



**EFFECT OF EMPLOYEE APPRAISAL ON ORGANIZATIONAL
PERFORMANCE: A STUDY OF FEDERAL POLYTECHNIC,
MUBI NIGERIA**

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ABSTRACT

The nonchalant attitudes of public sector workers towards their duties and responsibilities have become a matter of great concern to the government at all levels and other well-meaning Nigerians. There has been a persistent public outcry in the mass media indicting public sector employees for their negative attitude to work which has led to low productivity. The main objective of the study was to examine the effect of employee appraisal on organizational performance in Federal Polytechnic, Mubi. The data collected for this study was subjected to descriptive statistics and hypotheses were tested using regression statistics with the help of Statistical Package for Social Sciences (SPSS) at 0.05 level of significance. The findings of this study revealed that there exist significant and positive influence between perceived feedback and employees' organizational performance. However, employees' perceived accuracy shows insignificant influence on employees' organizational performance meanwhile perception appraisal practices revealed negative significant influence on employees' organizational performance. Therefore, the study recommended that management should ensure that Performance Employee Appraisal (PEA) provide technology feedback that should be fair and satisfactory. Various appraisal method should be introduced to encourage objectivity and eliminate biasedness in the appraisal of employees.

Keywords: Effect, Performance Appraisal, Employee Performance, Feedback, Perception.

INTRODUCTION

One of a leader or manager's most important responsibilities is to evaluate an employee's performance. This is a fundamental expectation of everyone in a supervisory position. To determine how much each employee contributes to the accomplishment of business goals and objectives, many organizations conduct staff evaluations (Bernardin & Wiatrowski, 2013). The main goals are often service provision and profit maximization. It has been discovered that performance appraisal systems can significantly boost organizational productivity, organizational harmony, and organizational standing in its environment (Brown & Heywood, 2005).

An evaluation of an employee's work performance over a predetermined time period is known as a performance appraisal. It resembles a report card on a worker's performance over the previous year as seen by their management. Employee productivity is crucial to accomplishing organizational objectives in every organization. Therefore, performance evaluations are responsible for every organization's success. One of the fundamental instruments that encourages employees to be highly productive and engaged at work is the performance appraisal (Bernardin & Wiatrowski, 2013). A critical examination of this might highlight the necessity of encouragement, benefits, development, training, and positive interpersonal relationships in a workplace.

Performance appraisal data are utilized for managerial decision-making and a number of other objectives, such as administrative choices, employee development, and personnel research. Performance appraisal is regarded as an essential human resource function (Muhammad & Surayya, 2013). Performance evaluation, which can be viewed as a general term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance, and distribute rewards, has reportedly increasingly become a part of a more strategic approach to integrating human resource activities and business policies (Fletcher (2001). Anso (2014) confirms that performance evaluation has developed into a tool for fostering organizational growth and professional development in a similar vein. Employee performance is identified, measured, and improved throughout the organization through a continual process called performance appraisal. This procedure entails a

number of procedures like assessing employees' strengths and weaknesses, giving them regular feedback, and providing career development opportunities (Aguinis, 2007). According to Grubb (2007), the purpose of performance reviews is to evaluate each employee's performance and determine how it might be enhanced to help the organization as a whole.

Statement of the Problem

Performance assessment plays a significant role in the success of an organization in attaining its strategic purpose and boosting the effectiveness of its working process through ongoing development of individuals' performance and processes, combined with a focus on weak and improvable parts,. Despite the fact that implementing performance appraisal systems has wealth of advantages, many researchers found that the practice of performance appraisal is generally plagued by issues related to the subjective nature of the performance appraisal criteria and the inappropriateness of the criteria used to evaluate employee performance. Performance evaluation plays a vital role in an organization's success in achieving its strategic goal and enhancing the effectiveness of its working process by focusing on weak and improvable sections and continual improvement of employees' performance and procedures.

