero, with no visible patterns or funnel shapes, confirming constant variance of residuals across predicted values. These results validate the data's suitability for multiple linear regression analysis.

V. Discussion Of The Results

The analysis of the influence of Performance Appraisal (PA) on Employee Retention (ER) among non-academic staff at the public university Kabianga Kenya revealed a critical disconnect between perception and actual impact. While descriptive statistics and factor analysis indicated a generally favourable view of the appraisal process particularly in areas such as career growth (mean = 3.98), motivational impact (mean = 3.91), and supervisor feedback (mean = 3.90), the regression results showed no statistically significant relationship between PA and ER ($R^2 = 0.001$, $p = 0.599$). This means that although staff perceive appraisal processes positively in many respects, these perceptions do not translate into actual retention outcomes. The regression coefficient ($\beta = -0.030$) even suggested a weak negative relationship, albeit not significant, implying potential disillusionment or misalignment between appraisal practices and staff expectations for long-term engagement. The findings imply that the appraisal systems currently in used at universities, while structurally sound and moderately well-received, lack the strategic depth or alignment necessary to meaningfully influence retention decisions. This underscores the need for targeted HR reforms that go beyond procedural implementation to address deeper motivational, developmental, and recognition needs of staff.

Table1: Performance Appraisal Practices & their influence on Retention

Item Code	Appraisal Practice Statement	Factor Loading	Mean Score	% Agreement (4+5)	Significance in Retention
PA1	Appraisals are conducted regularly and on time	0.703	2.98	39.8%	Moderate relevance
PA2	Criteria used in appraisal are clearly communicated	0.792	3.18	43.5%	High relevance
PA3	Appraisal reflects actual performance	0.691	3.50	47.2%	Moderate
PA4	I receive constructive feedback	0.558	3.67	51.9%	Moderate
PA5	Supervisor discusses strengths and areas for improvement	0.639	3.90	62.2%	Moderate
PA6	Appraisals motivate me to improve performance	0.616	3.91	60.6%	Moderate
PA7	I am satisfied with career growth opportunities	0.762	3.98	62.5%	High relevance

Item Code	Appraisal Practice Statement	Factor Loading	Mean Score	% Agreement (4+5)	Significance in Retention
PA8	Feedback encourages me to remain at this university long-term	0.825	3.90	57.9% (0% disagreed)	Most predictive item
Regression Result	Overall influence of PA on Employee Retention (ER)	–	–	–	$R^2 = 0.001$; $p = 0.599$

Note: Items PA6 and PA9 were dropped during factor analysis due to low loadings (< 0.5), improving reliability from $\alpha = 0.674$ to 0.700 .

The results of the current study that performance appraisal (PA) has no statistically significant effect on employee retention (ER) among non-teaching staff at the public University Kabianga, Kenya ($R^2 = 0.001$, $p = 0.599$) both align with and challenge prior findings in the literature. Several authors supported the notion that effective performance appraisal systems positively influence retention. Gulzar et al. (2017) emphasized that structured feedback and career advancement opportunities enhanced retention in the banking sector, while Sabo and Suleiman (2022) found similar results among public secondary school teachers in Nigeria. Chiboiwa (2020) also identified poor appraisal-linked pay systems as a contributor to high turnover in a Zimbabwean medical lab, reinforcing the broader consensus that appraisals tied to development and rewards matter for retention. Moreover, Ondari and Ondiba (2019), studying a similar university context in Kenya, asserted that well-understood and skilfully implemented appraisal systems directly influenced retention decisions by linking performance assessments with contract renewals. These findings sharply contrast with the results of the present study, which revealed only a weak, non-significant relationship between PA and ER, suggesting that the appraisal process, while moderately well-received in areas like motivation and feedback (mean ≈ 3.9), lacks strategic impact. On the other hand, some studies do align with this disconnect. Dasanayaka et al. (2021), for instance, reported that performance reviews in a UK university overly emphasized research output without sufficient reward linkage, ultimately reducing satisfaction and morale findings that support the current study's conclusion that misaligned appraisal systems fail to foster real retention. Similarly, critiques rooted in Social Exchange Theory (Molm, 2015; Blau, 2017) argue that if appraisals do not reflect reciprocal value or are perceived as procedural rather than transformational, they may not sustain long-term commitment. Therefore, while many scholars affirm the importance of PA in retention, this study contributes a critical counterpoint, indicating that without meaningful reward structures and strategic alignment, performance appraisals may have little to no effect on retaining non-teaching staff in Kenyan public universities.

VI. Conclusion

The conclusion of the study clearly indicates that performance appraisal practices at universities have no statistically significant influence on the retention of non-academic staff, despite being perceived moderately positively by employees. While staff generally appreciated aspects such as feedback, motivation, and career development opportunities, the regression analysis revealed a negligible and statistically insignificant relationship between appraisal scores and retention outcomes ($R^2 = 0.001$, $p = 0.599$). This suggests that the current appraisal system, although present and operational, is not effectively contributing to staff retention in a meaningful way. As a result, the study underscores the urgent need for restructuring the appraisal process to better align with staff expectations, enhance relevance, and integrate more actionable outcomes that can genuinely influence retention. Such reform would enable the performance appraisal system to move beyond formality and become a strategic HR tool for enhancing staff commitment and institutional continuity.

