ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

THE EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEE RETENTION: A CASE STUDY IN METROPOLITAN REAL ESTATE PLC

BY: -

TAMRAT ARAYA

ADDIS ABABA, ETHIOPIA

MARCH, 2025

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A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY, COLLEGE OF BUSINESS ECONOMICS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION.

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STATEMENTS OF DECLARATION

I, the undersigned declare that this thesis is my original work, prepared under the guidance of Habtamu Endris (PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either part or full to any other higher learning institutions for the purpose of earning any degree.

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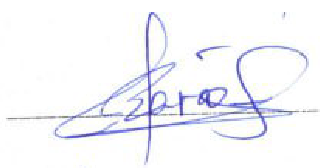
Signature 

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STATEMENT OF CERTIFICATION

This is to certify that this study paper titled "***The Effect of Performance Appraisal on Employee Retention: A Case Study in Metropolitan Real Estate Plc.***", undertaken by Tamrat Araya for the partial fulfillment of Master of Business Administration from Addis Ababa University is an original work.

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ACRONYMS

ANOVA: -Analysis of Variation

KPI; -Key Performance Indicators

PA; - Performance Appraisal

SPSS: -Statistical Package for the Social Sciences

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ABSTRACT

This study is conducted to explore the effect of performance appraisal practices on employee retention at Metropolitan Real Estate Plc. Employing a quantitative research approach, data was collected through a comprehensive survey questionnaire. The study focused on the entire population of 150 Metropolitan Real Estate employees, and a total of 140 employees was used in this analysis. Regression Analysis and Correlations were utilized to thoroughly analyze the data collected using SPSS version 27 to analyze the data meticulously gathered. The findings of the study clearly showed that among the main findings of the study was that from the four factors of effective PA, which are Clarity, Performance appraisal includes continuous feedback, fairness, and transparency, 360-degree feedback in the appraisal has a significant positive effect on employee retention. Based on the model summary, the R square value indicated that the independent variables explained the dependent variable by 0.662. This result implies that continuous feedback, fairness and transparency, and 360-degree feedback accounted for 66.2% of the variance in employee retention. The real estate PA is susceptible to several mistakes and prejudices that can greatly aggravate employee discontent and ultimately result in their resignation. The study has important implications for employee retention in corporate management. The findings of this study can help global managers focus on the specific characteristics that significantly influence employee satisfaction and loyalty when they design and implement effective performance appraisal systems, thereby minimizing the risk of employee turnover and fostering a more committed workforce.

***Key words**: employee performance, performance appraisal, employee retention*

CHAPTER ONE: INTRODUCTION

This chapter provides an extensive overview of the research study, beginning with the Background of the Study, which examines the shift in organizational focus from physical assets to human capital in the 21st century. It continues with the Statement of the Problem, detailing the adverse effects of employee turnover and the need for effective performance appraisal systems, particularly within the context of Metropolitan Real Estate Plc. Following this, the Research Questions and Objectives of the Study outline the key inquiries and aims of the investigation. The Scope of the Study defines the boundaries of the research, specifying its conceptual, temporal, and geographical limits. The Significance of the Study emphasizes its potential contributions to human resource management practices and policy development in the Ethiopian real estate sector. Finally, the Limitations of the Study acknowledge the constraints and potential biases, and the Organization of the Study provides a brief outline of the thesis structure, highlighting the content of the subsequent chapters.

1.1. Background of Study

The industrial world of the 20th century, where machines and physical assets were the most important, has changed a lot. In today's 21st-century business landscape, the most valuable assets are now the skilled and knowledgeable employees who can achieve results and drive success for Organizations (Drucker, 2001). This idea is also supported by Gallup and HBR (2013), who emphasize that employees are the company’s most valuable assets (World Economic Forum, 2020).

Moreover, human capital stands as one of a company’s most critical assets, influencing the success or failure of its business strategy and serving as a crucial competitive advantage. In fact, intangible assets such as human capital and organizational culture now constitute, on average, 52% of a company’s market value (World Economic Forum, 2020).

To gain a sustainable competitive edge, organizations must safeguard the value of their human capital by making it difficult for competitors to replicate or acquire it easily and at a low cost (Barney & Wright, 2001). By harnessing their employees' skills, expertise, and output, organizations can differentiate themselves from competitors (Wright et al., 2001), drive business growth, and stay ahead of the curve (Collins & Smith, 2006). Failing to do so would result in missed opportunities, lost revenue, and ultimately, a decline in competitiveness (Burud & Tumolo, 2004).

Furthermore, retaining top talent is a vital component of a company's overall strategy, as it allows organizations to foster long-term relationships with their employees and leverage their skills and expertise. Research has consistently shown that employee retention is a key driver of business success, with high-retention organizations experiencing significant gains in productivity, customer satisfaction, and revenue growth (Society for Human Resource Management, 2019). Moreover, retaining employees is crucial because it helps prevent turnover, which can negatively affect productivity and efficiency (Samuel & Chipunza, 2009). By prioritizing employee retention, companies can build a strong and stable workforce that drives business results.

However, employee turnover has become a significant challenge facing companies globally, with consequences for their financial performance, staff morale, and productivity. High employee departure rates can lead to various adverse effects, including increased training and recruitment expenses, disruptions to business operations, and the loss of valuable knowledge and experience accumulated over time (Hom et al., 2017). According to a report by the Society for Human Resource Management (SHRM), high employee turnover is a significant challenge for organizations globally, impacting productivity, morale, and financial performance (SHRM, 2021).

Studies indicate that there is a link between employee performance management and employee retention. According to Dusterhoff, Cunningham, and MacGregor (2014), the performance appraisal process has become a crucial connection between employee behavior and an organization's overall goals. However, despite its potential, performance reviews often fail to influence how employees work, and dissatisfaction with the appraisal process has been linked to broader job dissatisfaction, decreased employee commitment, and a higher likelihood of turnover (Dusterhoff et al., 2014).

A well-designed performance appraisal system can play a crucial role in employee retention. A performance appraisal that is fair, transparent, and regularly conducted can help employees feel valued and recognized, which is a key factor in employee retention (Ulrich, 1997). On the other hand, a poorly designed appraisal system can lead to dissatisfaction and disengagement.

In recognition of a key challenge for organizations to retain their employees and the crucial role of performance appraisal in modern organizational management (Kim et al. 2018), this study seeks to investigate the effects of performance appraisal on employee retention in Metropolitan Real Estate Plc to contribute to the improvement of employee performance appraisal practices in this context.

Having established the critical role of performance appraisal in employee retention and its potential impact on real estate companies' success, it's crucial to examine the current state of performance appraisal practices within the Ethiopian Metropolitan Real Estate Plc. Are these practices aligned with the best practices in performance management? Do they effectively motivate employees? Do they contribute to retaining the company's employees? This study aims to address this gap in knowledge by investigating the specific strengths and weaknesses of existing performance appraisal systems used by Metropolitan Real Estate Plc.

1.2. Statement of the Problem

Employee retention is a cornerstone of organizational success, as retaining skilled and experienced employees ensures operational continuity, reduces recruitment costs, and preserves institutional knowledge. High retention rates are often indicative of a positive work environment where employees feel valued, motivated, and aligned with organizational goals. Conversely, poor retention can signal underlying issues in organizational practices, such as ineffective performance appraisal systems, lack of career development opportunities, or perceived inequities in treatment (Aguinis, 2019; DeNisi & Murphy, 2017).

Performance appraisal (PA) systems play a critical role in influencing employee retention. When designed and implemented effectively, PA systems provide employees with constructive feedback, recognition for their contributions, and clear pathways for career growth. These elements foster job satisfaction, motivation, and a sense of belonging, which are key drivers of retention (Kuvaas, 2008; Pichler, 2012). However, when employees perceive appraisals as biased, inconsistent, or lacking developmental value, they are more likely to disengage and consider leaving the organization (Shrivastava & Purang, 2011). Therefore, understanding how PA practices impact retention is essential for organizations aiming to build a stable and committed workforce.

Several studies have examined the effect of performance appraisals on employee retention. Nevertheless, only a limited number of these studies have concentrated on the Real Estate sector, particularly in developing countries and more particularly in Ethiopia. For instance, Dhanya and Prashath (2020) explored the impact of performance appraisal on employee engagement and retention in the healthcare sector, while Faizal et al. (2021) examined the impact of performance appraisals on employee retention in the banking sector of Pakistan. Similarly, Hossain and Islam (2023) investigated the impact of effective performance appraisal systems on employee motivation and retention in the private banking industry of Bangladesh. Furthermore, Gulzar et al. (2017) conducted a study on the impact of performance appraisals on employee retention in the banking sector of Pakistan, Absalom and Alexander (2021) analyzed the influence of performance appraisals on employee retention in mobile telecommunication companies in Nairobi County, Kenya, and Nguyen (2015) compared the effects of performance appraisals on employee retention in Finnish and Vietnamese enterprises. This study seeks to address this gap by investigating the specific effects of PA practices—continuous feedback, employee perception of fairness and transparency, and 360-degree feedback—on employee retention at Metropolitan Real Estate Plc.

Metropolitan Real Estate Plc, one of the top ten leading players in Ethiopia's real estate industry Ethiopia (Ethiopian Real Estate News, 2023), has been grappling with retention challenges. According to the company's Human Resource Department, the annual employee turnover rate for 2023 was 35.45%, far exceeding the generally accepted benchmark of 20%. Such a high turnover rate suggests potential issues in the organization's PA practices, which may not be effectively addressing employee needs for feedback, recognition, and career development. This study aims to explore how PA practices at Metropolitan Real Estate Plc influence employee retention, with a focus on identifying areas for improvement and proposing actionable strategies to enhance retention.

By examining the effectiveness of PA practices, this research seeks to provide insights for HR managers to design systems that foster employee satisfaction, motivation, and long-term commitment. Additionally, the findings could inform Ethiopian policymakers and industry leaders on best practices for improving retention in the real estate sector. Ultimately, this study contributes to both academic literature and practical HR strategies by addressing a scarcely explored area and proposing contextually relevant solutions to enhance employee retention through effective PA practices.

