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## MANAGEMENT

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### PERFORMANCE APPRAISAL AS A CORRELATE OF EMPLOYEES' PRODUCTIVITY IN OSUN STATE, NIGERIA

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**Abstract.** The study explored performance appraisal as a correlate of employees' productivity in Osun State, Nigeria. Specifically, the study investigated the effect of performance appraisal feedback, performance appraisal rewards, performance appraisal training and performance appraisal methods on the employees' productivity. The study employed the use of descriptive statistics of frequency distribution, percentages and inferential statistics of Ordinary Least Square (OLS) regression analysis to determine the effects of identified four (4) performance appraisal systems on employees' productivity in the area of study. The results of the analysis revealed that both performance appraisal feedback and rewards systems have positive but insignificant impacts on employees' productivity while both performance appraisal-based training and methods systems exerted positive and noticeable significant impacts on employees' productivity in the study area. The study therefore concluded that performance appraisal feedback and rewards system have positive but insignificant impact on employees' productivity while both performance appraisal-based training and method systems exerted positive and noticeable significant impacts on employees' productivity.

**Keywords:** appraisal feedback, appraisal rewards, appraisal training, appraisal methods and employees' productivity

**JEL Classification:** J40, J42, J22.

## INTRODUCTION

A performance appraisal relates an employee's job performance to the standards or objectives established for the role. Poor performance may necessitate extra training, demotion, or separation, whereas outstanding performance may warrant some sort of incentive such as praise, a bonus, or a promotion. Because companies exist for the purpose of accomplishing goals, the level of individual workers' success in achieving their particular goals is significant in assessing the efficacy of an organisation. As a result, assessing how well employees have been attaining organizational goals has become crucial, leading to performance appraisals (Sureephong & Dahlan, 2020). Performance appraisal is one of the fundamental methods used to motivate people to be highly successful and engaged at work. A critical examination of this may reveal the need for incentives, allowances,

growth and development, and positive human relationships in an organization (Nvene, Yusuf, & Shuaibu, 2022). This, in turn, may improve the performance of staff members.

Employee productivity refers to the degree to which a staff member carries out his or her obligations in accordance with what the employer expects based on his or her skills, expertise, time spent, and earnestness in doing the assigned task (Tingo & Mseti, 2022). The assessment of employee productivity may include both intangible and tangible aspects. Quantity and time may serve as physical metrics for measuring, while dedication, work quality, honesty, teamwork, competency, and abilities can be used as intangible factors for evaluating performance. Employee performance refers to the measurable results of an employee's work within a certain timeframe and defined parameters set by the company (Handayani, 2019).

Managers use performance evaluation techniques in combination with an employee's productivity to assess their capacity for progression, improvement, and promotion to more senior positions. Employees in small firms who often contact with their superiors generally have a comprehensive comprehension of the expectations established by higher-ranking individuals. However, in big organisations, the level of engagement is often insufficient, leading to a lack of workers' capacity to anticipate their bosses' perception of them and the anticipated outcome of their performance appraisal (Esu and Inyang, 2019).

Performance evaluation has long been a crucial component of professional growth in any organisation, serving as a means of directing and managing progress (Handayani, 2019). Performance evaluation is a crucial component of the human resources division and management. It is used in making administrative decisions and serves numerous purposes, such as promoting employee development and conducting personnel research (Esu & Inyang, 2019). The insights obtained from performance appraisal provide the foundation for the recruitment and selection of new employees, training and developing current employees, and motivating and retaining high-performing staff members through appropriate recognition of their performance (Malik & Aslam, 2013; Puranik & Choudhar, 2014).

Organisations should give employees feedback about their overall performance (Peleyeju & Ojebiyi, 2017). Organisations should submit feedback in a timely and accurate manner, without any delays. The company should inform employees about their professional development, including their performance, tasks, and duties. Managers should provide regular feedback to employees on a daily, weekly, or monthly basis, rather than limiting it to an annual basis, and should strive to provide it as regularly and promptly as possible. Managers should provide regular feedback on a daily, weekly, or monthly basis (Yang, Lee, & Cheng, 2016). Feedback enables better competitive positioning (Nvene, Yusuf, & Shuaibu, 2022). Feedback enables better competitive positioning (Nvene, Yusuf, & Shuaibu, 2022). If done correctly, there is a good chance that this feedback may instill an inner drive-in employee, inspiring them to accomplish more or boosting their level of dedication to the firm, resulting in an improved and more competitive standing for the organisation.

