INFLUENCE OF TARGET SETTING ON THE PERFORMANCE OF TECHNICAL TRAINING INSTITUTES IN MERU COUNTY, KENYA

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Abstract:
Target setting has over the years become a very crucial part of Human Resource Management in organizations and its benefits all over the world cannot be over-emphasized. It is an integrative process involving objective evaluation of employee’s competencies, contributions, improvement opportunities, and potential for future growth in line with organizational objectives. In Kenya, technical training institutes have started carrying out target settings to their employees with the aim of measuring institutional performance from January 2016 as per the requirements of Teacher’s Service Commission to enhance performance of the technical training institutes. The study objective was to establish the influence of target setting on the performance of Technical Training Institutes in Meru County. This study was carried out in the four technical training institutes in Meru County. These are Meru National Polytechnic, Nkabune TTI, Kiirua TTI and Mukiria TTI. All the management employees of the technical training institutes were used as the respondents. There was 74 respondents’ management staff from the 4 technical training institutes in Meru County. It was found that employees are involved in setting targets by their supervisors while a few are not involved in target setting by their supervisors. It is also evident that targets set are not always achievable which affects employees’ performance. It is also evident that employees are never given allowance to negotiate targets with their supervisors which negatively affect their performance. The study recommended that the technical institute management should ensure that the target setting process is fair and inclusive of

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employees’ views in order to ensure that employees own those targets and strive to achieve them for the benefit of organization performance.

**JEL:** I21, I23, I25

**Keywords:** influence, target setting, performance, technical training institutes

1. **Introduction**

Performance contracting and teacher appraisal were introduced in schools in January 2016 (Kihumba Kamotho TSC) (Daily Nation 2017) a report on teacher’s target setting systems noted that the current teacher Target setting system requires experienced teachers to be appraised every 3 years. It also noted that teachers received an overall rating of exemplary good, satisfactory, or unsatisfactory. If unsatisfactory rating, the principal and teachers would prepare an improvement plan outlining the steps that the teacher would take to improve his or her performance and the supports that would be needed in order to carry them out and the appraisal system is the mechanism that is used to translate the school’s strategic plan into action (Ontario 2011).

Technical training institutes in Kenya have administrative and professional faculty target setting system designed to provide documented, constructive feedback regarding performance expectations, spur growth and development as well as provide a fair and equitable means to determine rewards for contributions to the Institutions. The senior staff and faculty staff are measured by their breadth of knowledge, understanding of roles and contributions to the university’s strategic plan. The appraisal process therefore offers a valuable opportunity to focus on work activities and goals as well as identify and correct existing problems, and to encourage better future performance. Thus, the performance of the whole organization is enhanced (Roger, 2014).

In Meru County, there are 4 technical training institutes established across the county. Kimani (2015) noted that the technical training institutes’ performance is below expected levels of performance due to failure of target setting systems. All the technical training institutes in Meru have adopted target setting systems and its impact is supposed to be reflected in the institutions’ performance.

2. **Statement of the Problem**

Target setting has over the years become a very crucial part of Human Resource Management in organizations and its benefits all over the world cannot be over-
emphasized. It is an integrative process involving objective evaluation of employee’s competencies, contributions, improvement opportunities, and potential for future growth in line with organizational objectives (Schermerhon et al. 2004). In Kenya, technical training institutes have started carrying out target settings to their employees with the aim of measuring institutional performance from January 2016 (Daily Nation) as per the requirements of Teacher’s Service Commission to enhance performance of the technical training institutes. The target setting in these technical training institutes is meant to analyze existing lecturers’ skills, quality of programmes offered, physical infrastructure and customer satisfaction. (Mwirigi, 2014).

However, the performance in technical training institutes has remained a challenge and in most cases is as a result of lack of employees’ commitment towards organizational goals. Gakure (2013) on target setting noted that highly committed employees are a requisite for organizational performance. Performance of Technical training institutes is also affected when top management does not support employees towards achieving organizational goals as target setting requires. It is from this information that a gap is found to exist which needs an academic inquiry in order to establish the relationship between target setting systems and performance of technical training institutes in Kenya; a survey of technical training institutes in Meru County.

3. Objective of the Study

The study objective was to establish the influence of target setting on the performance of Technical Training Institutes in Meru County.

3.1 Research Hypothesis

The study alternative hypothesis was that there is a significant relationship between target settings and the performance of technical training institutes in Meru County.

