



Relationship between Performance Appraisal and Employee Productivity: A Case Study of Workers of Delta State Polytechnic, Ozoro, Nigeria

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ABSTRACT

This study examines performance appraisal and employee productivity in Delta State Polytechnic, Ozoro. To achieve the study, three hypotheses were formulated and tested. The quantitative method using the questionnaire was the instrument of data collection. The simple random sampling technique was used to draw out one hundred and twenty (120) respondents for the study. The descriptive and inferential statistics analysis was used to test the hypotheses. The findings are as follows: that there is a significant relationship between performance appraisal and productivity in the organization; performance appraisal leads to innovativeness as well as job satisfaction. Based on these findings, the following recommendation was made: management should utilize targets, accomplishments; organization goals, time management and efficiency for performance measure purposes and organization should establish and adopt performance appraisal that would enable effectively appraisal of the employee among others.

Keywords: Relationship, Performance, Employee, Productivity, Appraisal

INTRODUCTION

Globally performance appraisal is the process by which a manager, or a consultant examines and evaluates an employee's work behavior by comparing it with preset standards, documents the results of the comparison, and uses the results to provide feedback to show where improvements are needed and why. Performance appraisals are employed to determine who needs what training and also will be promoted, demoted, retained, or fired. To a large extent, it is a strategic tool for improving organizational effectiveness. It is a means not only for evaluating performance but also for achieving performance improvement among staff of an organization. As an administrative activity which improves the chances of attaining organizational goals, performance appraisal makes it mandatory for members of an organization to know what is expected of them, and the indicators by which their productivity will be measured in order to ensure organizational growth, staff progress, and goal attainment. It is often used interchangeably with performance assessment, evaluation and performance review of employee appraisal. The success of any organization is dependent on how well the performance of every employee is effectively appraised and managed.

It is a unique and very important aspect of career development which entails a regular review of the performance of employees in the organization (Caruth & Humphreys, 2008) but doesn't stop there but goes further to communicate feedback to the employees (Sole, 2009), Moorhead and Griffin (1992) sees performance appraisal as a continuous process of assessing and measuring the inputs of every employees with a view to knowing their strength and weaknesses (Brown & Benson, 2003) and communicating the results back to the employees (Cook & Crossman, 2004). With a good appraisal system those who contribute more will be adequately rewarded and the right type of people are likely to be promoted into positions of higher responsibilities (Stonner, Freeman & Gilbert, 2005). Thus, for any evaluation system to work well, the employees must understand it, must feel it as fair, and must be work oriented enough to care about the results (Habibu, 1992). One way to foster this understanding is for the employees to participate in the system design and be trained to some extent in performance appraisal.

Quite a number of challenges have been identified as confronting the effective and efficient practice of the performance appraisal system which includes the effect of reward and its turnout in commitment and loyalty of employees which triggers productivity within the organization. From past researchers (Erdogan, 2002; Fletcher, 2001; Coens & Jenkins, 2000; Broady-Preston & Steel, 2002; Cook & Crossman 2004; and findings, it has been observed that matching both rewards as a result of employee's performance in an organization will commit employees more to the performance appraisal process (Sole, 2009) and showing them that the completion of the performance targets and objectives will affect them directly (Prowes, 2009). Organizations fail in motivating their employees especially those that have performed excellently well over a period of time leading to a negative attitude or response from employees (Gupta & Upadhyay, 2010). Motivation of employees would make them to be more innovative because they are encouraged to perform better (Caruth & Humphreys, 2008).