1.3. Research Questions

The study will try to address the following research questions:

1. What is the of performance appraisal practices on employee retention at Metropolitan Real Estate Plc?
2. How do employees at Metropolitan Real Estate Plc perceive the fairness, transparency, and effectiveness of the performance appraisal system?
3. What are the strengths and weaknesses of the current performance appraisal system in promoting employee retention at Metropolitan Real Estate Plc?
4. How can the performance appraisal system at Metropolitan Real Estate Plc be improved to better support employee retention?

1.4. Objectives of the Study

1.4.1 General Objective

The general objective of this study is to investigate the effect of performance appraisal practices on employee retention at Metropolitan Real Estate Plc. The research aims to explore how these practices influence retention, assess employee perceptions of their fairness and effectiveness, identify strengths and weaknesses in the current system, and provide actionable recommendations for improving the appraisal process to enhance employee retention.

1.4.2 Specific Objectives

- To analyze the impact of current performance appraisal practices on employee retention at Metropolitan Real Estate Plc.
- To evaluate employee perceptions of the fairness, transparency, and effectiveness of the performance appraisal system at Metropolitan Real Estate Plc.
- To identify the strengths and weaknesses of the current performance appraisal system in promoting employee retention at Metropolitan Real Estate Plc.
- To propose recommendations for improving the performance appraisal system at Metropolitan Real Estate Plc to better support employee retention.

1.5. Hypothesis of the Study

Hypothesis a1: Continuous feedback in performance appraisal practices has a significant effect on employee retention.

H_{01}: Continuous feedback in performance appraisal practices has no significant effect on employee retention.

Hypothesis a2: Employee perception of fairness and transparency in performance appraisal practices has a significant effect on employee retention.

H_{02}: Employee perception of fairness and transparency in performance appraisal practices has no significant effect on employee retention.

Hypothesis a3: 360-degree feedback in performance appraisal practices has a significant effect on employee retention.

H_{03}: 360-degree feedback in performance appraisal practices has no significant effect on employee retention.

1.6. Scope of the Study

This study is a single-case study that investigates the effect of performance appraisals on employee retention in the Metropolitan Real Estate Plc in Ethiopia. The study will focus on a single case, Metropolitan Real Estate, which is a leading company in the Ethiopian real estate sector, specializing in high-value property management.

Conceptually, this study examines the relationship between performance appraisals and employee retention. It also aims to explore how performance appraisals influence employees' decisions to stay with the company, considering factors such as job satisfaction, motivation, and perceived fairness.

The time scope of this study covers one year. Data collection will occur over six months, followed by data analysis and report writing. The chosen time frame is sufficient to capture the performance appraisal cycle within the company and observe any immediate effects on employee retention. Additionally, historical data from the past three years will be reviewed to provide a comprehensive understanding of trends and patterns in employee retention related to performance appraisals.

The study is confined to Metropolitan Real Estate's operations in Ethiopia, specifically focusing on its headquarters and main office locations. Ethiopia presents a unique context for this study due to its developing real estate market and the specific challenges and opportunities faced by companies operating in this sector.

The study employs quantitative and qualitative research approaches to comprehensively examine the effect of performance appraisals on employee retention at Metropolitan Real Estate Plc. Descriptive research design is applied to describe the characteristics of this phenomenon within the organization. Data was collected through survey questionnaire.

1.7. Significance of Study

The study's importance originates from its capacity to offer a thorough comprehension of how performance appraisal systems affect employee retention in Metropolitan Real Estate Plc, and therefore, across the Ethiopian real estate industry. The research findings will provide human resource managers with useful information to improve and streamline their performance appraisal procedures, which will ultimately result in higher employee retention rates. This can assist businesses in the industry in creating plans that will help them keep a competent and steady staff, which will increase production and provide them with a competitive edge. Furthermore, the study's findings can be used as a basis by regulatory agencies and legislators to create laws that support impartial and open assessment processes, raising employee retention and work satisfaction rates throughout Ethiopia's real estate industry.

1.8. Limitations of the Study

The study is limited by its focus on a single case study company, Metropolitan Real Estate Plc, in Addis Ababa, Ethiopia. This specific focus may result in a lack of representativeness, as the findings might not be generalizable to the entire Ethiopian real estate industry or to other geographic locations. Additionally, the unique culture, size, and organizational structure of Metropolitan Real Estate Plc may influence the study's results, making them less applicable to other companies. The study also relies on self-reported data from employees, which may introduce biases and limitations such as social desirability bias, recall bias, or inaccurate reporting. Furthermore, external factors influencing employee retention and performance appraisal practices that are not within the scope of this study may impact on the findings.

1.9. Organization of the Study

This thesis will be structured into five distinct chapters. Chapter One sets the stage by introducing the research topic, providing a comprehensive background on the subject, and outlining the specific research objectives. Chapter Two undertakes a thorough review of the existing literature on performance appraisals and employee retention, highlighting key findings and theoretical frameworks. Chapter Three details the research methodology employed, including the methods used to collect and analyze the data. Chapter Four presents the findings of the data analysis, providing a detailed examination of the results. Finally, Chapter Five synthesizes the conclusions drawn from the study, offers recommendations for future research and practice, and discusses the limitations of the investigation.

1.10. Definitions of Key Terms

- **Performance appraisal**: A systematic process used to evaluate employee performance, often used to determine employee satisfaction, engagement, and retention.
- **Employee retention**: The process of retaining employees within an organization, often measured by turnover rates and absenteeism.
- **Human capital:** The skills, knowledge, and abilities possessed by employees are considered a key factor in organizational success.
- **Employee satisfaction**: The level of happiness and fulfillment experienced by employees in their job.
- **Employee engagement**: The level of enthusiasm and commitment demonstrated by employees in their work.
- **Real Estate Industry**: The industry involved in the buying, selling, and management of properties.
- **Metropolitan Real Estate**: A company specializing in high-end property management in Addis Ababa, Ethiopia.

CHAPTER TWO: REVIEW OF THE RELATED LITERATURE

This chapter provides a comprehensive review of the existing literature on performance appraisal practices, employee retention, and the unique challenges faced by real estate professionals in the Ethiopian context. Furthermore, the chapter will critically analyze empirical studies on the factors that affect the effect of performance appraisal on employee retention, with a particular focus on the real estate industry. The findings of this review will serve as a foundation for understanding the current state of performance appraisal practices in Metropolitan Real Estate Company and identify areas for improvement, ultimately informing the development of a tailored appraisal system that addresses the specific needs of these organizations.

2.1. Theoretical Literature Review

2.1.1 Social Exchange Theory

Social Exchange Theory, introduced by Blau (1964), posits that workplace relationships are based on reciprocal exchanges of benefits. Employees are more likely to stay with an organization if they feel valued and supported, as positive treatment fosters loyalty and commitment (Blau, 1964). When employees perceive a beneficial relationship with their employer, they feel a sense of obligation to reciprocate through dedication and longevity, creating a mutually reinforcing cycle that promotes retention (Cropanzano & Mitchell, 2016).

In the context of performance appraisal, this theory highlights the importance of providing constructive feedback and opportunities for development. Appraisals that focus on employees' growth demonstrate the organization's investment in their future, fostering a sense of reciprocity. Employees who receive regular, supportive feedback are more likely to feel valued and motivated to contribute positively to the organization (Hom et al., 2021). Studies indicate that employees who perceive their organization as supportive and invested in their development are more likely to remain with the organization (Hom et al., 2021). Therefore, organizations can enhance retention by designing appraisal systems that reinforce positive social exchanges, creating a work environment where employees feel valued and are inclined to stay.

2.1.2 Equity Theory

Equity Theory, developed by Adams (1963), explains that employees seek fairness in the workplace by comparing their input-output ratio with that of others. Inputs include effort, skills, and experience, while outputs consist of rewards such as pay, recognition, and career advancement. Employees feel satisfied when they perceive a balance between their contributions and rewards compared to their peers. However, if they perceive inequity—receiving fewer rewards for similar or greater contributions—they may experience dissatisfaction and consider leaving the organization (Adams, 1963; Colquitt & Rodell, 2022).

This theory is particularly relevant to performance appraisal, as it emphasizes the need for a fair and transparent process. Employees want to see that appraisal criteria are applied consistently and that the process is unbiased and clear (Gupta & Shaw, 2022). Inconsistent application of appraisal standards or a lack of transparency can lead to perceptions of unfairness, fostering disengagement and reduced motivation. A fair appraisal process that recognizes individual contributions equitably helps employees feel valued and recognized, which is essential for maintaining their loyalty to the organization (Foley & Murphy, 2023).

Research highlights that perceived equity in appraisal outcomes has a direct impact on employee retention. When employees feel undervalued or perceive unequal treatment, they are more likely to seek external opportunities where their efforts might be better recognized. Studies support this link, showing that organizations with fair and equitable appraisal systems experience lower turnover rates (Cropanzano & Mitchell, 2016). By ensuring that appraisal practices are fair, organizations can foster employee satisfaction and retention, leveraging the principles of Equity Theory to strengthen workforce commitment.

2.1.3 Organizational Justice Theory

Organizational Justice Theory examines employees' perceptions of fairness within organizational processes, including distributive, procedural, and interactional justice (Colquitt, 2001). Distributive justice refers to the perceived fairness of outcomes, procedural justice concerns the fairness of processes, and interactional justice pertains to the quality of interpersonal treatment during processes such as performance appraisals (Colquitt et al., 2013). Fair treatment across these dimensions is essential for creating a work environment where employees feel respected and valued, which in turn supports retention (Bies, 2020).

In performance appraisal, these justice dimensions directly impact how employees perceive the process and its outcomes. When appraisal criteria and procedures are transparent, and when managers handle appraisals respectfully, employees are more likely to view the system as fair. Such perceptions foster positive organizational relationships and a sense of trust, which are critical for maintaining morale and loyalty (Kim & Garman, 2021). Conversely, perceived injustice—such as bias in appraisal ratings or inconsistency in feedback—can lead to dissatisfaction and turnover.

Research confirms that organizational justice plays a critical role in employee retention. Studies show that employees who perceive fairness in appraisal practices are more likely to stay committed to their organization (Kim & Garman, 2021). By integrating organizational justice principles into performance appraisals, companies can foster a culture of trust and fairness, which strengthens employee satisfaction and reduces turnover. Organizational Justice Theory thus emphasizes the importance of fair appraisal practices in retaining a loyal workforce.

