

IMPACT OF PERFORMANCE APPRAISAL METHODS ON EMPLOYEE PERFORMANCE IN SELECTED FIRMS IN ANAMBRA STATE

Esther Ngozi Okafor

General Studies Unit, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, Anambra State,
Nigeria

DOI: 10.5281/zenodo.14925228

Abstract

The study investigated performance appraisal methods and employee performance of selected firms in Anambra State of Nigeria. The specific objectives of the study were to ascertain the extent management by objectives appraisal method, 360-degree performance appraisal method and goal setting performance appraisal method relate to employee performance. Relevant literature on performance appraisal and employee performance was reviewed under conceptual framework, theoretical foundation and review of empirical studies. The study was anchored on equity theory. A survey research design method was used. The target population of the study comprised 247 employees of three selected firms in Anambra State. The study used only 237 valid copies of the questionnaire for analysis. Pearson correlation analysis was used to test the hypotheses formulated for the study. The findings showed that MBO appraisal method had a positive significant relationship with employee performance of the selected firms in Anambra State. The study discovered that 360-degree feedback method had a positive significant relationship with employee performance. The findings also revealed that goal setting method had a positive significant relationship with employee performance. The study concluded that performance appraisal is very imperative for improved productivity, promotions, augmentation, and job enrichment. It also enhances employees' confidence, job commitment, competitiveness, productivity and firm profitability. This study recommends that staff should continue to perform their duties effectively and also that subordinates and supervisor should jointly set goals in order to avert demoralization, frustration, withdrawal, resentment and distrust in the organization.

Keywords: Performance appraisal, MBO, Feedback, Goal setting, Employee performance.

1. Introduction

Any organization's utmost asset is the human resource; and an improvement in the performance of an organization ensues when its employees are competent and also perform at most favorable levels (Bernardin & Wiatrowski, 2013). Performance appraisal is seen as one of the most frequently used management tools because of its administrative purposes in the areas of promotions, salaries and bonuses; which are used for employee's evaluation so as to achieve motivational and organizational planning purposes. Undoubtedly, the intensive effort of the human resource management unit in carrying out performance appraisal is very germane in

checking the strength and weaknesses of their employees (Zafarullah, Abdul & Irfanullah, 2017). It enables the employers or management to improve productivity, profitability, commitment and competitiveness in the organization. This is achieved through employees training and also developing essential programs which are conducted to ensure that each task description is executed efficiently so as to improve the performance level of the organization. Indisputably, performance appraisal shows how an organization can improve performance since management can set goals for their employees and this help manager to evaluate their subordinates' effectiveness. However, management can take actions relating to employees recruitment, appointment, promotions, demotions, training, compensation, job design, transfers, and termination (Asamoah, 2012). Importantly, the present business situation in Nigeria is characterized by competition, aggravation, and constant change that affects consumers' needs which is imperative for the survival of any organization. Importantly, performance appraisal was propounded by Lord and Taylor in the year (1914). Pertinently, performance appraisal in organization cannot be underrated because of its usefulness in showing how competitiveness, strength and weakness of employees are being constantly checked in order to prepare them to participate favorably in the organization especially in the global markets. Therefore, performance appraisal is necessary since it helps the employees to manage their work effectively. It also maximizes organization effectiveness which range from staff development, productivity and profitability. Notwithstanding that performance appraisal is an inevitable process but lack of or absence of a well-structured system of appraisal can create serious motivational, ethical and legal problems (Asamoah, 2012). These problems include; lack of employee engagement, biased performance ratings, low employee self-esteem, wasted time effort and money, damaged relationships, increased legal risk and unclear reward systems. Consequently, contemporary markets and organizations should unremittingly improve performance through cost reduction, incessantly renewing innovation and total quality improvement (Baylis, Gray & Wirtz, 2016). Incontrovertibly, the most difficult task of management is to manage human resources efficiently in order to get maximum performance from their employees. Regrettably, it has been alleged that performance appraisal system in some firms in Anambra State is still suffering from some defects such as lack of employee participation in organizational goals setting and in adequate feedback mechanism concerning performance appraisal. These challenges have resulted to lack of clear goals and objectives which adversely affect the employees and management. Apparently, absence of clear goals makes performance appraisal have more serious consequences in the organization in terms of employee dissatisfaction, reduction in productivity and employees low commitment among others (Maley, 2013). In addition, notwithstanding that effective strategies have been developed to curtail shortcomings of the defects of performance appraisal but most organizations in the state are still faced with all these challenges. It is against this backdrop that the study sought to examine the extent of