An organization that motivates its employees make them more innovative and creates brilliant ideas that would give the organization competitive edge in its operating environment (Stone, Romero & Lukaszewski, 2006). When employees realize that if they put in their best to the organization in carrying out their tasks and duties responsibly well, they could be promoted, have an increase in wages, better opportunities are opened to them but in situation where their performance is woeful, they attract penalties that cannot be avoided, this consciousness would push them to strive towards putting in their best to avoid negative rewards and being more creative. Employees will begin to think outside the circle to generate ideas and which will lead to organizational productivity (Chiang & Birtch, 2010). Caruth & Humphreys (2008) viewed performance management as a very critical approach that allows an employee to know what is expected out of him or her and what the performance parameters are (Chiang & Birtch, 2010). Job satisfaction and labour productivity go hand in hand with each other and cannot be substituted for the other. Numerous studies like Den Hartog, Boselie & Paaiwe, (2004); keeping & Levy (2000); Lawler (2003)l Mone & London (2010), Roverson & Stewart (2006), Schraeder & Portis (2007) affirmed that high level of labour productivity will be achieved if a worker or employee feels satisfied with his job and doesn't have any feeling of being exploited by his employers. Managers can only satisfy employees on a job if they give employees what they deserve for their performance (Macey, Schneider, Barbera & Young, 2009) without making an attempt to exploit employees and pay them lower than expected. In spite of the attention and resources paid to the practice, it continues to generate extreme dissatisfaction among employees and employers alike and is often viewed as inaccurate, unfair and political (Pettijohn, Parker, Pettijohn & Kent, 2001; Rao 2004). If the evaluation process makes the employee feel insecure or discourages this singular feeling may scatter the whole evaluation process between the rater and rate.

Feedback should be given to rates on their overall progress within the organization (Caruth & Humphreys, 2008). It is part of the rights of employees to know how they are progressing within

the organization in carrying out their duties, tasks and responsibilities (Gupta & Upadhyay, 2012). Feedbacks should be provided on a continuous basis-daily, weekly or monthly reviews (Lee, 2005). Feedback leaves room for improved competitive positioning (Roberson & Stewart, 2006). If it is done, there is the high possibility of this feedback raising an inner drive within the employee and motivating him or her to do more or increase his or her level of commitment to the organization which in turn will lead to improved and better competitive position for an organization. It was observed from the study of Stone, Romero & Lekaszewski, (2006) that the absence of feedback mechanism generate job dissatisfaction among employees as they see the system as ineffective and unfair. In essence therefore, the underlying objective of performance appraisal in any organization is to improve the productivity of workers. Thus, performance appraisal provides adequate feedback on how staff are performing, by exposing them to knowledge and the result of their work; clear and attainable goals of the organization; avenues for involvement in the setting of tasks and goals (Mullins, 1999). These activities lead to improvement in the performance of personnel, and higher productivity in the organization.

In Delta State, performance appraisal system (PAS) is a critical component of the overall human resource management function in her civil service and other organizations like the population of study for this research enterprise – Delta State Polytechnic, Ozoro (DSPZ). Just like other organizations in the state, DSPZ also partake in performance appraisal exercises. The extent to which performance appraisal activities have resulted to increased productive capacities, innovativeness and job satisfaction of both the academic and non-academic workforce in DSPZ is the focus of this study. Performance appraisal provides a good opportunity to formally recognize employee achievements and contributions to the organization, and to ensure that a clear link is established and maintained between productivity and reward. It is necessary in an organization because it helps in clarifying goals and expectations, and also creates an environment for open communication. It brings about positive feedback and advice for improving employee productivity.

There is an increasing use being made of the performance appraisal process (Meyer 2001). This occurs because of the establishment of goals at the beginning of the evaluation cycle, which provides employees with clear performance targets, the monitoring of performance during the evaluation cycle (which can be used to assist poor performers) and the reinforcement provided for good performance through the provision of rewards, usually in the form of higher pay. The capacity to achieve these positive outcomes will be a function of the performance appraisal (PA) experience. PA is a complex process and there is scope for variation particularly when the supervisor is required to make subjective judgments of employees' performance; principles of work planning, setting of agreed performance targets, feedback and reporting. It is linked to other human resource management system and processes including staff development, career progression, recruitment, placement, incentives and sanctions (Milkovich and Boudreau, 2004).