2.1.4 Expectancy Theory

Expectancy Theory, proposed by Vroom (1964), explains that employees are motivated when they believe that their efforts will lead to desired performance and outcomes. This theory emphasizes three components: expectancy (belief that effort leads to performance), instrumentality (belief that performance leads to rewards), and valence (value of the reward to the individual) (Vroom, 1964). For employee retention, it is essential that appraisal systems support these components by making the link between effort, performance, and rewards clear and achievable (Schunk & DiBenedetto, 2020).

Performance appraisals that set clear, attainable goals help employees understand what is expected of them and how their efforts will be evaluated. When appraisal outcomes—such as raises, promotions, or recognition—are tied directly to employees' performance, it strengthens their belief in the instrumentality of their efforts. Ensuring that rewards are meaningful to employees further enhances their motivation and loyalty to the organization (Ren & Chadee, 2017).

Studies show that when employees have confidence that their hard work will yield rewards, they are more committed to their roles and less likely to leave the organization. By designing appraisals that align with employees' expectations and goals, organizations can strengthen retention through a performance management approach that resonates with employees' personal and professional aspirations (Ren & Chadee, 2017). Expectancy Theory, therefore, highlights the need for clear, motivational appraisal systems that drive employee engagement and loyalty.

2.2. Conceptual Literature Review

2.2.1. Performance Appraisal

Performance appraisal (PA) is characterized by Aguinis (2013) as a structured and regular process that evaluates an employee's work performance and effectiveness against predetermined standards and organizational goals. Expanding on this idea, Dhanya and Prashath (2020) highlight that well-designed performance appraisal systems seek to inspire employees, synchronize their efforts with the organization's objectives, and promote a culture of ongoing improvement. PA entails systematic assessments of employee performance, which include goal-setting, feedback discussions, and developmental strategies, all aimed at boosting both individual and organizational success.

The main objectives of performance appraisal are to offer feedback, support employee growth, guide compensation decisions, identify training requirements, and enhance employee motivation and satisfaction in their roles (Noe et al., 2018). Armstrong (2013) notes that PA is a method for assessing an individual's job performance and productivity against established criteria and standards, helping to determine if the employee meets their job responsibilities. These objectives highlight the essential function of PA not only in evaluating performance but also in improving employee engagement and retention by tackling crucial aspects such as fairness, transparency, and opportunities for career advancement.

2.2.1.1. Frequency of Appraisals

The frequency of performance appraisals significantly influences employee effectiveness and the overall employee experience. Traditional annual performance reviews are increasingly being recognized as inadequate for addressing the dynamic needs of today’s workforce. In fast-paced sectors such as real estate, where market conditions and client needs can shift rapidly, more frequent appraisals can provide employees with timely insights into their performance. This allows them to make necessary adjustments in real-time rather than waiting for an annual review to address any concerns or acknowledge achievements. Regular check-ins foster a culture of continuous feedback, enabling employees to stay aligned with organizational goals and expectations (Baker, 2018).

Furthermore, frequent appraisals contribute to stronger employee engagement and motivation. When employees receive regular feedback, they are more likely to feel valued and recognized for their contributions. This consistent dialogue cultivates an environment of trust and open communication, essential for fostering a positive workplace culture. In the real estate sector, where agents often work independently or with minimal oversight, regular performance evaluations can serve as crucial touchpoints for encouragement and reinforcement. By affirming desirable behaviors and addressing areas in need of improvement promptly, organizations can help maintain high levels of motivation and job satisfaction (Leach, 2020).

In addition to enhancing employee morale, frequent appraisals also facilitate targeted professional development. They provide opportunities to identify specific training and development needs promptly, allowing organizations to tailor learning experiences effectively. This is particularly relevant in real estate, where ongoing education is necessary to remain competitive in an evolving market. Regular assessments can highlight areas where additional skills or knowledge are required, enabling employees to pursue relevant training and mentorship opportunities. Such strategic development initiatives boost individual performance and contribute to organizational success and adaptability (Pfeffer, 2019).

Lastly, regular performance appraisals must be implemented thoughtfully to avoid feedback fatigue. If assessments are too frequent without a clear purpose or structure, employees may become overwhelmed or desensitized to the feedback process. Organizations should adopt a balanced approach to mitigate this risk, integrating formal evaluations with informal check-ins and discussions. By ensuring that feedback is constructive and actionable, companies can leverage the frequency of appraisals to maximize employee development and engagement without sacrificing the quality of the feedback provided (Kim & Garman, 2020).

2.2.1.2. Quality of Feedback

A crucial determinant of an efficient assessment system is the caliber of feedback given during performance reviews. Specific, helpful, and practical feedback gives workers precise directions on how to up their game and accomplish their professional objectives. Giving employees constructive feedback promotes a culture of learning and development by assisting them in identifying their areas of strength and growth (Aguinis, 2019).

Specificity is another attribute that makes feedback effective. "Need improvement" or "good job" are generic remarks that don't tell employees what they did well or where they need to improve. Personalized comments, on the other hand, such as "your thoroughness in the last project led to a 20% increase in client satisfaction," provide workers with examples to work with. Employee engagement and retention are greatly impacted by this degree of information, which also helps the assessment process seem more credible and makes employees feel appreciated and understood (DeNisi & Murphy, 2017).

Moreover, actionable feedback provides employees with a clear path for improvement. When employees understand exactly what steps they need to take to enhance their performance, they are more likely to feel empowered and committed to their roles. This empowerment is particularly important in the real estate sector, where performance can be highly variable and dependent on individual initiative. By providing clear, actionable feedback, companies can help employees develop the skills and behaviors necessary for success, thereby improving retention rates (Kim & Garman, 2020).

Moreover, actionable feedback provides employees with a clear path for improvement. When employees understand exactly what steps they need to take to enhance their performance, they are more likely to feel empowered and committed to their roles. This empowerment is particularly important in the real estate sector, where performance can be highly variable and dependent on individual initiative. Given the fluctuations in market conditions and the critical importance of client relationships in real estate, personalized feedback helps agents navigate their unique challenges and adapt to changing demands. By providing clear, actionable feedback on skills such as client engagement, negotiation tactics, and service quality, companies can help employees develop the skills and behaviors necessary for success, thereby improving retention rates (Kim & Garman, 2020).

2.2.1.3. Perceived Fairness

Perceived fairness is a critical factor in the effectiveness of employee performance appraisals and their impact on employee retention. Organizational justice theory emphasizes the importance of procedural, distributive, and interactional fairness in shaping employee perceptions (Colquitt et al., 2001). Procedural fairness refers to the perceived fairness of the processes and methods used to evaluate employee performance, while distributive fairness concerns the perceived fairness of the outcomes or rewards allocated (Cropanzano & Greenberg, 1997). Interactional fairness is defined as the perceived fairness of the interpersonal treatment employees receive during the performance appraisal process (Bies, 2015).

Research has shown that when employees perceive the performance appraisal process as fair, they are more likely to accept the outcomes and exhibit greater job satisfaction, commitment, and intention to remain with the organization (Erdogan, 2002; Langevin & Mendoza, 2013). Conversely, perceptions of unfairness can lead to negative emotions, decreased motivation, and increased turnover intentions (Boswell & Boudreau, 2000; Jepsen & Rodwell, 2009). A recent study by Jiang and Probst (2017) found that the perceived fairness of performance appraisals mediated the relationship between appraisal quality and employee retention, highlighting the critical role of fairness perceptions in this context.

To promote good employee attitudes and behaviors, practitioners and academics have stressed the need to put in place equitable and transparent performance rating systems (Levy & Williams, 2004; Pichler, 2012). Enhancing perceived fairness and improving the overall efficacy of performance assessments have been demonstrated to be possible through factors such as offering constructive feedback, employee engagement in the process, and clear communication of performance goals (Keeping & Levy, 2000; Murphy & Cleveland, 2015). Organizations may more effectively utilize the potential of performance reviews to benefit employee retention by taking these fairness concerns into account.

Making appraisal criteria transparent ensures that employees understand how their performance is measured and what is expected of them. Communicated criteria eliminate ambiguity and help align employee efforts with organizational goals. Consistent application of these criteria across all employees reinforces fairness, reducing perceptions of favoritism or bias, which can lead to dissatisfaction and turnover (DeNisi & Murphy, 2017).

Moreover, allowing employees to share their views during appraisals is essential for perceived fairness. This participatory approach makes employees feel heard and respected, fostering a sense of ownership and accountability. Such inclusiveness enhances perceived fairness, engagement, and commitment (Kim & Garman, 2020).

2.2.1.4. Linkage to Rewards and Career Development

The linkage between performance appraisals and employee rewards and career development is a critical aspect of effective human resource management. Performance appraisals serve as a key input for determining compensation, promotions, and other rewards, as well as guiding employee development and career progression within the organization.

Performance appraisals provide valuable information to guide decisions around employee compensation and rewards. The performance ratings and feedback generated through the appraisal process are often directly linked to salary increases, bonuses, and other forms of financial compensation (Gerhart & Rynes, 2003; Heneman & Werner, 2005). Employees who receive higher performance ratings are typically rewarded with larger pay increases and bonuses, aligning individual contributions with the organization's compensation strategy. This reinforces the importance of fair and accurate performance evaluations, as perceptions of unfairness in the appraisal process can undermine the credibility of the reward system (Erdogan, 2002; Pichler, 2012).

Beyond compensation, performance appraisals also play a crucial role in guiding employee career development and advancement opportunities. The performance feedback and development plans stemming from the appraisal process help identify employees' strengths, weaknesses, and areas for growth (Boswell & Boudreau, 2002; Longenecker & Fink, 1999). This information informs decisions around training, job assignments, and promotions, enabling organizations to effectively develop and retain top talent. Employees who consistently receive strong performance ratings are more likely to be selected for stretch assignments, special projects, and leadership roles, further advancing their careers within the organization (Benson et al., 2006; DeNisi & Murphy, 2017).

The linkage between performance appraisals, rewards, and career development also serves to align employee goals and behaviors with the strategic objectives of the organization. By trying rewards and career progression to performance, organizations can incentivize and motivate employees to focus their efforts on the activities and outcomes that are most critical to the company's success (Boswell & Boudreau, 2002). This helps ensure that the organization's human capital is effectively leveraged to achieve its overall business goals.