relationship between performance appraisal methods and employee's performance in selected firms in Anambra State of Nigeria so as to close the gap in literature and also contribute to knowledge.

Objectives of the Study

The main aim of the research work is to investigate the relationship between performance appraisal methods and employee performance of selected firms in Anambra State of Nigeria. The specific objectives of the study are to:

1. Determine the extent of relationship between management by objectives method of performance appraisal and employee performance.
2. Ascertain the degree of relationship between 360-degree feedback method of performance appraisal and employee performance.
3. Determine the extent to which goal setting performance appraisal method relates to employee performance.

Research Questions

Based on the objectives of this study, the following research questions are raised:

1. To what extent does management by objectives (MBO) method of appraisal relates to employee performance?
2. What is the degree of relationship between 360-degree feedback method of performance appraisal and employee performance?
3. To what extent does goal setting performance appraisal method relate to employee performance?

Statement of Hypotheses

The following null hypotheses are formulated to guide this study;

HO₁: Management by objectives (MBO) method of appraisal has no significant relationship with employee performance.

HO₂: 360-degree feedback method of performance appraisal does not have a significant relationship with employee performance.

HO₃: Goal setting performance appraisal method has no significant relationship with employee performance.

Significance of the Study

The study on performance appraisal and employee performance is expected to be of immense benefits to business organizations as it will help them understand how best to evaluate and appraisal their employees and also on nice strategies to use in order to improve employee's performance. Secondly, the findings of this study are expected to be of great benefit to the academicians and student as it will serve as a repository of information to them and also to other researchers that may desire to carry out similar research on the subject matter. Thirdly, the study will

also contribute to the body of the existing literature on performance appraisal and employee performance, thereby broadening the frontier of knowledge and also for policy making purposes.

2. Review of Related Literature Performance Appraisal

Performance appraisal as defined by Khan (2006) entails the period the performance of an employee is measured based on his/her productivity or certain criteria or stipulated requirements. Grund (2007) views performance appraisal as one of the most critical functions of a manager and also one of basic expectations of any one in a supervisory role. Similarly, performance appraisal is a systematic process through which managers determine job relevant strengths of employees through identification, observation, measurement, and job productivity (Kuvaas, 2006). In organizational setting, performance appraisal is defined as a structured formal interaction between a subordinate and a superior, which takes the form of a periodic interview which could either be annual or semi-annual, in which the work performance of the subordinate is examined and discussed with the view to identifying strength and weaknesses as well as opportunities for improvement and skill development (Asamoah, 2012). Meenakshi (2012) posited that performance appraisal serves as a basis for administrative decision making in the area of promotion, financial rewards, identification of training needs and employee development among others. Furthermore, performance appraisal helps in identifying employee's weaknesses, strength, aids competitiveness amongst them and also detects the level of job performance through incorporating human resource policies with the organization's strategic plan.

Employee Performance

To achieve optimum organizational performance and goals attainment, employees must fulfill their job requirements and execute their obligatory tasks effectively. This can be done by setting performance standards, setting specific goals and also evaluating individual performance which will give the organization a competitive advantage. Performance that is not related to the technical core characteristics or organization psychological or social environment should be measured in term of the employee work related behavior (Nadeem, Naveed, Zeeshan, Yumna & Qurat-Ul-Ain, 2013). Therefore, employee performance is seen as a set of accomplished tasks and duties by the employee, evaluated by the management or the line manager by providing the needed training, good work environment, rewards and care (Malik, Mushtaq, Muhammad, Seemal & Adeel, 2014). Importantly, when an individual with relevant capacity is allowed to use his/her initiative in the most beneficial way, apart from the job satisfaction that the individual gets, the organization is also better off because of the high productivity rate that accompanies it (Okafor, 2017). In addition, high employee performance should be directly related to fair and just performance appraisal system. Therefore, management needs to understand the key benefits of employee performance so that they can develop consistent and objective methods for evaluating employees by determining the strengths, weakness and potentials of each employee.