Much of the previous study had focus on employee motivation and staff appraisal in the government. This brings us to those problems that are associated with conducting performance appraisal. The process usually starts at the middle management level where it is the job of a middle manager to appraise his subordinates or employees who are under him. In fact, every successive hierarchical level, the supervisors are asked to evaluate the employees who are working under them. This can give rise to many issues that make performance appraisal as time consuming and burdensome. To begin with performance appraisals can cause friction, resentment and consequent low morale. Since appraisals are rather subjective in nature, they can also be disputed in case of negative ones. The performance appraisal system tends to have several problems. "Rater" evaluation is often subjectively biased by their cognitive and motivational states (DeNisi & Williams, 1998) and supervisors openly apply different standard with different employees which result inconsistent, unreliable and invalid evaluations (Folger 1992).

In order to create better systems, researchers have traditionally focused on validity and reliability (Bretz 1992) by designing newer “forms” of performance appraisal (e.g behavioural-based systems that better define specific essential job functions of employees or 360-degree feedback mechanism that allow for cross-validation via multiple rater).

However, despite these recent advances in evaluation design, critics continue to argue that performance appraisal systems are not consistently effective (Atkins & Wood, 2002; DeNisi & Kluger, 2000).

Thomas and Bretz (1994) argue that the evaluations are often perceived by employees and supervisors with “fear and loathing”. Two possible explanations for the fear and loathing are the absence of a sense “sense of ownership” and an absence of rewards for properly completing the process. Cardy (1998) describes the appraisal process as “a difficult and error-ridden task”. However, Cardy also points out that it is an important task that affects both the individual and the organization suggested by Drenth (1984), evaluation is a sensitive matter, often eliciting negative psychological responses such as resistance, denial, aggression, or discouragement, particularly if the assessment is negative. Thus high perceptions of evaluative performance appraisal use may result in negative feeling about appraisal. The employee reactions to appraisal can be an important condition to improve the employees performance. Recently, scholars have begun to argue that employee emotions and perception are important in determining the efficacy of performance appraisal system. In fact, appraisal reactions such as satisfaction, acceptability and motivation to use feedback, are cited as an important trend in the appraisal research during the past ten years in a recent review of that literature (Levy and Williams, 2004). Moreover, the appraisals sometimes might be coloured by the status based personal relationships in form of prejudice and unfair as the appraisal might be there is no way the superior’s process of appraisal can be contested and thus causes resentment.

Furthermore, employers sometimes feel pressurized to give a good appraisal in order to avoid confrontation or any friction in the existent work environment. Apart from these problems, appraisals also take up extra time and efforts on the manager’s part. Hence all issues combine to generate unpleasant connotation about the term performance appraisal. Burdensome as performance appraisal may be, performance appraisal system that are properly designed and implemented are a reflection of an organization’s aims and objectives. Therefore, the failure to implement an effective appraisal system often leads to no relationship existing between the work performance and the achievement of the organization.

METHOD

Research Hypotheses

1. There is no significant relationship between performance appraisal and labour productivity.
2. There is no significant relationship between performance appraisal and employees innovativeness.
3. There is no significant relationship between performance appraisal and job satisfaction.

Research Design

Design and Participants

This was a cross-sectional survey. The participants were 140 respondents which included 80 Non - academic (66.7%), 40 Academic (33.3%) employees of Delta State Polytechnic, Ozoro.

Measures

The instrument used for data collection was a structured 15 item questionnaire developed from the literature reviewed. The scale was scored according to 5-point Likert response format with options that ranged from Strongly Agree to Strongly Disagree. The pre-tested scales yielded a test re-test reliability coefficient of 0.83.

Procedure

The study adopted a two – stage sampling technique (Cluster and Simple random sampling techniques) Cluster sampling was used to capture the respondents based on status and educational qualification. This was done so that every worker irrespective of status and educational background was represented. A simple random sampling technique was adopted for selecting workers from the identified clusters. The administration of questionnaire was done by the researchers on a face-to-face basis. This was to ensure minimal amount of errors as well as substantial return rate of the duly filled questionnaires. This was to enable everyone have the same and equal chance of being selected. A total of 150 questionnaires were administered but 120 were retrieved. The questionnaire is divided into two sections. Section A is the socio-demographic data information of the respondent, while section B deals with the substantive issues.