Overall, the integration of performance appraisals with rewards and career development is a powerful tool for driving employee engagement, retention, and organizational performance. By clearly communicating performance expectations, providing meaningful feedback, and aligning rewards and advancement opportunities with demonstrated contributions, organizations can foster a culture of high performance and continuous improvement.

2.2.2. Employee Retention

An organization's capacity to retain its workforce and reduce attrition is referred to as employee retention. According to Hom, Lee, Shaw, and Hausknecht (2017), there is a strong correlation between high retention rates and favorable organizational outcomes like increased productivity, lower recruitment expenses, and improved employee morale. Since it creates a steady workforce, retention is a crucial indicator of organizational health and plays a major role in attaining organizational objectives and preserving competitive advantage (Kashyap & Rangnekar, 2014). High retention rates help businesses stay competitive and drive business success by allowing them to efficiently utilize the talents and knowledge of their workforce (Hausknecht & Trevor, 2011).

Retention is essential because high turnover can lead to increased operational costs, workflow disruptions, and a loss of institutional knowledge (Hancock et al., 2013). Effective retention strategies mitigate these issues by creating a supportive work environment that encourages employees to stay. This approach is crucial for maintaining productivity and efficiency, as well as fostering a positive organizational culture (Holtom, Mitchell, Lee, & Eberly, 2008). Organizations that focus on employee retention can develop a strong and stable workforce, which is key to long-term success (Samuel & Chipunza, 2009).

The implications of retention extend beyond financial aspects, impacting overall organizational effectiveness. Retained experienced employees contribute valuable knowledge and skills, promote team cohesion, and enhance overall productivity. High retention rates also result in greater employee engagement and satisfaction, as a stable workforce often indicates a positive organizational culture and effective management practices (Kashyap & Rangnekar, 2014). Addressing turnover causes and implementing effective retention strategies are therefore vital for sustaining organizational performance and achieving long-term success (Hancock et al., 2013).

2.2.3. Importance of Employee Retention in the Real Estate Industry

For real estate companies to stay afloat and build long-lasting customer connections, effective staff retention is essential. Maintaining a staff of seasoned brokers and agents guarantees that customers will always deal with experts who are acutely aware of their requirements and preferences, building a relationship based on loyalty and trust (Benson et al., 2006; Boswell & Boudreau, 2002). Conversely, a high staff turnover rate might damage these important client connections since existing customers could be unwilling to collaborate with new recruits who don't have the institutional knowledge and rapport that has grown over time (Erdogan, 2002; Pichler, 2012).

Another important advantage of successful staff retention methods in the real estate sector is the preservation of institutional knowledge and industry experience. With intricate local market dynamics, legal frameworks, and best practices that need time to learn, the real estate industry is extremely complicated (Gerhart & Rynes, 2003; Heneman & Werner, 2005). Experienced professionals frequently take their important knowledge and skills with them when they leave the firm, necessitating a large investment of time and money in the training and onboarding of new personnel (Levy & Williams, 2004; Longenecker & Fink, 1999). Real estate companies may maintain a strong bench of industry knowledge by holding onto top staff, which facilitates better decision-making, risk management, and problem-solving.

Moreover, the retention of employees is a critical factor in raising production and efficiency in real estate companies. Because they have refined their abilities and established simplified processes, seasoned professionals are usually more productive and efficient than recent recruits (Benson et al., 2006; DeNisi & Murphy, 2017). Since new recruits need a lot of training and time to ramp up before they function at their best, high staff turnover can affect productivity (Boswell & Boudreau, 2002; Erdogan, 2002). Real estate companies may maintain a consistently high level of production and meet customer demands in a timely and efficient way by holding onto excellent people.

2.2.4. Performance Appraisal and Employee Retention

The connection between performance appraisal systems and employee retention has garnered significant attention in recent human resource management research (Gupta & Kumar, 2022). Aguinis argued that performance appraisal influences various employee outcomes, including job satisfaction, engagement, and ultimately, retention (Aguinis, 2013). In industries characterized by high turnover rates, such as real estate, understanding this relationship is crucial for organizational success (Sweis et al., 2020). A study by Judge et al. (2010) found that employees who received performance evaluations and regular feedback were more likely to stay with their organization. A study by Latham et al. (2010) found that employees who received positive feedback and recognition as part of their performance appraisal process were more likely to report higher job satisfaction and intention to stay with their organization. Furthermore, a study by Bretz et al. (1992) found that employees who received frequent feedback and coaching as part of their performance appraisal process were more likely to report higher job satisfaction and reduced turnover intentions.

Moreover, maintaining current staff members is essential to raising output and effectiveness in real estate companies. Because they have created simplified processes and refined their abilities, seasoned professionals tend to be more productive and efficient than recent recruits (Benson et al., 2006; DeNisi & Murphy, 2017). Because new recruits need a long onboarding process and ramp-up period before they operate at their best, high staff turnover can negatively impact production (Boswell & Boudreau, 2002; Erdogan, 2002). Retaining excellent staff helps real estate companies sustain a high level of production overtime, which guarantees prompt and efficient customer satisfaction.

Customizing performance assessment systems to identify and reward exceptional talent may be a potent retention tactic in the real estate sector, where top-performing brokers and agents are in great demand (Gerhart & Rynes, 2003; Heneman & Werner, 2005). Offering chances for professional growth and career progression, together with clear, consistent, and relevant performance evaluation, can help workers feel more committed and loyal to the company (DeNisi & Murphy, 2017; Levy & Williams, 2004).

Additionally, including staff members in the performance review process can improve the system's perceived efficacy and fairness, which will increase employee retention and work satisfaction (Boswell & Boudreau, 2002; Erdogan, 2002). Real estate companies may create a culture of trust and collaboration by allowing workers to participate in goal setting and assessment processes. This can provide them with a major competitive edge in luring and keeping top personnel (Benson et al., 2006; Longenecker & Fink, 1999).

2.3. Empirical Evidence

Findings by S. Bekele (2020) have concluded that there is a significant positive relationship between Performance Appraisal and Employee Retention. According to their results, the researcher argued that independent variables: reward and compensation, training and development, work-life balance, employee empowerment, and performance appraisal have positively influenced employee retention.

In the study by M. Faizal, H. Sheraz, S. Nawaz, and A. Rehman (2021), it was identified that performance appraisals have a significant effect on employee retention. Studies have found that performance appraisal systems based on goal setting are more effective in retaining employees. Fair and transparent appraisal systems increase employee motivation and commitment, leading to higher retention rates. Regular performance appraisals provide opportunities for employee feedback and counseling, contributing to long-term retention.

Dhanya and Prashath (2020) investigated the impact of performance appraisal on employee engagement and retention across various industries, with a particular focus on healthcare. Their study suggested that when employees are not engaged or interested in their work, it becomes evident that they are more likely to leave the organization. As a result, this leads to a high turnover rate, which can negatively affect the company's financial performance, employee morale, and overall productivity.

Studies have shown that well-implemented performance appraisal systems can significantly enhance employee retention. For example, Faizal et al. (2021) found that in the banking sector of Pakistan, performance appraisals that were perceived as fair and transparent led to higher levels of employee satisfaction and retention. Similarly, Hossain & Islam (2023) observed that effective performance appraisals improved employee motivation and retention rates in Bangladesh's private banking industry.

In the research conducted by M. Hossain and M. Islam (2023), it was discovered that performance appraisals positively affect employee motivation and retention. Feedback in the appraisal process has been shown to increase employee motivation and retention. A strong correlation exists between well-conducted performance appraisals and employee satisfaction, which leads to higher retention rates (Impact of Effective Performance Appraisal Systems on Employee Motivation and Retention in the Private Banking Industry of Bangladesh, n.d.).

The research by Hossain and Islam (2023) identified effective performance appraisal engagement and retentionin Pakistan's banking industry. According to the study, organizations can achieve this by providing clear goals, recognizing achievements, and offering constructive feedback. Employees who receive regular and meaningful appraisals are more likely to be motivated and committed to their work.

In the analysis by A. Khan, M. Raza, and F. Ahmed (2022), it was highlighted that performance appraisals during the COVID-19 pandemic played a crucial role in maintaining employee motivation and retention in the banking sector. Properly conducted appraisals helped in identifying gaps, providing necessary feedback, and keeping employees engaged despite the challenging circumstances (Impact and Analysis of Performance Appraisal on Employee’s Motivation and Its Effects on Employee Retention in Banking Sector in COVID-19, n.d.).

In the findings by Khan et al. (2022), it was observed that performance appraisals facilitate better communication between employees and supervisors. This improved communication helps in understanding job expectations, providing necessary support, and aligning individual goals with organizational objectives.

In the study by Faizal et al. (2021), it was revealed that job satisfaction is closely linked to performance appraisals. Employees who feel their performance is fairly evaluated and acknowledged are more satisfied with their jobs. This satisfaction contributes to increased loyalty and reduced turnover rates.

Effective performance appraisals boost employee motivation by providing clear goals, recognizing achievements, and offering constructive feedback. Employees who receive regular and meaningful appraisals are more likely to be motivated and committed to their work (Impact of Effective Performance Appraisal Systems on Employee Motivation and Retention in Private Banking Industry of Bangladesh, n.d.).

Job satisfaction is closely linked to performance appraisals. Employees who feel their performance is fairly evaluated and acknowledged are more satisfied with their jobs. This satisfaction contributes to increased loyalty and reduced turnover rates (Impact of Performance Appraisal on Employee Retention: A Study on Banking Sector of Pakistan, n.d.).

Performance appraisals facilitate better communication between employees and supervisors. This improved communication helps in understanding job expectations, providing necessary support, and aligning individual goals with organizational objectives (Impact and Analysis of Performance Appraisal on Employee's Motivation and Its Effects on Employee Retention in Banking Sector in COVID-19, n.d.).

A study conducted by Ayahlush Asrate (Asrate, 2021) found that there exists a positive connection between employee retention and every one of the five factors, for instance human resource planning, recruitment and selection, reward and compensation, training and development, and performance appraisal, and these elements could anticipate employee retention.

Conversely, poorly executed performance appraisals can lead to employee dissatisfaction and increased turnover. Gulzar et al. (2017) highlighted that performance appraisals perceived as biased or unfair in the banking sector resulted in higher turnover intentions among employees. Absalom & Alexander (2021) reported similar findings in mobile telecommunication companies in Nairobi County, Kenya, were ineffective performance appraisal practices negatively impacted employee retention.