With the introduction of a performance appraisal system, employees will be more aware of their obligations and make every effort to carry them out properly, which will increase the productivity and success of the organization to which they belong (Fakharyan, Jalilvand, Dini & Dehafarin, 2012). For example, it has been claimed repeatedly that employees must have good reactions during the performance appraisal process in order to favorably affect future behavior and development; otherwise, the appraisal system will be condemned to failure (Field, 2005). In the organization under study, there are significant discrepancies in how employees see the current performance appraisal process based on how they view fairness, feedback, accuracy, and satisfaction.

There are significant gaps in empirical studies of employees' perceptions of performance appraisal, especially in the institution under study despite the substantial amount of published work on the topic. This study aims at investigating the employee

perceptions toward the current performance appraisal practice and the resulting work outcomes by examining the potential effects on work performance, efficiency, and effectiveness as a result of employees' varied perceptions of the performance appraisal practice in Federal Polytechnic, Mubi,

Purpose of the Study

The main purpose of the study was to examine the effect of employee appraisal on organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria. While the specific objectives seek to:

- i. Find out the impact of employee feedback and evaluation on organizational performance in Federal Polytechnic Mubi, Adamawa State Nigeria;
- ii. Examine the impact of employees' perceptions of fairness on organizational performance in Federal Polytechnic Mubi, Adamawa State Nigeria
- iii. Determine the extent of the effect of correctness of the employees' evaluations on the organizational performance at Federal Polytechnic Mubi, Adamawa State Nigeria.

Research Questions

The study was guided by the following research questions.

- i. What is the effect of employees' feedback appraisal on organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria?
- ii. What is the effect of employees' fairness appraisal on organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria?
- iii. To what extent does employees' appraisal correctness affect organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria?

Research Hypotheses

The following hypotheses were formulated in order to achieve the objective of the study:

HO₁ Employees' feedback appraisal does not have significant effect on organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria;

- HO₂ Employees' perceived fairness does not have significant effect on organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria; and
- HO₃ Employees' appraisal correctness does not have significant effect on organizational performance in Federal Polytechnic, Mubi, Adamawa State, Nigeria.

LITERATURE REVIEW

One of the most crucial human resource management activities is the performance evaluation of employees, which is normally done annually or semi-annually. According to Tsai and Wang (2013), one of the most important tools for managers to use in evaluating employees' performance is the performance appraisal. Performance evaluations are utilized for a variety of purposes, including career advancement, pay increases, thorough and relevant feedback, and promotions (Boswell & Boudreau 2002). According to Muhammad and Suraya (2013), performance appraisal systems are used by various firms to reward their employees with bonuses, promotions, and salary increases in addition to being a crucial tool for human resource management to help people develop. According to Aguinis (2007), performance evaluation is a continual process used to identify, assess, and enhance individuals' performance inside an organization. This procedure entails a number of procedures, such as acknowledging employees' accomplishments, giving regular feedback, and providing career development opportunities. The purpose of a performance assessment, according to DeNisi and Pritchard (2006), is to assess an employee's performance in relation to predetermined goals in order to determine where they have room for growth. By evaluating employee effectiveness in terms of recruiting, selection, training, and development. Performance appraisal systems assist organizations in achieving their goals (Jain & Garg, 2013).

Performance Appraisal and Employees performance

Maund (2001) asserts that a crucial part of managing employees' performance is assessment. When it works, the assessment process helps a person realize their aspirations and strengthens their feeling of self-worth. Performance evaluation and

employee output have a good and significant link. (Bekele et al.,2014). According to Cumming (1972), the overall goal of performance evaluation is to increase an organization's efficiency by striving to mobilize the best efforts from those who work there. These appraisals accomplish the following four goals: compensation reviews, personal growth and training, job rotation planning, and promotion support.

According to Meysen, Mohammad, and Ebrahim (2012), Maimona (2011), and Behery and Patron (2008), performance reviews have a big impact on how well employees perform. Cokin (2004) acknowledges the value of performance appraisal systems for firms because they primarily focus on helping individuals enhance their skills. In a similar spirit, Malcolm and Jackson (2002) offer a succinct summary of the advantages of performance evaluation to the organization as the reliable foundation for decisions on employee retention, rewards, targeted training based on identified requirements, and future employee promotions. In a different study, Jonsson and Jeppesen (2012) link the advantages of performance reviews to employees' affective commitment. They believed that employees could affect the direction of the company through dedication, which was facilitated by strong interpersonal bonds, particularly those between superiors and subordinates.