However, there is a prevailing belief that staff productivity is being severely affected by a significant lack of attention, especially in Nigerian organisations, which are evidently on the brink of failure as a result of this neglect. Furthermore, this neglect may also extend to the public sector's persistent use of ineffective performance strategies by management. Watkins (2012) emphasises this idea, asserting that some organisations in Nigeria disregard performance appraisal reviews and fail to recognise their potential to enhance performance. This is despite recent research indicating the positive impact of performance reviews on organisational performance across all sectors, whether public or private. Despite possessing the physical ability, determination, required resources, and knowledge of protocols, it is improbable for such personnel to be productive.

Mollet-Eliphaz Mulongo and Razia (2017) conducted research on the relationship between performance assessment and employee productivity, contributing to the comprehensive insights offered by several studies conducted across nations. Although these studies offer comprehensive insights into this area of research, it is worth noting that the majority of the research did not focus

on federal government institutions. Additionally, there has been limited effort to conduct similar studies in Osun State.

Existing empirical studies on performance assessment and employee productivity have failed to provide effective methods for organisations to get accurate and necessary employee feedback. Consequently, it remains challenging for establishments to cultivate an atmosphere that motivates employees to exert more effort and enhance production. In addition, the evaluated earlier works do not seem to address the comprehensive techniques used by these enterprises to teach their staff to foster cordial relationships with their management. In light of this context, this research explores performance appraisal as a correlate of employees' productivity in Osun State, Nigeria.

The main objective is to examine performance appraisal as a correlate of employees' productivity in Osun State, Nigeria. The specific objectives are to;

- i. assess the effect of performance appraisal feedback on employee productivity in Osun State, Nigeria;
- ii. examine the effect of performance appraisal rewards on employee productivity in Osun State, Nigeria;
- iii. examine the effect of performance appraisal-based training on employee productivity in Osun State, Nigeria; and
- iv. investigate the effects of performance appraisal-based methodologies on employee productivity in Osun State, Nigeria.

### **Theoretical Framework**

#### **Feedback Intervention Theory**

Kluger and Adler (1993) proposed the feedback intervention theory. Feedback intervention theory (FIT) suggests that individuals who receive information may be motivated to focus their attention on either task motivation (such as the work itself) or meta-task processes that impact themselves. According to this hypothesis, an individual employee who receives feedback through performance appraisal is very likely to be thinking about something other than what he or she was thinking about prior to receiving the intervention. For feedback intervention to be effective, feedback must be clear, intentional, meaningful, compatible with employees' prior knowledge, and establish logical linkages (Hattie & Timperley, 2007).

## **METHODOLOGY**

The study used a descriptive survey research approach. This design involves investigating a group of people or things by collecting and analysing data from a small number of individuals or objects that are considered to be representative of the whole target group. The design is suitable since the researchers used the gathered data to characterise the relationship that exists among the variables of interest. The researchers used both probability and non-probability sampling methodologies. A sample of 100 participants from a pool of 173 permanent workers across all departments in the Irewole Local Government Area of Osun State, were selected. A multistage sampling technique was used, with one stage for each department. The purposive sampling technique was used to sample one hundred employees from the management and non-managerial cadres. A validated self-designed instrument tagged 'Performance Appraisal and Employees' Productivity Questionnaire (PAEPQ) was employed. The instrument was pilot-tested among thirty (20) employees in Isokan Local Government Area of Osun State, Nigeria. The internal consistency reliability coefficient was obtained via Cronbach Alpha which produced 0.77. The Ordinary Least Square (OLS) regression was used for data analysis.

## RESULTS AND DISCUSSION

**Research Question 1:** What effect does performance appraisal feedback have on staff productivity in Irewole LGA in Osun State, Nigeria?

*Table 2*

*The influence of performance appraisal feedback on staff productivity in Irewole LGA in Osun State, Nigeria*

	Unstandardized Coefficients	S.E.	Standardized Coefficients	t	Sig.
Beta Beta					
(Constant)	36.833	4.666	10.083	0.000	
Performance Appraisal Feedback	0.333	0.231	0.118	2.018	0.212

*a. Dependent Variable: Employees' Productivity. Significant @  $p < .05$ ,  $n = 100$*

The empirical results indicated that performance appraisal feedback had an insignificant positive influence on employees' productivity with  $t_{cal} = 2.018$ ;  $p = (0.212 > 0.05)$ , respectively. With a unit increase in the performance appraisal feedback, there would be a positive but insignificant increase of 0.333 in local government employees' productivity. Therefore, we conclude that performance appraisal feedback has no significant influence on employees' productivity. This implies that organization under investigation may need to reassess their feedback mechanisms and consider alternative strategies to drive employee productivity, as the current performance appraisal feedback may not be sufficiently impactful.