According to Faizal et al. (2021) and Hossain and Islam (2023), there is a need for more comprehensive studies that cover diverse industries and geographic regions to understand the broader impact of performance appraisals on employee retention. Most existing studies focus on specific sectors, such as banking, and may not be generalized to other industries.

2.4. Conceptual Framework

The conceptual framework for this study aims to illustrate the relationship between performance appraisal practices and employee retention in the context of the Ethiopian real estate industry, specifically focusing on Metropolitan Real Estate Plc. This framework will integrate theoretical insights and empirical findings to highlight how various aspects of performance appraisal influence employee retention.

Based on the literature review a conceptual framework has been developed (refer to Figure-1). The dependent variable is employee retention, and the independent variables are performance appraisal practices, job satisfaction, employee engagement, and management feedback.

Accordingly, the research will investigate the relative effect of three performance appraisal practices (Continuous Feedback and Development, 360-degree Feedback, and Management by Objectives) on employee retention.

In this study, employee retention is assessed through three key dependent variables: turnover rates, job satisfaction, and career development. Turnover rates provide a direct measure of retention by indicating the percentage of employees who leave the organization over a given period. This variable reflects the organization’s ability to retain talent and highlights the impact of appraisal practices on employees' decisions to stay or leave. Job satisfaction is essential, as it captures employees’ overall contentment with their roles, which is closely tied to retention. High job satisfaction, often linked to fair and transparent appraisals, reduces turnover by increasing employees’ emotional commitment to the organization (Dyke-Ebirika & Amah, 2022). Career development reflects the advancement opportunities provided by appraisal systems, encouraging retention by offering employees a clear career trajectory (Kossivi, Xu, &Kalgora, 2016).

Together, these dependent variables comprehensively assess the influence of performance appraisal practices on employee retention.

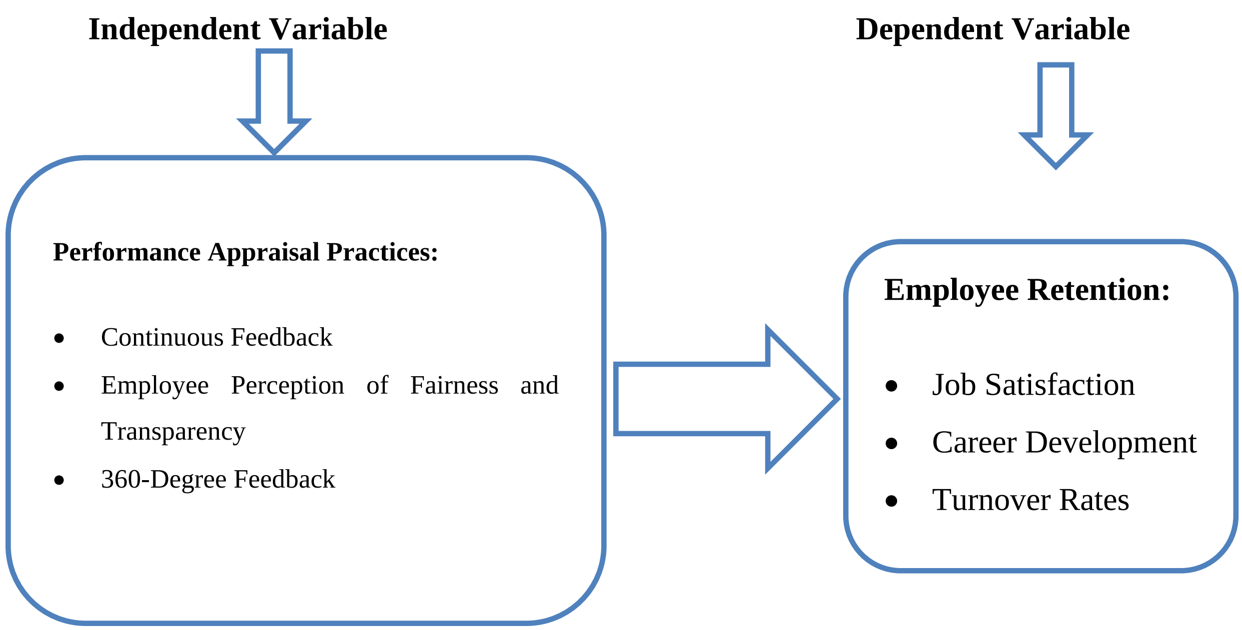


Figure 1 conceptual framework

Source: Developed by the researcher based on literature review

2.5. Relation Between the Dependent Variables

Social Exchange Theory (SET), first proposed by Blau in 1964, provides a robust framework for understanding employee retention by emphasizing the reciprocal relationships between employees and organizations. According to SET, employees engage in a cost-benefit analysis to determine whether the rewards of their employment (e.g., job satisfaction, career advancement) justify their efforts and contributions. Key factors such as job satisfaction, career development opportunities, and turnover decisions are interrelated outcomes of this dynamic exchange process. Employees who perceive fairness, support, and growth opportunities within their organization are more likely to remain, as these factors foster a sense of loyalty and obligation toward their employer (Cropanzano & Mitchell, 2016). Thus, SET frames employee retention as a singular dependent variable influenced by the interplay of satisfaction, growth, and turnover-related choices.

2.5.1. Interconnectedness of Dependent Variables

2.5.1.1. Job Satisfaction:

Job satisfaction is a critical element of the employee-employer exchange. When employees feel content in their roles, they are more likely to view the exchange positively, reinforcing their commitment to the organization (Hom et al., 2021). Satisfied employees are less likely to seek alternative employment, reducing turnover rates and enhancing retention.

2.5.1.2. Career Development:

Opportunities for career advancement—such as promotions, skill development, and mentorship—demonstrate the organization’s investment in the employee’s future. This enhances the employee’s perception of mutual benefits associated with staying in the organization (Ren & Chadee, 2017). A lack of career development opportunities can disrupt the perceived balance of the exchange, leading to dissatisfaction, disengagement, and ultimately, turnover.

2.5.1.3. Turnover Rates

Turnover rates reflect the failure of the social exchange process. Employees are more likely to leave an organization when they perceive inequity, inadequate recognition, or limited growth opportunities (Cropanzano & Mitchell, 2016). Conversely, organizations that address these issues proactively encourage employees to sustain their connections, reducing turnover and enhancing retention.

2.5.2. Empirical Support

Recent studies have highlighted the interconnectedness of turnover rates, job satisfaction, and career development in influencing employee retention. For example:

A 2023 study examining government-owned cultural destinations found that career development and teamwork significantly impact job satisfaction, which in turn affects employee retention.

The research concluded that enhancing career development opportunities and fostering teamwork can lead to higher job satisfaction, thereby reducing turnover rates (Syafri et al., 2023).

A 2024 review emphasized the importance of career development in enhancing employee engagement and retention. The study suggested that organizations seeking a competitive advantage should focus on retention through well-designed career development programs. Customized career development efforts not only improve job satisfaction but also serve as a strategic approach to retaining top-performing employees (Aziedjo, 2024).

2.5.3. Organizational Justice Theory (OJT)

To further strengthen the argument, Organizational Justice Theory (OJT) can be integrated. OJT emphasizes the importance of fairness in organizational processes, including performance appraisals, and its impact on employee retention. According to OJT, employees evaluate fairness through three dimensions:

- ✓ Distributive Justice: Fairness of outcomes (e.g., rewards, promotions).
- ✓ Procedural Justice: Fairness of processes (e.g., transparency in appraisals).
- ✓ Interactional Justice: Quality of interpersonal treatment (e.g., respectful feedback).

When employees perceive fairness in these dimensions, they are more likely to feel satisfied, committed, and motivated to stay with the organization (Colquitt et al., 2001). Conversely, perceived unfairness can lead to dissatisfaction, disengagement, and turnover. By integrating OJT with SET, the argument becomes more comprehensive, highlighting how fairness and reciprocity jointly shape employee retention.

In conclusion, drawing on the principles of Social Exchange Theory (SET) and Organizational Justice Theory (OJT), and supported by recent empirical studies, it is rational to combine turnover rates, job satisfaction, and career development into a single dependent variable: Employee Retention. SET emphasizes the interdependent relationship between these factors, showing that fairness, growth opportunities, and satisfaction collectively shape an employee's loyalty and decision to stay. OJT further underscores the role of fairness in fostering positive exchanges. Recent studies validate that improvements in career development and job satisfaction reduce turnover and enhance retention. By framing these interconnected outcomes under the overarching construct of Employee Retention, organizations can adopt a more holistic and practical approach to managing and retaining their workforce.

CHAPTER THREE: RESEARCH METHODOLOGY

This chapter provides an overview of the research methodology, including the study area, research design, and approach. It outlines the types of data to be collected, the target population, sample size, and sampling techniques. Additionally, it explains the procedures for collecting and analyzing data, as well as the ethical considerations and measures to ensure the validity and reliability of the study.

3.1Research Design

For this study, an explanatory research design is deemed the most appropriate. Explanatory research design aims to explain the causal relationships between variables and provides an understanding of why and how specific phenomena occur (Saunders, Lewis, & Thornhill, 2019). This study focuses on understanding the effect of performance appraisal practices on employee retention within Metropolitan Real Estate Plc. Hence, it is crucial to adopt a research design that allows for the identification and explanation of the relationships between these variables.

By adopting an explanatory research design, this study aims to provide a comprehensive understanding of how performance appraisal practices influence employee retention. This approach not only helps in identifying the key factors that impact retention but also explains the underlying mechanisms and processes.

3.2Research Approach

To address the issue at hand, the study employed both quantitative and qualitative research approaches. By integrating both quantitative and qualitative approaches, this study leverages the strengths of both methodologies. Quantitative data provides a broad overview of the impact of performance appraisals on retention, while qualitative data offers a nuanced understanding of the underlying mechanisms. This mixed-methods approach ensures a more robust and comprehensive analysis of the research problem, leading to more actionable and insightful findings.