3.2 Scope of the Study

This study was carried out in the four technical training institutes in Meru County. These are Meru National Polytechnic, Nkabune TTI, Kiirua TTI and Mukiria TTI. All the management employees of the technical training institutes were used as the respondents. There were 74 respondents’ management staff from the 4 technical training institutes in Meru County.
4. Theoretical Review

This section contains the theories used in this study. The study has used theories like goal setting, commitment trust theory and balanced score card. These theories give theoretical foundation to the study.

4.1 Goal-setting theory
This theory was proposed by Edwin Locke (1968). This theory states that goal setting is essentially linked to task performance. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in. It suggests that the individual goals established by an employee play an important role in motivating him for superior performance. This is because the employees keep following their goals. If these goals are not achieved, they either improve their performance or modify the goals and make them more realistic.

In case the performance improves, it will result in achievement of the performance management system aims. An important feature of goal-setting theory is that, the willingness to work towards attainment of goal is the main source of job motivation. Clear, particular, and difficult goals are greater motivating factors than easy, general, and vague goals. Locke argues that specific and clear goals lead to greater output and better performance. Unambiguous, measurable, and clear goals, accompanied by a deadline for completion avoids misunderstanding. He further posits that goals should be realistic and challenging; this gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it. Participation of setting goal, however, makes goal more acceptable and leads to more involvement. The theory portrays self-efficiency, which is the individual’s self-confidence and faith that he has potential of performing the task.

The higher the level of self-efficiency, greater will be the efforts put in by the individual when they face challenging tasks. While, the lower the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges. This study relies heavily on the Goal setting theory in that it assumes that the individual is committed to the goal and will not leave the goal. The goal commitment is dependent on whether, the goals are made open, known, and broadcasted, or if goals are self-set- by individual rather than designated and if the individual’s set goals are consistent with the organizational goals and vision. This
theory supports specific objectives of the study since performance requires employee commitment, setting achievable goals, management support and there should be rewards systems in order to motivate employees. The study adopts this model to explain the role of target setting in performance appraisal in relation to employee performance.

4.2 Empirical Review
4.2.1 Target Settings
Moy (2011) conducted a study on performance appraisal systems and found that since the early 1980s the governments of some countries, notably the UK, Sweden, Australia and New Zealand, have undertaken reforms aimed at making public sector organizations become more accountable. These reforms have been driven by the need to: improve the overall efficiency and effectiveness of public expenditure, reduce overall levels of expenditure, improve accountability and transparency of the public sector, and enhance the responsiveness of public sector organizations to the needs of citizens. One of the key features of these reform programmes has been the increasing use of performance measures and targets to evaluate all aspects of the performance of an organization’s activities.

Akaranga (2008) in his study on public sector performance found that objectives are identified based on the mission statement. Targets are set for each objective. Managers explain any variances between actual performance and the targets. In terms of work plan management, it is based upon business plans and other corporate documents, key deliverables and areas of responsibility to which staff members will contribute are determined. A staff member and manager agree on the work and responsibilities of the staff member’s position. The plan is also set out on how the staff members’ performance will be measured or evaluated against set objectives.

A study by Latham and Locke (2008) on employee motivation found that emphasis on setting goals in North America and parts of Europe is supported by goal setting theory. In was conclude in this study that goal setting is as applicable for motivating an employee in the public sector as it is to the private. The specificity of a goal for both motivating and evaluating the effectiveness of an employee in the private sector is, however, sometimes easier to define and quantify than is the case for an employee in a government agency.

In Italy in particular, introducing goal setting and coaching employees to attain specific high goals has been difficult because these processes are contrary to tradition. In the past, Italian employees in government were assessed primarily on the number of tasks they completed.
Those employees who participated in setting their goals performed significantly better than their peers who were assigned goals, despite the fact that goal commitment was the same regardless of how the goal was set. This is because those in the participative condition set goals that were significantly higher than those that were assigned by an R&D director.

Consistent with goal setting theory, the higher the goal the higher the employee’s performance. The improvement in performance due to praise versus money was not appreciably different. Both led to higher performance than public recognition. According to a study by Seijts, and Crim (2008) found that Commitment to a performance goal results in the choice to exert effort and to persist until the goal is attained by cueing, and then using the knowledge and ability one already possesses. A learning goal draws attention from the desired end result. It requires people to focus on acquiring the knowledge or skills they are lacking in order to perform effectively. Thus, the purpose of a learning goal is to stimulate one’s intellect, to engage in discovery, to integrate newly acquired information with prior knowledge, and to “think outside the box. Commitment to a challenging learning goal leads to the choice systematically to search for new ideas, to exert effort to actively seek feedback, and to be reflective.