Data Analysis

Data were presented and analyzed using simple percentage, frequency tables and graphical illustrations. Chi-square (χ^2) was used to verify the stated hypotheses. Specifically, the (χ^2) was used to determine the nature and strength of the relationship between the dependent and independent variables in the stated hypotheses

RESULTS

Socio-Demographic Characteristics of Respondents

Table 1: Respondents by Age

Age	Frequency	Percentage
18 – 35 Yrs.	95	79.2%
36 – 56 yrs	21	17.5%
56 and above	4	3.3%
Total	120	100%

Source: *Fieldwork, 2016*

From the table above, 79.2 % of the respondents were between the ages of 18 – 35 i.e 17.5% were between the ages of 36 – 55 years, while 3.3% represents those from 56 and above. Consequently, majority of the respondents lies between the age brackets of 18 – 35 years.

Table 2: Respondent by Sex

Sex	Frequency	Percentage
Male	80	66.7%
Female	40	33.3%
Total	120	100%

Source: *Fieldwork, 2016*

The above table shows that there were more male respondents. There were 80 males representing 66.7% of the population while 33.3% represents the number of female respondents.

Table 3: Respondent by Marital Status

Marital Status	Frequency	Percentage
Unmarried	75	62.5%
Married	25	20.8%
Unmarried	20	16.7%
Total	120	100%

Source: *Fieldwork, 2016*

From the above table, the marital distribution of the respondents indicates that more than half of the respondents represented by 62.5% were unmarried. The table also shows that 20.8% of the total respondents falls within the married group while 16.7% represent divorced.

Table 4: Respondent by Staff Status

Staff Status	Frequency	Percentage
Non - Academic	80	66.7%
Academic	40	33.3%
Total	120	100%

Source: *Fieldwork, 2016*

The table above shows that there were more non-academic respondents. There was 80 non-academic staff representing 66.7% of the population while 33.3% represents the number of academic staff.

Table 5: Educational Qualification of Respondents

Education	Frequency	Percentage
Primary	20	16.7%
Secondary	60	50%
Tertiary	40	33.3%
Total	120	100%

Source: *Fieldwork, 2016*

The above table shows that 50% of the respondents have SSCE, 33% were graduates, while 16.7% were primary school leaving certificate holders. Consequently, majority of the respondents are literate.

Testing of Hypotheses

In analyzing the data, the chi-square test was found most useful because it test the correlation between variables.

Hypotheses 1

Ho: There is no significant relationship between performance appraisal and employee productivity.

Hi: There is no significant relationship between performance appraisal and employee productivity.

Table 6: Relationship between performance appraisal and employee productivity

	Strongly Agreed	Agreed	Strongly Disagreed	Disagreed	Total
Female	41	23	0	4	68
Male	24	19	0	9	52
Total	65	42	0	13	120

Degree of freedom

$$Df = (c - 1) (r - 1)$$

$$Df = (4-1) \times (2-1)$$

$$Df = (3 \times 1)$$

$$Df = 3$$

3 at 0.05 critical value is 7. 81

Calculate value of $\chi^2 = 10. 52$

Interpretation

Since the calculated χ^2 is greater than the critical at 7.81 show that the data is statistically significant at 0.05 sampling error.

From the above, since the calculate value (10.52) is greater than the table value (7.81), the null hypothesis (H_0) is rejected and the alternative (H_1) is accepted. This implies that there is a significant relationship between performance appraisal and employee productivity.

Hypothesis II

H_0 : there is no significant performance appraisal and innovativeness.

H_1 : There is significant relationship between performance appraisal and innovativeness.