3.3Sample Size and Sampling Techniques

In this study, the entire population of Metropolitan Real Estate Plc, consisting of 150 employees, was used. According to Saunders, Lewis, and Thornhill (2019), using the entire population is particularly beneficial when the researcher seeks to include every individual's perspective, ensuring a holistic understanding of the research problem. Additionally, this method is advantageous when the population size does not pose significant logistical or financial constraints, making it feasible to collect data from all members. This comprehensive approach ensures that all variations within the population are captured, leading to more accurate and reliable results (Saunders et al., 2019).

3.4Data Source and Type

The data collection process involved both primary and secondary sources. Primary data was gathered through structured questionnaires distributed to employees of the Metropolitan Real Estate Plc. The questionnaire was adapted from a previous study by Odhiambo (2015) and modified to suit the current research. Secondary data sources included books and related research studies. The questionnaire used a 5-point Likert scale, which rated responses from "Strongly Disagree" (1) to "Strongly Agree" (5). While some limitations exist with this method, it is widely accepted in behavioral and social science research, including employee performance studies.

3.5Data Analysis

Data was collected through various tools and was analyzed and interpreted both quantitatively and qualitatively. To arrive at a certain conclusion, the data was edited, coded, classified, and interpreted. To interpret and analyze, the researcher used a descriptive inferential technique to facilitate the analysis of quantitative data. The researcher employed SPSS Statistics 27.0 software to facilitate data analysis and interpretation, and to summarize the data in brief, aligning it with the theoretical framework of the study, with the aim of arriving at a meaningful conclusion.

3.6Reliability of the Research Instrument

Reliability refers to the consistency and stability of the measurement instruments and the results they produce (Hair et al., 2010). In this study, several steps will be taken to ensure reliability. For the quantitative component, standardized and widely used survey instruments were employed to measure employees' perceptions of performance appraisals and retention. These instruments were pre-tested in a pilot study to identify and rectify any issues with the survey items.

3.7Validity of the Research Instrument

Validity refers to the extent to which the research instruments measure what they are intended to measure (Creswell, 2014). This study ensured validity through several strategies. Content validity will be achieved by developing survey items based on a thorough review of the literature and consulting with experts in the field. Construct validity was established by ensuring that the survey items accurately reflect the theoretical constructions of performance appraisal and employee retention.

Internal validity was addressed by carefully designing the study to control for confounding variables and ensuring that any observed relationships are genuinely due to the independent variables. External validity was enhanced by selecting a representative sample of employees from Metropolitan Real Estate Plc., allowing for the generalization of the findings to the broader population within the company.

Table 1:-Reliability test results

	Cronbach's Alpha	**No of items**
Continuous Feedback	.868	4
Fairness and Transparent	.865	6
360-degree Feedback	.826	4
Employee Retention	.847	16

Source: own survey, SPSS, 2025

3.8Ethical Considerations

The study is mindful of the importance of transparency and accountability in its approach to data collection. All relevant sources, including cited information, are acknowledged and documented in both the research body and the reference section to provide a comprehensive and accurate account. Furthermore, the study was conducted with a deep commitment to ethical responsibility. This involved providing respondents with clear information about the purpose and objectives of the study, as well as the intended use of their data. The researcher also ensured that the information obtained is held in strict confidentiality and that respondents' anonymity is maintained throughout the research process. This enabled participants to feel free and safe to express their opinions and ideas, thereby facilitating the collection of high-quality data.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND INTERPRETATIONS

In the preceding chapter the research design employed in this study is presented and discussed in detail. The purpose of this chapter is to present results and analysis of data involved in this study. In the quantitative analysis the descriptive statistics of all the variables used in this study and the results of hypothesis testing i.e. the estimated parameters of the descriptive statics, correlation, and regression analysis regression assumption value of the parameters are presented and discussed in detail.

4.1. Response Rate

The response rate in this study was 93.3% where out of 150 questionnaires that were distributed to employees of Metropolitan Real Estate 140 employees/ respondents/ fully filled the questionnaires, because both the survey instrument was tested by pretest study 5% were taken additional from the sample size. According to Babbie (2002), any response rate of 50% and above is adequate for analysis and therefore the response rate of 90% is more than satisfactory.

4.2. Demographical Data of Respondents

The personal information of respondents obtained from returned questionnaires is summarized and described as follows. As it is shown in the below table 1, among 140respondents 124 (88.6%) are male, 16 (11.4%) are females. In terms of age of the respondents, 114 (81.4%) are 31-40 years and 23 (16.4%) are 26-30 years old. This implies that majority of respondents (97.9%) are young, which is below 40 years. Thus, able to appropriately satisfy and keep these youthful energies, they may prove to be a valuable resource in helping the organization accomplishes its goal.

Regarding educational background, the majority 92 (65.7%) are first degree holders, 43 (30.7%) are master's degree holders and the rest of the respondents are diploma completed. The benefits from having qualified and skilled staff, which offers it a competitive advantage and 116 (82.9%) of the respondents are served with their current organization for greater than 5 years, 23 (16.4%) of the respondents have 4-5 years' experience and the rest have less than 4 years of work experience. This finding confirms that respondents have good experience implementing practices in their individual workplaces, enabling them to share their knowledge, insights, and experiences via the questionnaire.

Table 2;-Socio-demographic characteristics among employees in metropolitan real estate

Variables	Frequency	Percent
Gender		
Male	124	88.6
Female	16	11.4
Total	140	100.0
Age		
<25	1	.7
26-30	23	16.4
31-40	114	81.4
41-50	1	.7
>51	1	.7
Total	140	100.0
Education level		
Diploma	5	3.6
Degree	92	65.7
Masters	43	30.7
Total	140	100.0

Work of experience (year)		
3-4	1	.7
4-5	23	16.4
>5	116	82.9
Total	140	100.0

4.3. Descriptive Analysis

The research questionnaire designed using 5point Likert scale to collect appropriate responses, in relation to this the respondents indicated the extent they agree with the statements by choosing: 1- Strongly Disagree (SD), 2- Disagree (D), 3-Neutral (N), 4- Agree (A) and 5- Strongly Agree (SA).

4.3.1. Descriptive Statistics of Continuous Feedback

To summarize table 3 the first question tries to ask whether frequently receive feedback on my performance, the majority around mean of 3.04 agreed. On the other hand, a mean of 3.89 agree and agreed that all employees' feedback I receive during appraisals helps me plan my career effectively. many workers are aware that Metropolitan Real Estate Plc. collects feedback from multiple sources around a mean of 3.77.

Table 3:- Descriptive Statistics of Continuous Feedback among employees in metropolitan real estate

Descriptive Statistics			
Continuous Feedback	N	Mean	Std. Deviation
I frequently receive feedback on my performance.	140	3.04	1.367
The feedback I receive during appraisals helps me plan my career effectively.	140	3.89	1.176
Metropolitan Real Estate PLC collects feedback from multiple sources	140	3.99	.668
I feel satisfied with the recognition I receive for my work contributions.	140	3.77	1.068
Valid N (listwise)	140		

4.3.2. Descriptive Statistics of Employee Perception of Fairness and Transparency

In table 4 so, a mean value of 3.58 respondents agree the performance appraisal criteria are clear. And also, 3.92 mean value of employees agreed appraisal system in my Metropolitan Real Estate PLC is fair and unbiased. Rather around 3.96 mean value of employees agree the company ensures that the appraisal results are transparently shared with employees.

Table 4:-Descriptive Statistics of Employee Perception of Fairness and Transparency among employees in metropolitan real estate

Descriptive Statistics			
	N	Mean	Std. Deviation
The performance appraisal criteria are clear	140	3.58	.866

The appraisal system in my Metropolitan Real Estate PLC is fair and unbiased	140	3.92	.890
The Company ensures that the appraisal results are transparently shared with employees	140	3.96	.734
I am provided with sufficient information about how appraisal ratings are determined	140	3.46	1.249
The criteria used to evaluate employee performance are consistently applied across all departments	140	3.59	1.234
The appraisal system in my organization is free from favoritism or bias	140	3.72	1.106
Valid N (listwise)	140		

4.3.3. Descriptive Statistics of 360-degree feedback

According to table 5, a mean 3.55 of employees agree Metropolitan Real Estate PLC provides 360-degree feedback as part of its appraisal process. And also, around 3.7 mean value, which is a half of the employees agrees feedback from my colleagues is given equal importance to feedback from supervisors in the appraisal process.

Table 5:- Descriptive Statistics of 360-degree feedback among employees in metropolitan real estate

Descriptive Statistics			
	N	Mean	Std. Deviation
Metropolitan Real Estate PLC provides 360-degree feedback as part of its appraisal process.	140	3.55	.650

Feedback from my colleagues is given equal importance to feedback from supervisors in the appraisal process.	140	3.70	1.051
I believe the inclusion of feedback from multiple sources enhances the overall effectiveness of the appraisal system.	140	3.91	.913
360-degree feedback in the appraisal process contributes to employees perceiving equal opportunities for career progression	140	4.11	.935
Valid N (listwise)	140		

4.3.4 Descriptive Statistics of Employee Retention

4.3.4.1 Job Satisfaction

According to table 7, Employees were satisfied with their current role and responsibilities agreed mean value of 3.2 and it was significant. Employees have received a sense of accomplishment from the work I do in my current position with an agreed mean value of 4.1 and it was significant.

Table 6 Descriptive Statistics of job satisfaction among employees in metropolitan real estate

Descriptive Statistics			
	N	Mean	Std. Deviation
I am satisfied with my current role and responsibilities.	140	3.20	1.265
I feel satisfied with the recognition I receive for my work contributions.	140	3.65	1.199
I am satisfied with the level of support I receive from my organization to perform my job.	140	3.47	1.007

I feel a sense of accomplishment from the work I do in my current position.	140	4.19	.913
I have a clear understanding of my job responsibilities and expectations.	140	4.01	1.042
The rewards and recognition linked to the appraisal process influence employees' decisions to stay with the organization	140	2.26	.949
Valid N (listwise)	140		

4.3.4.2 Career development

According to table 8, the performance appraisal process in my organization identifies opportunities for their professional growth with mean value of 3.04 it was strongly significant. For employees the feedback they receive during appraisals helps me plan my career effectively with the agreed mean value of 3.99 and it was significant.