VII. Recommendation

The study recommends that for performance appraisal and employee retention to be effective at universities like Kabianga, management must prioritize fair, consistent, and constructive appraisal systems that clearly communicate expectations and support informed reward decisions. Poorly executed HR practices, including performance appraisals, can lead to staff frustration and increased turnover. To enhance retention, management should also provide competitive compensation to avoid perceptions of inequity, invest in training and development to support career growth, and implement modern appraisal methods that align with institutional goals. On the policy front, the study calls for the development of comprehensive HR frameworks that emphasize fair appraisal, equitable pay, and continuous professional development. These policies should also promote employee participation in HR decision-making processes. Recognizing that resource limitations may hinder full HRP implementation, the study further urges the government to provide grants and salary support to help institutions offer attractive employment terms and reduce talent loss.

References

- [1]. Ahmad, R., Ahmed, H., & Khan, S. (2023). Critiquing Rational Assumptions In Social Exchange Theory: A Review Of Evolving Workplace Dynamics. *Journal Of Organizational Psychology*, 23(1), 45–59.
- [2]. Becker, G. S. (1964). *Human Capital: A Theoretical And Empirical Analysis, With Special Reference To Education*. University Of Chicago Press.
- [3]. Blau, P. M. (2017). *Exchange And Power In Social Life*. Routledge. (Original Work Published 1964)
- [4]. Boudarbat, B., & Chernoff, V. (2010). The Determinants Of Education-Job Match Among Canadian University Graduates. *Canadian Journal Of Economics*, 43(2), 526–542.
- [5]. Chernyak-Hai, L., & Rabenu, E. (2018). The New Era Workplace Relationships: Is Social Exchange Theory Still Relevant? *Industrial And Organizational Psychology*, 11(3), 456–481. <https://doi.org/10.1017/Iop.2018.5>
- [6]. Chiboiwa, M. (2020). An Investigation Into Staff Turnover In Private Medical Laboratories In Zimbabwe. *Zimbabwe Journal Of Human Resource Management*, 7(2), 65–82.
- [7]. Choso, R., & Wetaba, E. (2019). Strategic Human Resource Management Practices And Employee Retention Among Non-Academic Staff In JOOUST. *International Journal Of Human Resource Studies*, 9(4), 221–237.
- [8]. Cropanzano, R., Anthony, E. L., Daniels, S. R., & Hall, A. V. (2017). Social Exchange Theory: A Critical Review With Theoretical Remedies. *Academy Of Management Annals*, 11(1), 479–516. <https://doi.org/10.5465/Annals.2015.0099>
- [9]. Dasanayaka, S., Wright, C., & O'Shea, C. (2021). The Role Of Performance Appraisal In University Academic Staff Satisfaction: A UK Case Study. *Higher Education Review*, 53(2), 102–117.
- [10]. Gulzar, R., Qureshi, M. A., & Aslam, H. D. (2017). The Impact Of Performance Appraisal And Career Growth On Employee Retention. *Journal Of Management Research*, 9(1), 45–61.
- [11]. Hassan, R. (2022). Human Resource Management Strategies For Staff Retention In Higher Education. *African Journal Of Management Studies*, 10(1), 33–49.
- [12]. Homans, G. C. (1961). *Social Behavior: Its Elementary Forms*. Harcourt, Brace & World.
- [13]. Kabaru, M. (2019). Human Resource Management Practices And Staff Retention In Public Universities In Kenya. *Kenya Journal Of Education And Human Resource Development*, 8(2), 210–224.
- [14]. Miot, H. A. (2018). Assessing Linear Regression Assumptions In Empirical Data. *Journal Of Clinical And Diagnostic Research*, 12(10), YE01–YE03. <https://doi.org/10.7860/JCDR/2018/37461.12150>
- [15]. Molm, L. D. (2015). Reconsidering The Theoretical Foundations Of Social Exchange Theory. *Sociological Theory*, 33(2), 75–98.
- [16]. Mitalo, M., & Wanyama, A. (2024). Remuneration And Retention Of Academic Staff In Public Universities In Kenya. *Journal Of African Human Resource Management*, 6(1), 89–105.
- [17]. Mumbi, E. G., & Were, S. (2024). The Effect Of Employee Performance Management On Employee Retention In Commercial Banks In Nairobi County, Kenya. *International Journal Of Business Management And Finance*, 11(1), 77–93.
- [18]. Ondari, M., & Ondiba, H. (2019). Effects Of Performance Appraisal On Employee Performance: A Case Study Of Narok University. *Journal Of Human Resource And Leadership*, 7(2), 145–157.
- [19]. Psacharopoulos, G., & Patrinos, H. A. (2004). Returns To Investment In Education: A Further Update. *Education Economics*, 12(2), 111–134. <https://doi.org/10.1080/0964529042000239140>
- [20]. Sabo, I., & Suleiman, A. (2022). The Impact Of Performance Appraisal On Teacher Retention In Bauchi State, Nigeria. *African Journal Of Education And Development Studies*, 5(1), 134–145.
- [21]. Schultz, T. W. (1961). Investment In Human Capital. *The American Economic Review*, 51(1), 1–17.
- [22]. Wilkin, L., & Nwoke, G. I. (2011). Strategic Performance Management In Higher Education Institutions. *International Journal Of Educational Management*, 25(7), 678–692.
- [23]. Yoshikawa, M., Goto, M., & Suzuki, N. (2020). Rethinking Reciprocity In Workplace Relationships: Generalized Exchanges In Modern Organizations. *Journal Of Business And Psychology*, 35(4), 505–519.