METHODOLOGY

Research Design

The study adopted survey research design. The researcher used this survey method because of the nature of the research under study, the reason for chosen this research design is because it is an ideal methodology when collecting information about people's attitudes, opinions, habits or any of the variety of education or social issues

Population of the Study

Population refers to all members of well-defined class of people events, or object. The population at Federal Polytechnic Mubi is 2003 staff consisting of academic and non-academic staff. The academic staff population has a total of 786 representing 39.2% of total population of 2003 and the non-academic staff with the population of 1217 representing 60.8% of total population.

Sample Size and Sampling Techniques

Sample refers to selected members of the entire population for use in the study. Sample selection in most cases become inevitable, as the population was obviously too large for a study in view of its uncontrollable magnitude. Whereas, Yamani (1964) formula was used to draw the sample size for the study, which is calculated as follows:

$$\begin{aligned}n &= \frac{N}{1 + N(e)^2} \\n &= \frac{2003}{1 + 2003(0.05)^2} \\n &= \frac{2003}{1 + 2003(0.0025)} \\&= \frac{2003}{6} \\&= 334\end{aligned}$$

Therefore, the sample size for this study is 334.

Instrument for Data Collection

The study used questionnaire as the statistical tool for collecting data. Therefore, the researcher adopted the closed-ended type of questionnaires, here questions were asked and respondents selected from the options given. The questionnaires were designed on five point likert scale ranging from strongly agreed (5) to strongly disagreed (1).

Reliability of Research Instrument

Reliability of research instrument is the extent to which it produces consistent results on repeated trials and measures. It reflects the degree to which the test scores are free from measurement errors. This study applied Cronbach's Alpha coefficient to check the reliability of the information's obtained from various respondents in order to ascertain their reliability. Reliability of the study assessed by computing Cronbach's Alpha coefficient for all items obtained from the questionnaire instrument. The recommended value of 0.9 was used as cut-off reliability for this study.

Method of Data Analysis

Data analysis is one of the major steps in any research work. The data collected for this study was subjected to descriptive statistics and hypotheses were tested using regression statistics with help of Statistical Package for Social Sciences (SPSS) at 0.05 level of significance.

RESULTS AND DISCUSSION

Test of Hypotheses

Table 1: Model Summary of Effect of Employee Appraisal on organizational Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.700 ^a	.490	.480	9.08232

a. Predictors: (Constant), EFA, EPF, EAA

b. Dependent Variable: OP

The model summary above provides the values of R, R², adjusted R² and standard error of the estimate, these values states how well the regression model fits the data. The R (multiple correlation coefficients) value represents the measure of the quality of the dependent variable. Thus, an R value of 0.700 indicates a high level of prediction. The R-square value (0.490) is the proportion of variation in the dependent variable (organizational performance) that is explained by the three independent variables. It can be interpreted that 49% variation in overall organizational performance is explained by these three independent variables in the model. The above result also mean that, 51% (100% - 49%) of the variation in the dependent variable is unexplained in this research. Meaning that, there are other additional variables that are significant in explaining organizational performance that are not considered in this study.

Table 2: ANOVA (Statistical Significance)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19721.339	5	3944.268	47.816	.000 ^b
	Residual	20539.657	249	82.489		
	Total	40260.996	254			

a. Dependent Variable: OP

b. Predictors: (Constant), EFA, EPF, EAA

The result on the ANOVA Table 2 shows that the model had an $F = 47.816$ and a p -value = 0.000. This meant that the four variables were both significant (p -value less than 0.05). The F -statistic value of 6.130 implies that the model is fit for the regression.

