

**AN ANALYSIS OF THE EFFECT OF MANAGEMENT BY OBJECTIVES PERFORMANCE APPRAISAL  
TOOL ON EMPLOYEE PERFORMANCE OF  
MBALE MUNICIPAL COUNCIL**

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**ABSTRACT**

The study aimed at analyzing the effect of MBO performance appraisals tool on employee performance in Mbale Municipal council. The study was based on four objectives that included: to analyze the setting of objectives between employees and the employer; to evaluate the effect of periodic reviews (Timelines) on employee performance; to examine the effect of communication and feedback on employee performance and to assess the performance review process on employee performance of staff. A sample of 220 respondents was selected and this included 10 Heads of Departments (HODs), 70 members of staff, 100 Education Officers of Primary and Secondary teachers as well as 20 policy makers and 20 service users. The methods that were used to collect data were: interviews, questionnaire, observation and documentary review. Findings showed that employees are aware and have understanding about the management by objective performance appraisal tool. The majority of the respondents agreed that periodic reviews of employee performance are done. Majority agreed that Management by Objectives performance appraisal tool is very important in their organization because it is useful, helpful and good as it enables those in management to be focused leading to improved performance of the organization. Last but not least, employees agreed with the statement that “there is performance review carried out by the heads of departments”. It was recommended that there is need for constant feedback as there were gaps in this aspect. Appraisers and appraises need to come up with the correct assessment thus calling for conference feedback and transparency; employers need to create opportunity to sit and agree with their employees and discuss the objectives for performance assessment over the assessment period. There is need for employers to train their employees in Management by Objectives performance appraisal tool as this was lacking. Likewise employers of Mbale Municipal Council need to introduce formal channels of addressing gaps identified to clearly motivate and assess their emplo