A research on the positive effects of goal setting on performance has been conducted in the private than in the public sector. Nevertheless, the application of job analysis to develop behavioral criteria for which specific high goals are set can be implemented as easily in the public as in the private sector. Both Metezenbaum (2009) and An Open Memorandum’ (2010) to new government executives cite excellent examples of the benefits of setting specific high performance outcome goals for governmental organizations as a whole, or for one or more departments within them. But bottom-line measures for motivating an employee in the public and private sectors should be viewed with caution.

The primary purpose of performance management appraisal is the assessment and development of each individual employee, not the organization that employs employees. Outcome measures that are comprehensive for coaching an individual employee are typically difficult to find. But behaviors, identified through a job analysis, specify what an employee must do to implement an organization’s strategy to affect its bottom line.

According to Hatry (2011), behavioral goals are likely to be more applicable than performance outcome goals for an employee if there is capacity to develop themselves and acquire more skills in order to enhance appraisal coaching purposes, bottom line measures such as number of arrests, crime rates, and quality of life indicators are often excessive in that they are affected by factors beyond an employee’s control. In addition
to being excessive, bottom-line measures, although effective for assessing an organization, are usually deficient in that they do not take into account factors such as collaboration for which an individual employee should be held accountable. Moreover, these measurement indicators, unlike behavioral measures, do not specify what an employee must do to impact these outcomes positively.

4.2.2 Conceptual Framework

Independent variable

<table>
<thead>
<tr>
<th>Target Setting</th>
</tr>
</thead>
</table>

Dependent variable

| Performance of Technical Training Institutes |

5. Research Methodology

This study adopted descriptive survey to gather data in order to answer questions concerning the current status of the research problem. This design helped the researcher to collect data by asking questions using questionnaires. The study targeted 74 respondents’ from Management staff of the 4 Technical training institutes in Meru County. In choosing the members who participated in the study, the researcher focused on the management employees of four technical training institutes in Meru County. The Technical Institutes included, Meru National Polytechnic, Nkabune Technical Training Institute, Kiirua Technical Training Institute and Mukiria Technical Training Institute. This is because Management are the major players in the day-to-day operations and they are the ones that monitor performance in their respective departments. The study adopted census sampling design which allowed the use of a sample size of 74 respondents. Data was collected using questionnaire. The questionnaire were both open ended and closed ended questions. Data was analyzed using descriptive statistic such frequency and percentages. Multiple linear regression and Pearson correlation was used to establish whether there exists any relationship between target settings and technical institutions performance. The variable Y is usually defined as:

\[ Y = \beta_0 + \beta_1 X_1 + e \]

Where:
\[ Y = \text{Performance}; \]
\[ \beta_0 = \text{Constant}; \]
\[ \beta_1 = \text{Coefficient of independent variables}; \]
\[ X_1 = \text{Target settings}; \]
\[ e = \text{Error term of the model}. \]

### 5.1 Data Analysis, Presentation and Interpretation

The respondents were asked to indicate whether the employees are involved in setting targets by their supervisors. Their responses were presented below in table below.

**Table 1: Response on Employees are involved in setting targets**

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td>12</td>
<td>19.6</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>2.0</td>
</tr>
<tr>
<td>Agree</td>
<td>33</td>
<td>54.9</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>14</td>
<td>23.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Respondents were asked to indicate their level of agreement on whether the level of employees is involved in setting targets by their supervisors. The data revealed from majority of the respondents 54.9% that employees are involved in setting targets by their supervisors. It was also noted that 19.6% disagreed that the employees are involved in setting targets by their supervisors. The study revealed that only a few number of respondents 2% that were not aware of the employees are involved in setting targets by their supervisors.

**5.2 Response on Targets Sets Are Always Achievable**

The respondents were asked to indicate whether the targets sets are always achievable and this improves TTI performance. Their responses were presented in the table below.

**Table 2: Response on Targets Sets Are Always Achievable**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>9</td>
<td>15.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>42</td>
<td>70.6</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
<td>2.0</td>
</tr>
<tr>
<td>Agree</td>
<td>8</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The respondents were asked whether use of targets sets are always achievable and this improves employees’ performance. It was found that 70.6% of the respondents disagreed that targets sets are always achievable and this improves employees’
performance. The study revealed that only 11.8% of the respondents agreed that targets sets are always achievable and this improves employees’ performance.