Management by Objectives (MBO) Method of Appraisal

MBO as a concept was popularized by Peter Drucker, who noted that objectives perform a critical role in all areas whereas performance and results have direct impacts on the survival of the firm or organization (Armstrong, 2009). Huang, Durcikova, Lai & Lin (2011) posited that it stresses the importance and value of employee involvement since employees often demand for feedback which is hardly given to them by the management. Consequently, this makes it difficult to realize the relative value of their performance compared to their peers. Idowu (2017) stated that a typical MBO appraisal system consists of several steps. They include; the establishment of clear objectives for the employee; the development of an action plan detailing the way in which the objectives are to be achieved; and the implementation of the developed action plan by the employee. Wachiuri (2017) maintained that most appraisal methods consist of five steps. Firstly, organization's management determining or revising objectives across the board for the organization. Secondly, translation of goals to the employees or workforce. Thirdly, stimulating the participation of the employees by encouraging them to set goals in accordance with the organizational goals. Fourthly, monitoring the progress of the process. In addition, the objectives set must be measurable and timely which make it possible to monitor its progress. Finally, the progress is evaluated during which direct feedback is given based on the level of achievement.

360 Degree Method of Appraisal

Recently, 360-degree performance appraisal method has gained significant popularity in both small and large-sized firms (Lepsinger & Lucia, 2009). 360-degree feedback is an assessment system where management teams solicit for information about their employees based on employee behaviors, employee performance, responses from subordinates, peers, and supervisors. It involves self-evaluation by the employee which enhance the employees to develop work skills and behaviors (Espinilla, de Andrés, Martinez & Martinez, 2013). Furthermore, the process also includes the employee 's opinion about him/herself in a multisource, multi-rater and full-circle appraisal system (Grund & Przemek, 2012). Idowu (2017) identifies four key assessments indicators that constitute a 360-degree appraisal system. They are; self-assessment, immediate supervisor assessment, subordinates' assessment and also peer assessment. Interestingly, the fundamental principle behind the use of 360-degree performance appraisal method is that a significant amount of performance data about a given employee can be gathered when multi-sources are used and it gives more accurate and more reflective of their performance (Sahoo & Mishra, 2012). On a similar note, the 360-degree appraisal systems allow for gathering of information about an employee or individual from different degree and angles.

Goal Setting Method of Appraisal

Goals are anticipated future events that motivate the behavior of an employee or individual. An employee expects that some certain specific behaviors should lead to desired outcomes. For instance, higher pay, promotion,

acceptance by peers, or support of boss. He/she uses the goal as an internal standard against which to compare, regulate, and maintain his/her behavior (Meacham, 2004). Goal theory posits that employees record higher levels of motivation when they are presented with explicit goals (Idowu, 2017). In addition, goal settings are embedded in performance appraisal to give direction to organization if effectively designed and practiced. However, for difficult goals, getting employees to commit to goal attainment may be problematic. Higher performance levels usually result when people are more committed compared with when people are not committed to goal attainment (Miles, 2012). Furthermore, setting standards influence positively in enhancing employees' satisfaction and work accomplishment. Miles (2012) maintained that people are motivated to behave differently when they notice that there is a discrepancy between their expected performance standard and their actual performance. Therefore, managers should endeavor to set goals that will be attainable and achievable by their employees.