Hamidi (2023) corroborated by agreeing that the experience of a positive performance appraisal raises not only workers' sense of accomplishment but also self-worth and fosters trust in the legitimacy process. Gbervbie (2022) revealed that performance appraisal feedback was not a significant predictor of employee productivity in Nigerian public sector organization. Ogbonna and Emerole (2022) found an insignificant relationship between performance appraisal feedback and employee productivity in the Nigerian civil service

On the contrary, Agyemang and Agyemang (2021) found that regular performance feedback enhanced employee productivity and job satisfaction in Ghanaian organizations. Mwema and Otieno (2022) discovered that performance appraisal feedback significantly improved employee productivity in Kenya's public sector. Ejiogu and Ejiogu (2022) found a significant positive relationship between performance appraisal feedback and employee productivity in Nigerian local governments.

**Research Question 2:** What impact do performance-based rewards have on employee productivity in Irewole LGA, Osun State, Nigeria?

*Table 3*

*The influence of performance-based rewards on employee productivity in Irewole LGA, Osun State, Nigeria*

	Unstandardized Coefficients	S.E.	Standardized Coefficients	t	Sig.
Beta Beta					
(Constant)	38.811	3.632	11.023	0.000	
Performance Appraisal Rewards	.225	.231	.118	1.205	0.413

*a. Dependent Variable: Employees' Productivity. Significant @  $p < .05$ ,  $n = 100$*

The empirical results also indicated that performance appraisal rewards had an insignificant positive influence on employees' productivity with  $t_{cal} = 1.205$ ;  $p = (0.413 > 0.05)$ , respectively. Such that with a unit increase in the performance appraisal rewards, all things being equal, there would be a positive but insignificant increase of 0.225 in local government employees' productivity. This implies that the organization under consideration may need to reassess its reward structures and consider alternative motivators to drive employee productivity, as the current performance appraisal rewards may not be sufficiently impactful.

Khan and Rashid (2022) corroborate by concluding that performance appraisal is crucial for enhancing employee productivity, but rewards alone may not be sufficient motivators. The findings have implications for bank managers and policymakers to rethink their performance appraisal and reward strategies. Ogbonna and Emerole (2022) report that rewards alone may not motivate productivity. The study recommends integrating non-monetary incentives, training, and conducive work environments to enhance productivity. On the contrary, Duru et al. (2023) supported that an organization does not automatically reward good performance; exceptional incentives and rewards should be provided by management to all employees. They concluded that the performance appraisal reward system had an impact on workers' performance.

**Research Question 3:** What impact does performance appraisal-based training have on employee productivity in Irewole LGA, Osun State, Nigeria?

*Table 4*

*The influence of appraisal-based training on employee productivity in Irewole LGA, Osun State, Nigeria*

Unstandardized Coefficients	S.E.	Standardized Coefficients	t	Sig.
Beta	Beta			
(Constant) 28.22	2.433	10.022	0.000	
Performance				
Appraisal Training 0.422	0.182	0.444	3.143	0.002*

*a. Dependent Variable: Employees' Productivity. Significant @  $p < .05$ ,  $n = 100$*

The empirical outcomes revealed that performance appraisal-based training has a positive and significant effect on employees' productivity as having  $t_{cal} = 3.143$  and  $p = 0.002 < 0.05$ . However, with a one-unit increase in performance appraisal-based training instituted by the authority of the local government, there would be a noticeable increase in their employees' productivity by 0.422. Therefore, we conclude that performance appraisal-based training exercised a significant positive influence on employees' productivity.

This means that training efforts seek to improve knowledge, skills, attitudes, or behaviour. This finding suggests that authorities of the organization can leverage performance appraisal-based training as a strategic tool to enhance employee performance and organizational effectiveness. By investing in structured training programs, the organization can foster a culture of continuous improvement, accountability, and employee growth, ultimately leading to better public service delivery. Miriti, et al. (2021) suggested that well-designed performance appraisal programs that guarantee employees' personal development and career progression enhance employees' commitment and positively affect their performance..Mwema and Otieno (2022), and Gbervbie (2022) conclude that implementing performance appraisal-based training significantly boosts employee productivity. Therefore, the organization can proactively leverage this strategy to enhance employee performance, foster a culture of continuous improvement, and deliver better services.