Table 7 Descriptive Statistics of career development among employees in metropolitan real estate

Descriptive Statistics			
	N	Mean	Std. Deviation
The appraisal system effectively supports my professional development.	140	3.52	1.042
The responsibilities of my role align with my career goals and aspirations.	140	3.59	1.291
The performance appraisal process in my organization identifies opportunities for my professional growth.	140	3.04	1.367
I am satisfied with the career development support provided by my organization.	140	3.89	1.176
The feedback I receive during appraisals helps me plan my career effectively.	140	3.99	.668

The alignment of appraisals with career development opportunities reduces employees' likelihood of leaving the organization	140	3.77	1.068
Valid N (listwise)	140		

4.3.4.1 Turnover rates

Table 6 shows that employees said that the appraisal process influences their decision to stay with Metropolitan Real Estate Plc. as shown by mean value 4.59 was significant. Employees say training and development programs provided in the company affect employee turnover rates shown a mean score value of 3.9 and are significant.

Table 8:- Descriptive Statistics of turnover Rate among employees in metropolitan real estate

Descriptive Statistics			
	N	Mean	Std. Deviation
The appraisal process influenced my decision to stay with Metropolitan Real Estate Plc.	140	4.59	.493
Does the alignment of appraisals with career development opportunities reduce employees' likelihood of leaving the organization	140	3.93	.987
Rewards and recognition linked to the appraisal process influence employees' decisions to stay with the organization	140	4.25	.680

The training and development programs provided in the company affect employee turnover rates	140	3.25	1.347
Valid N (listwise)	140		

4.4 Correlation Analysis

The correlation between all variables of the study was analyzed using Statistical Package for Social Science (SPSS). The below correlation matrix shows correlation between variables in the questionnaire with a Pearson Correlation coefficient to show the strength of relationship among the variables considered in the questionnaire.

As per table below, the coefficients show that all independent variables were positively related with dependent variable Employees retention (ER) within the range of 0.657-0.786, where all are significant at p 0.5 are considered large.

The correlation matrix in table 9 below indicates that employee retention was positively correlated with continuous feedback (CF), Employee Perception of Fairness and Transparency (F and T) and 360-Degree Feedback. Continuous feedback with employee retention correlation coefficient is 0.786; this result indicates that there is strongly correlation between the two variables.

Table 9:- Correlation Analysis

Correlations					
		Continuous Feedback	Fairness & Transparency	360-Degree Feedback	Employee Retention
Continuous Feedback	Pearson Correlation	1	.659**	.715**	.657**
	Sig. (2-tailed)		.000	.000	.000
	N	140	140	140	140
Employee Perception of	Pearson Correlation	.659**	1	.821**	.786**
	Sig. (2-tailed)	.000		.000	.000

Fairness and Transparency	N	140	140	140	140
360-Degree Feedback	Pearson Correlation	.715**	.821**	1	.740**
	Sig. (2-tailed)	.000	.000		.000
	N	140	140	140	140
Employee Retention	**Pearson Correlation**	**.657****	**.786****	**.740****	1
	Sig. (2-tailed)	.000	.000	.000	
	N	140	140	140	140
**. Correlation is significant at the 0.01 level (2-tailed).					

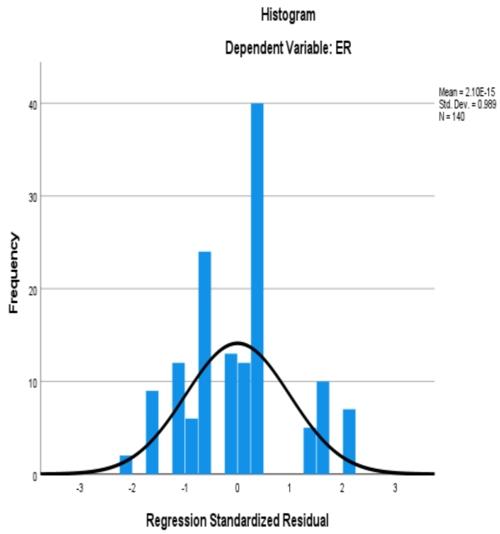
Source: own survey, SPSS, 2025

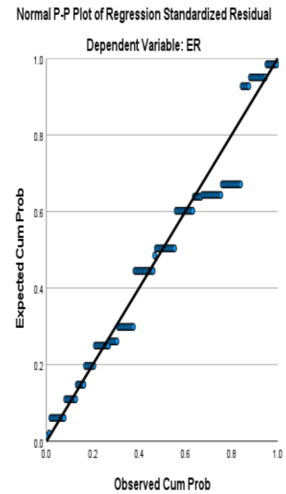
4.5 Regression Analysis Assumption

Multiple regression analysis was conducted to examine the influence of retention in employee engagement in this survey; hypotheses were developed to study the direct effect of performance appraisal on employee's retention through continuous feedback, fairness and transparency and 360-degree feedback.

Preliminary analyses were conducted to indicate if there were any violations of the assumptions of multi co linearity, normality, and reliability before applying linear multiple regression. To indicate if multi co linearity was violated, the tolerance, VIF and condition indexes were evaluated from a Co linearity Diagnostics table in SPSS. The tolerance values for each of the variable's scales ranged from 0.356 to 0.473 which are not less than 0.20; thus, further verifying that the assumption is not violated. This was verified by the VIF values which ranged from 2.1 to 3.6 which are under 10 suggesting that the assumption of no multi co linearity is tenable (Tabachnick & Fidell, 2007).

Assumption#1: The below diagram witnesses that normality assumption holds, i.e., the coefficient of kurtosis was close to 3 and the histogram symmetric statistic has a P-value of more than 5% implying that the data were consistent with a normal distribution assumption





Source: own survey, SPSS, 2025

Figure 2:- Regression analysis assumption

Assumption #2: Durbin-Watson statistic showed that this assumption had been met, if 1.5 < D-W, 2.5, then autocorrelation (independence) not violated (Durbin-Watson = 2.1).

4.5.1 Model Summary of Explanatory Variables

Table 10:-Model summary of Explanatory Variables

Model Summary[b]										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.814[a]	.662	.655	3.07234	.662	88.863	3	136	.000	2.102
a. Predictors: (Constant), continuous feedback, Employee Perception of Fairness and Transparency and 360-Degree Feedback										
b. Dependent Variable: Employees retention										

According to table 10: -the model summary which states that employee retention as a function of continuous feedback, fairness and transparency and 360-degree feedback. Based on the model summary R square value indicated that the independent variables explained the dependent variable by 0.662. This result implies that continuous feedback, fairness and transparency and 360-degree feedback are accounted for 66.2% of the variance in employee retention. Therefore, transformational, transactional and laissez faire were explained by 66.2 percent as it can be seen in the above model summary R= 0.814 which indicates the positive relationship between employee retention and explanatory variables (continuous feedback, fairness and transparency and 360-degree feedback). R-square also measures the goodness of the fit of those explanatory variables in explaining the variation in dependent variable. The adjusted R2 is called the coefficient of determination. This value tells us how Employees retention varies with effects of independent variable.

4.5.2 ANOVA Analysis

Table 11 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of Employee retention. This was supported by an F statistic 88.8 and the reported p value (0.00) which was less than the conventional probability 0.05.

Table 11:- ANOVA of Explanatory Variables

ANOVA[a]					
Model	Sum of Squares	df	Mean Square	F	Sig.

1	Regression	2516.395	3	838.798	88.863	.000[b]
	Residual	1283.740	136	9.439		
	Total	3800.136	139			
a. Dependent Variable: ER						
b. Predictors: (Constant), feedback, CF, fair						

Source: own survey, SPSS, 2025

4.5.3 Coefficient of Explanatory Variables

Table 12:-Coefficient of Explanatory Variables

Coefficients[a]										
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	16.603	1.742		9.530	.000	13.158	20.049		
	CF	.323	.126	.186	2.568	.011	.074	.573	.473	2.114
	fair	.780	.136	.507	5.722	.000	.510	1.050	.316	3.166
	feedback	.342	.171	.191	1.996	.048	.003	.680	.273	3.667
a. Dependent Variable: ER										

Source: own survey, SPSS, 2025

According to table 12: -the standardized coefficients for the three independent variables continuous feedback, fairness and transparency and 360-degree feedback (.186, .507 and 0.191) and their significance levels are .011, .000, 0.04, respectively which are all less than 0.05. This indicates a significant relationship between independent variables and the dependent one.

- The result also indicates the relationship between continuous feedback with employee retention at significant level of (p=0.05). As it is indicated in the table above, p-value is less than the significant level for the variables. This implies that there is significant association between independent and dependent variables. The result of this study shows that there is Continuous feedback with coefficient value of 0.186 is positively and significantly affects employees' retention. Of 100% improvement in Continuous feedback of in Metropolitan Real Estate leads to 18.6% change in employees' engagement. This empowerment is particularly important in the real estate sector, where performance can be highly variable and dependent on individual initiative. By providing clear, actionable feedback, companies can help employees develop the skills and behaviors necessary for success, thereby improving retention rates (Kim & Garman, 2020).

- The result also indicates the relationship between fairness and transparency with employees' retention at significant level of (p=0.05). As it is indicated in the table above, p-value is less than the significant level for the variables. This implies that there is significant association between independent and dependent variables. Fairness and transparency with employees' retention also has coefficient value of 0.507 and implies that a 100% change in performance appraisal stands for 50.7% also change employees' retention. Communicated criteria eliminate ambiguity and help align employee efforts with organizational goals. Consistent application of these criteria across all employees reinforces fairness, reducing perceptions of favoritism or bias, which can lead to dissatisfaction and turnover (DeNisi & Murphy, 2017).

- The result also indicates the relationship between Motivation and Productivity with Incentive at significant level of (p=0.05). As it is indicated in the table above, p-value is less than the significant level for the variables. This implies that there is significant association between independent and dependent variables. 360-degree feedback has coefficient value of 0.191 and implies that a 100% change in performance appraisal stands for 19.1% also change employees' retention. 360 assessments can improve employee retention by providing valuable feedback to employees, helping them identify areas for growth and development. This can lead to increased job satisfaction, engagement, and loyalty to the organization.