Table 3: Coefficients (Statistical Significance of the Independent Variable)

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta		
1 (Constant)	6.439	4.655		1.383	
	EFA	.346	.128	.152	2.691
	EPF	.143	.104	.063	1.383
	EAA	.978	.124	.436	7.891

a. Dependent Variable: OP

The model in Table 3 show that the coefficients of the employees' feedback appraisal on organizational performance is positive and statistically significant ($\beta = 0.152$, $t = 2.691$, $p < 0.05$). Also, coefficients of the effect of employees perceived fairness on organizational performance is positive and statistically significant ($\beta = 0.063$, $t = 1.383$, $p < 0.05$). In addition, coefficients of the effect of employee accuracy appraisal

on organizational performance is positive and statistically significant ($\beta = 0.436$, $t = 7.891$, $p < 0.05$). This implies that there is significant relationship between employee appraisal and organizational performance in Federal Polytechnic, Mubi, Adamawa State.

Discussion of findings

The findings of this study revealed that there exist significant and positive influence between perceived feedback and employees' organizational performance. Findings of previous researchers revealed a positive influence between perceived appraisal feedback and employees' organizational performance (Abbas, 2014; Girma, Lodesso & Sorsa, 2016).

The finding of the study provided statistical proof to show that there exist a positive and significant relationship between perceived fairness and employees' organizational performance. Perception of fairness is critical to the success of the appraisal process in terms of enhancing individual employee organizational performance. Thus, to enhance employees' organizational performance, supervisors must be well-advised to make certain that the participants feel the process is conducted fairly. This finding of this research, aligned with previous findings of the different researchers (Lillian, Mathooko & Sitati, 2011; Fakharyan, 2012). Employees' perceived accuracy of performance appraisal failed to show that there exists significant and positive relationship with employees' organizational performance. The finding was in agreement with other previous research like (Nutakor, 2019; Abbas, 2014).

Challenges of Performance Appraisal

Performance reviews have been the most lauded, derided, and discussed management procedures for a number of decades, according to Lawler (2000a). Performance evaluation practices have come under fire, according to Bekele et al. (2014), because of supervisors' deficiencies in knowledge and skills, their subjectivity, favoritism, and bias, a lack of ongoing documentation, and their inability to deliver comments on schedule. Employees exhibit discontent with the performance appraisal practice's implementation and a negative perception of the system's effectiveness (DeNisi &

Pritchard, 2006). The tendency of managers to resist the assessment process, particularly the interview, is further supported by Vroom (1990). The author points out that supervisors frequently mistrust the tools used in employee performance review systems and frequently loathe criticizing a subordinate. The use of inconsistent criteria that may result in a negative attitude toward the performance appraisal system, unskilled appraisers who lack communication skills and are therefore unable to conduct an effective performance feedback, the lack of tools aimed at improving the performance appraisal system, and finally the absence of senior managers are five additional issues that studies have identified (Kampkotter, 2014; Muhammad & Suraya, 2013; Armstrong, 2006; Vroom, 1990).

Conclusion and Recommendations

The primary purpose of performance appraisal system should be to improve the employees' organizational performance that will result towards the organizational success. Thus, the researchers were able to study and analyze the variable (employees' perception of performance appraisal) influencing employees' organizational performance, in the areas of employees' perception of performance appraisal practices, perceived feedback, fairness, accuracy, satisfaction and organizational performance.

However, employees' perceived accuracy shows insignificant influence on employees' organizational performance meanwhile perception appraisal practices revealed negative significant influence on employees' organizational performance.

On the basis of the findings and conclusions reached, the following recommendations were made in order to change the perception of employees by improving the performance appraisal practices in Federal Polytechnic Mubi so as to increase their organizational performance.

- i. In order to obtain and sustain such positive job outcomes, the institutions' management should ensure that the performance appraisal exercise provides feedback and it should be fair and satisfactory.
- ii. Various appraisal method should be introduced to further encourage objectivity and eliminate biasedness in the appraisal of employees and employee feedback method of performance appraisal

- iii. Employees' Perceived accuracy of performance appraisal was seen not to have significant influence on employees' organizational performance, however, in previous studies appraisal accuracy have positive and significant influence on employees' organizational performance.

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