5.3 Response on Allowance to Negotiate Targets within the Appraisal

The respondents were asked to indicate whether there is always allowance to negotiate targets within the appraisals period between the employee and supervisor. Their responses were presented below in the table below.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>34</td>
<td>56.9</td>
</tr>
<tr>
<td>Disagree</td>
<td>15</td>
<td>25.5</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>11</td>
<td>17.6</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The respondents were asked to indicate their agreement on whether there is allowance to negotiate targets within the appraisals period between the employee and supervisor. It was revealed that 56.9% of the respondent’s strongly disagreed that there is allowance to negotiate targets within the appraisals period between the employee and supervisor. Only 17.6% of the respondents agreed that there is allowance to negotiate targets within the appraisals period between the employee and supervisor.

5.4 Response on Satisfaction Levels of Current Target Settings

The study wanted to establish from the level of respondents satisfaction of current target settings in regard to performance of technical training institutes. Their responses were as shown in the table below.

<table>
<thead>
<tr>
<th>Satisfaction Levels</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfied</td>
<td>1</td>
<td>8.5</td>
</tr>
<tr>
<td>Satisfied</td>
<td>18</td>
<td>29.8</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>33</td>
<td>56.4</td>
</tr>
<tr>
<td>Highly Dissatisfied</td>
<td>8</td>
<td>5.3</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The data revealed that majority of the respondents 56.4% were dissatisfied with the current target settings in regard to performance of technical training institutes while 29.8% of the respondents were satisfied with current target settings in regard to performance of technical training institutes.
5.5 Hypothesis Testing

A hypothesis test is a statistical test that is used to determine whether there is enough evidence in a sample of data to infer that a certain condition is true for the entire population. A hypothesis test examines two opposing hypotheses about a population: the null hypothesis and the alternative hypothesis. The researcher used alternate Hypothesis so as to be able to conclude the statement is true. The sample data was tested using p-value in order to determine whether to reject the null hypothesis based on the level of significance of 0.05.

<table>
<thead>
<tr>
<th>Table 4.26: Correlations of the dependent and independent variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variables</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td>Performance of TTI (Y) Pearson Correlation (r)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

5.6 Test of Hypothesis of Employee Commitment

A. Model Summary

<table>
<thead>
<tr>
<th>Table 5: Below shows the model summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>a. Predictors: (Constant), Target Setting</td>
</tr>
</tbody>
</table>

B. Regression Coefficients

<table>
<thead>
<tr>
<th>Table 7: Regression Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Performance of technical training institutes

The fourth hypothesis of the study stated that there was no significant relationship between target setting and performance of technical training institutes. Results of the study depicted that there was a positive significant relationship between performance of technical training institutes and target setting ($\beta=0.244$, $t=5.682$ p value <0.05). This implies that a unit change in target setting increases performance of technical training institutes by 0.244.
6. Summary, Conclusions and Recommendations

6.1 Summary
The data revealed that majority of employees agreed that they are involved in setting targets by their supervisors while a few are not involved in target setting by their supervisors. It is also evident that targets set are not always achievable which affects employees’ performance.

It is also evident that employees are never given allowance to negotiate targets with their supervisors which negatively affect their performance. The data revealed that majority of the respondents were dissatisfied with the current target settings in regard to performance of technical training institutes. Therefore, there is a positive relationship between target setting and performance of technical training institutes.

6.2 Conclusions
It is noted that though the technical training institutes have started carrying out target setting to their employees with the aim of measuring institutional performance from January 2016 as per the requirements of Teacher’s Service Commission to enhance performance of the technical training institutes. The performance appraisal in these technical training institutes has not improved the overall performance of the technical institutes. It is concluded that the performance in technical training institutes is still a challenge and in most cases and as a result it affects the demand of technical training institute’s graduates. This study concludes that there is a problem with the performance of technical training institutes in Meru County despite using target setting to enhance performance. It is also concluded that all the four variables influences performance of the technical institutes.

6.3 Recommendations
The study makes the following recommendations that should be adopted in order to ensure that performance of technical institutes is enhanced:

- The technical institute management should ensure that the target setting process is fair and inclusive of employees’ views in order to ensure that employees own those targets and strive to achieve them for the benefit of organization performance.
- The management teams of the technical institutes should pledge their support to the staff and students in order to create a teamwork which will be able to achieve the desired performance for organization improvement.
• The technical institutes’ management and board should come up with rewards systems which will be able to motivate staff to work at least hard with dedication which will in turn result to increased performance.

References


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