Table 7: Relationship between performance appraisal and innovativeness

	Strongly Agreed	Agreed	Strongly Disagreed	Disagreed	Total
Female	44	21	2	0	67
Male	39	11	3	0	53
Total	82	32	5	0	120

Degree of freedom

Calculated value of $\chi^2 = 20.20$

Interpretation

Since the calculated χ^2 is greater than the critical value at 7.81, it shows that the critical at 7.81, it shows that the data is statistically significant at 0.05, sampling error.

From the above, the null hypothesis (H_0) is rejected and research hypotheses (H_1) is accepted. This means that there is an association between performance appraisal and innovativeness.

Hypothesis III

H_0 : There is no significant relationship between performance appraisal and job satisfaction.

H_1 : There is significant relationship between performance appraisal and job satisfaction.

Table 8: Relationship between performance appraisal and job satisfaction

	Strongly Agreed	Agreed	Strongly Disagreed	Disagreed	Total
Female	39	19	3	4	69
Male	31	13	5	3	51
Total	82	32	5	0	120

Degree of freedom

Calculated value of $\chi^2 = 16.2$

Interpretation

Since the calculated χ^2 is greater than the critical value, H_0 is rejected and H_1 is accepted. The result shows that there is a significant relationship between performance appraisal and job satisfaction.

List of Research Findings

- i. There is significant relationship between performance appraisal and employee productivity
- ii. There is a significant relationship between performance appraisal and innovativeness
- iii. There is significant relationship between performance appraisal and job satisfaction.

DISCUSSION

This research finding revealed that performance appraisal result in increased productivity. This is in tandem with previous results. Numerous studies like HArtog, Boselie & Paaiwe, (2004); Keeping & Levy (2000); :awler (2003) MOne & London (2010); Roberson & Stewart (2006); Schraeder & Portis (2007) affirmed that high level of labour productivity will be achieved if a

worker or employee feel satisfied with his job and doesn't have any feeling of being exploited by his employers. Managers can only satisfy employees on a job if they give employees what they deserve for their performance (Macey, Schneider, Baeberra & Young, 2009) without making an attempt to exploit employees and pay them lower than expected.

It was also revealed in the study that positive appraisal contributes to innovativeness on the part of employees. Motivation of employees would make them to be more innovative because they are encouraged to perform better (Caruth & Humphreys, 2008). An organization that motivates its employees make them more innovative and creates brilliant ideas that would give the organization a competitive edge in its operating environment (Stone, Romero & Lukaszewski, 2006). When employees realize that if they put in their best to the organization in carrying out their tasks and duties responsibly well, they could be promoted, have an increase wages, better opportunities are opened to them but in situations. Where their performance is woeful, they attract penalties that cannot be avoided; this consciousness would push them to strife towards putting in their best to avoid negative rewards and being more creative.

Lastly, the study result showed that performance appraisal lead to job satisfaction. Performance appraisal can have a profound effect on level of employees' motivation and satisfaction – for better as well as for worse. Performance appraisal provides employees with recognition for their work efforts. The power of social recognition as an incentive has been long noted. In fact evidences abound that human beings will even prefer negative recognition in preference to no recognition at all. If nothing else, the existence of an appraisal program indicates to an employee that the organization is genuinely interested in their individual performance and development. This alone can have a positive influence on the individual's sense of worth, commitment and belonging. The strength and prevalence of this natural human desire for individual recognition should not be overlooked. Absenteeism and turnover rates in some organizations might be greatly reduced if more attention were paid to it

RECOMMENDATIONS

The study recommends that organizations should appraise their employees to enhance employees' productivity. The management should utilized target, accomplishment, organizations goals, time management and efficiency for performance measure purposes and the appraisal process as this would lead to increase in employee's productivity. Secondly, organization should establish and adopt performance appraisal systems that would enable effective appraisal of the employees and therefore providing opportunities to the management in identifying staff training needs, identify performance targets, improve employees performance and helping on time management through planning and setting of deadlines.

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