**Research Question 4:** What effect do performance appraisal-based methodologies have on staff productivity in Osun State's Irewole LGA?

*Table 5*

*The influence of performance appraisal-based methodologies on staff productivity Irewole LGA  
Osun State, Nigeria*

	Unstandardized Coefficients	S.E.	Standardized Coefficients	t	Sig.
Beta Beta					
(Constant)	28.22	2.433	10.022	0.000	
Performance					
Appraisal methods	0.315	0.211	0.324	3.215	0.002*

*a. Dependent Variable: Employees' Productivity. Significant @  $p < .05$ ,  $n = 100$*

The empirical findings indicated that performance appraisal methods have a positive and significant effect on employees' productivity as having  $t_{cal} = 3.215$  and  $p = 0.002 < 0.05$ . However, with a one-unit increase in the performance appraisal method, there is a noticeable increase in employees' productivity by 0.315. Therefore, we conclude that performance appraisal-based methods exercise a significant positive influence on employees' productivity.

This conclusive evidence supports the notion that performance appraisal-based methods exercise a profoundly positive influence on employees' productivity, implying that organizations can leverage this method. Dike *et al.* (2021) supported this by acknowledging that Management by Objective (MBO) and 360-degree feedback appraisal methods had a positive significant relationship with employee performance of the selected firms in Anambra State. Oyewole, *et al.*, (2022) confirm that performance appraisal methods (feedback, goal-setting, evaluation) have a significant positive impact on employee productivity in the manufacturing industry.

## CONCLUSION

The study concluded that performance appraisal feedback and rewards systems have insignificant influence on employees' productivity, while the performance appraisal-based training and methods systems have a noticeably significant influence on employees' productivity in the area of study. The results of the research led to the following recommendations:

- i. Multiple assessment methods should be implemented to increase objectivity and minimize prejudice in employee evaluations.
- ii. Mandating employee feedback as a component of performance evaluation is essential for directors, as it facilitates the identification and resolution of weaknesses, adherence to productivity benchmarks, and identification of growth opportunities, ultimately enhancing productivity.
- iii. Mandating the inclusion of employee feedback in performance assessments for directors is crucial as it facilitates the identification and resolution of shortcomings, adherence to productivity standards, and identification of areas for development that would ultimately promote productivity.
- iv. When conducting staff evaluations, management should apply many performance appraisal methodologies. The selected approach should undergo thorough scrutiny and evaluation to determine its impact on employee performance. It is not advisable for management to only use a single kind of performance review technique since each approach has its own merits and drawbacks.

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### **ОЦІНЮВАННЯ ДІЯЛЬНОСТІ ЯК КОРЕЛЯТ ПРОДУКТИВНОСТІ ПРАЦІВНИКІВ У ШТАТІ ОСУН, НІГЕРІЯ**

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Дослідження вивчало оцінку ефективності як корелят продуктивності працівників у штаті Осун, Нігерія. Зокрема, дослідження вивчало вплив зворотного зв'язку з оцінки ефективності, винагород за оцінку ефективності, тренінгів з оцінки ефективності та методів оцінки ефективності на продуктивність працівників. У дослідженні використано описову статистику частотного розподілу, відсотки та інференційну статистику звичайного регресійного аналізу найменших квадратів (OLS), щоб визначити вплив визначених чотирьох



(4) систем оцінки ефективності на продуктивність працівників у досліджуваній галузі. Результати аналізу показали, що системи зворотного зв'язку з оцінкою ефективності та системи винагороди мають позитивний, але незначний вплив на продуктивність працівників, у той час як системи навчання та методів, засновані на оцінці ефективності, мали позитивний і помітний значний вплив на продуктивність працівників у досліджуваній сфері. Таким чином, у дослідженні було зроблено висновок, що система зворотного зв'язку з оцінкою ефективності та система винагороди мають позитивний, але незначний вплив на продуктивність працівників, у той час як системи навчання та методів, що базуються на оцінці ефективності, мали позитивний і помітний значний вплив на продуктивність працівників.

**Ключові слова:** відгук про оцінку, винагорода за оцінку, тренінг з оцінки, методи оцінки та продуктивність працівників.