4.5.4 Output of Hypotheses

Table 13:- hypothesis test employee retention

Hypothesis	**Output**	**Result**
Ha1: continuous feedback has a positive and significant effect on employee retention	Output (1) As the P value is less than 0.05, so I accept the alternative hypotheses along with concluding that there is significant association between continuous feedback and employee retention	Accept
Ha2: fairness and transparency have positive and significant effect on employee retention	Output (2) As the P value is less than 0.05, so I accept the alternative hypotheses along with concluding that there is a significant relation between fairness and transparent and employee retention	Accept
Ha3: 360-degree feedback has positive and significant effect on employee retention	Output (3) As the P value is less than 0.05, so I accept the alternative hypotheses along with concluding that there is a significant relation between 360-degree feedback and employee retention	Accept

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Based on the results and interpretation done in the previous chapter, summary, conclusions and recommendations for the study are presented as follows.

5.1.Summary of major findings

The aim of this research was to investigate the effects of performance appraisal on employees' engagement on Metropolitan Real Estate Plc. In this study, the researcher come-up with mixed approaches and cross-sectional research design. The source of the data was both primary and secondary source. Instruments of data collection tools in this study are structured questionnaires (open-closed ended questionnaire). The participants of the study were of 140 employees of Metropolitan Real Estate Plc. The list of the staff with their position is obtained from the Human Resource Department.

The study variables were continuous feedback, fairness and transparency and 360-degree feedback and demographic factors. The questionnaires in the study were developed based on five-point likert scale ranging from one to five and the reliability of variables tested by Cronbach alpha. The findings of quantitative results were presented and analyzed by table to describe the demographic variables. Bi-variate correlation and multiple regression models were used to investigate the relation and effect of independent variables (continuous feedback, fairness and transparency and 360-degree feedback) and dependent variable (employees' retention).

- Out of the total 150 questionnaires 140 (90%) of the questionnaire were obtained from the respondent with complete answered of each dimension of the questionnaire. SPSS software version 27 was employed for the analysis.

- In terms of age of the respondents, 114 (81.4%) are 31-40 years and 23 (16.4%) are 26-30 years old. Regarding educational background, the majority 92 (65.7%) are first degree holders, 43 (30.7%) are master's degree holders and the rest of the respondents are diploma completed. The majority 116 (82.9%) of the respondents are served their current organization for greater than 5 years, 23 (16.4%) of the respondents are 4-5 years' experience and the rest had above 3 years of work experience.

- the coefficient show that all independent variables were positively related with dependent variable (Employees retention) within the range of 0.657-0.786, were all are significant at p 0.5 are considered large.

- Based on the model summary R square value indicated that the independent variables explained the dependent variable by 0.662. This result implies that continuous feedback, fairness and transparency and 360-degree feedback are accounted for 66.2% of the variance in employee retention.

- From ANOVA, the results imply that the independent variables are good predictors of Employee retention. This was supported by an F statistic 88.86 and the reported p value (0.00) which was less than the conventional probability 0.05. (.186, .507 and 0.191)
- Continuous feedback with coefficient value of 0.186 is positively and significantly affects employees' retention. Of 100% improvement in Continuous feedback of in Metropolitan Real Estate leads to 18.6% change in employees' engagement.

- Fair and transparent also has coefficient value of 0.507 and implies that a 100% change in performance appraisal stands for 50.7% also change employees' retention.

- 360-degree feedback has coefficient value of 0.191 and implies that a 100% change in performance appraisal stands for 19.1% also change employees' retention.

5.2.Conclusion

Accordingly, the study came to the conclusion that total employee retention is positively and significantly impacted by fairness, feedback, and 360-degree feedback in the appraisal. Performance appraisal feedback has a high mean among the three indicators of a successful performance appraisal system or quality of performance appraisal that will result in employee retention, according to an empirical study. This suggests that workers who receive feedback from their performance reviews are more likely to advance their careers than those who do not. Furthermore, while PA's main goal is to highlight employees' shortcomings and performance gaps, it has traditionally been viewed as a formality rather than as a practical tool for determining what training should be provided to them based on their performance outcomes. Thus, we can say that the PA's developmental goal is not effectively promoted. The results of PA are not used by the real estate industry to determine employee potential, which is a fundamental and required topic in career development. Even with the system in place, real estate workers often remain in their positions for years without receiving promotions, which increases their likelihood of joining other companies. The real estate PA is susceptible to a number of mistakes and prejudices that can exacerbate employee discontent and ultimately result in their resignation.

5.3.Recommendation

In considering the major findings of the study and the conclusions drawn, an attempt was made to provide potential suggestions from the researcher in order to increase employee engagement

- ✓ Establish a clear connection between performance appraisals and employee retention by integrating career development into the PA process. Collaborate with employees to identify career pathways, ensuring they receive the support needed for growth while the organization builds a skilled and committed workforce.
- ✓ Implement 360-degree feedback as part of the PA system to enhance self-awareness and career growth among employees. This multi-source feedback approach can also support performance-related decision-making and improve the overall fairness and effectiveness of the appraisal process.
- ✓ Develop a performance appraisal system that is transparent, unbiased, and focused on identifying employees’ strengths, weaknesses, and growth opportunities. This system should provide actionable insights to support career development and enhance organizational productivity.

- ✓ Adopt objective performance measurement criteria and tools to minimize biases and inaccuracies in the appraisal process. Clear and measurable performance indicators will ensure fairness and consistency in evaluations.
- ✓ Ensure that raters provide timely and constructive feedback to employees after the evaluation process. This feedback should include actionable suggestions for improvement and recognition of achievements, fostering a culture of continuous development.
- ✓ Use performance appraisals as a tool to support employees' career advancement. Develop policies that link PA outcomes to career growth opportunities, such as promotions, training, and skill development, to motivate employees and strengthen retention.

5.4 Limitation and Future Research Direction

5.4.1 Future Research Direction

The researcher's ability to conduct the research study on a broader population scale was restricted by financial constraints and the modest scale of the investigation. Staff retention has had a mediating function in the study's examination of the relationship between employee retention and PA. As a result, the researcher recommends conducting more extensive research at other schools to determine whether outcomes like those shown in this study would be achieved there.

5.4.2 Limitation of the study

During the research process, this study has faced some limitations, described as follows

To comprehensively measure all the PA characteristics and avoid survey fatigue, many characteristics were measured with a single item. Measuring variables with a single item limit reliability and subsequently the validity of these characteristics. Therefore, future researchers should ensure that their PA characteristics are measured could benefit from drawing participants from one organization to control for variables that might impact on the relationship between PA characteristics and perceived effectiveness of the system or employee retention.

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APPENDIX I

Questionnaire

Dear Participant,

The purpose of the questionnaire is to collect data for research on 'The Effect of Performance Appraisal on Employee Retention: A Case Study in Metropolitan Real Estate Plc.'

The research is designed to identify the effect of performance appraisal on employee retention. The research outcomes are important for improving retention strategies. Your genuine and honest response is very important for the success of the research and the researcher would like to thank you for your cooperation in advance.

General Instruction:

1. No need to write your name
2. Your response confidentiality is maintained
3. Instruction for each part of the questionnaire is given at the beginning of the questions

Thank You for your cooperation!

SECTION A: GENERAL BACKGROUND INFORMATION (DEMOGRAPHIC DATA)

Fill (thick) (√) in the blanks provided by indicating your correct choice.

1. Gender

Male ☐ Female ☐

2. Age

Below 25 ☐ 25- 30 ☐ 31- 35 ☐ 36 - 40 ☐ Above 41 ☐

3. Educational Level

Diploma ☐ Bachelor Degree ☐ Master ☐ PhD ☐ Other ☐

4. Marital Status

Single ☐ Married Divorce ☐ Widowed ☐

5. Year of service

1 – 4 years ☐ 5 – 9 years ☐ 10 – 20 years ☐ Above 20 years ☐

SECTION B: PERFORMANCE APPRAISAL JOB SATISFACTION AND EMPLOYEE RETENTION QUESTIONS

Listed below are a series of statements that represent ……………………………. Concerning you're feeling about performance appraisal. Please, indicate the degree of your agreement or disagreement with each statement by putting a tick mark (√) on one of the five alternatives. Responses are measured on 5-point scales with the following verbal anchors:

Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4), and Strongly Agree (5).

№	Questions	1	2	3	4	5
Continuous feedback on Performance						
1	I frequently receive feedback on my performance.					
2	The feedback I receive during appraisals helps me plan my career effectively.					
3	Metropolitan Real Estate PLC collects feedback from multiple sources					
4	I feel satisfied with the recognition I receive for my work contributions.					
Employee Perception of Fairness and Transparency						
5	The performance appraisal criteria are clear					
6	The appraisal system in my Metropolitan Real Estate PLC is fair and unbiased					
7	The Company ensures that the appraisal results are transparently shared with employees					

8	I am provided with sufficient information about how appraisal ratings are determined					
9	The criteria used to evaluate employee performance are consistently applied across all departments					
10	The appraisal system in my organization is free from favoritism or bias					
360-degree feedback						
11	Metropolitan Real Estate PLC provides 360-degree feedback as part of its appraisal process.					
12	Feedback from my colleagues is given equal importance to feedback from supervisors in the appraisal process.					
13	I believe the inclusion of feedback from multiple sources enhances the overall effectiveness of the appraisal system.					
14	360-degree feedback in the appraisal process contributes to employees perceiving equal opportunities for career progression					
Employee Retention						
15	The appraisal process influenced my decision to stay with Metropolitan Real Estate Plc.					
16	Does the alignment of appraisals with career development opportunities reduce employees' likelihood of leaving the organization					

17	Rewards and recognition linked to the appraisal process influence employees' decisions to stay with the organization					
18	The training and development programs provided in the company affect employee turnover rates					
Job satisfaction						
19	I am satisfied with my current role and responsibilities.					
20	I feel satisfied with the recognition I receive for my work contributions.					
21	I am satisfied with the level of support I receive from my organization to perform my job.					
22	I feel a sense of accomplishment from the work I do in my current position.					
23	I have a clear understanding of my job responsibilities and expectations.					
24	The rewards and recognition linked to the appraisal process influence employees' decisions to stay with the organization					
Career development						
25	The appraisal system effectively supports my professional development.					
26	The responsibilities of my role align with my career goals and aspirations.					
27	The performance appraisal process in my organization identifies opportunities for my professional growth.					

28	I am satisfied with the career development support provided by my organization.					
29	The feedback I receive during appraisals helps me plan my career effectively.					
30	The alignment of appraisals with career development opportunities reduces employees' likelihood of leaving the organization					