Theoretical Framework

The theoretical foundation of this study is anchored on equity theory. This theory was propounded by Adams in 1965. Equity theory focuses on employees' perceptions of the fairness of their work inputs and outcomes. The assumption of this theory is that employees strive to maintain ratios of their own rewards to contributions which are equal to others' ratios. According to this theory, employees' feelings of inequity lead to the modification of how they work. When an employee observes that he should be earning more, he will amend his work input that will be equal to the pay he receives or lay a complaint to the management for re-negotiation or leave the organization for better opportunities. In addition, equity theory is appreciated by human resource departments due to how it ensures outcomes that are fair. The implication of equity theory to the present study on performance appraisal and employee performance is that it helps management and employees to avoid underpayment and over payment, be sensitive to inequity perceptions, monitor regularly for inequity and ensures that sacrifices are distribute equally in organizations.

Review of Related Empirical Studies

Wachiuri (2017) investigated the effect of performance appraisal on organizational performance: a case study of KPMG Kenya. Descriptive research was used and the study used copies of the questionnaire to source data for analysis. The survey utilized 50 respondents from KPMG. Data was analyzed using both descriptive and inferential statistics by using SPSS and the results were presented in figures and tables. A regression analysis was used to test the formulated hypotheses. The findings of the study revealed that objective based appraisal method contribute to organizational performance. It was discovered that 360degree feedback method of appraisal aligned to achievement of organizational goals. The study recommended areas of improvement as identified in the 360 degrees evaluation method that is used for self-assessment and not for rating purposes.

Idowu (2017) investigated the effectiveness of performance appraisal system and its effect on employee motivation. The study examined the moderating role of performance appraisal as a motivational tool. The study

ascertained the possible challenges facing employee appraisal. The findings of the study showed significant positive effect of performance appraisal as a motivational strategy. Furthermore, the study revealed that the use of more than one appraisal techniques which yield greater satisfaction and consequently, lead to higher performance and productivity.

Asamoah (2012) investigated the effect of performance appraisal on employee attitude: a case study of First Allied Savings and Loans Ltd Ghana. The questionnaire was designed using structured questions to collect primary data from employees of FASL. The target population for the research was drawn from management, senior and junior staff from Obuasi and Kumasi Branches. The entire staff was used as respondents for the survey. Personal interview was also conducted with the Head of human resource department and questionnaire was used to collect data. Based on the findings, it was discovered that, performance appraisal had a significant impact on employees' performance. The implication of the findings is that when appraisal is fairly done, employees tend to be pleased and it reflects in their work output. On the other hand, when it is poorly done, employees become bitter and it affects their performance negatively.

Okafor (2019) studied employee performance management and productivity: a study of selected firms in Anambra State. The study adopted a descriptive survey research design. Structured instrument in a Likert scale format was used to elicit responses and information from a sample of 320 senior employees selected across the stated industrial zones in the state. Major tools of analysis were summary statistics of percentages, correlation and multiple regression analysis (OLS). The study revealed that a positive and significant relationship exists between employee recognition and employee productivity. The study also discovered a significant association between employee feedback mechanism and productivity. It was equally found in the study that a stable and peaceful industrial atmosphere promotes employee productivity in an organization. The study recommended among others that employee performance appraisal process should always be made to be as transparent as possible by management in order to increase the confidence of the employees in the organization for utmost commitment and productivity.

3. METHODOLOGY

The study adopted a survey research design method. This study was conducted in selected firms in Anambra State. With respect to this research work, the researcher made use of primary sources of data. The primary sources of data include the questionnaire. The questionnaire was structured into first and second sections. The first section answers demographic questions, while the second section answers the thematic questions geared towards appropriate response for the purpose of the research topic and measuring variables. The target population of the study consists of employees from Juhel Pharmaceutical Limited, Awka; Ibeto Groups of Company, Nnewi and Eastern Distillers West Africa Limited, Onitsha. They were selected from the three senatorial Zones in Anambra

State. The respondents were sampled in order to elicit their opinions and responses concerning performance appraisal and employee performance.

Table 3.1: Population of the Study

s/n	Firms	No. of Employees
1	Juhel Pharmaceutical Limited, Awka.	89
2	Ibeto Groups of Company, Nnewi.	91
3	Eastern Distillers West Africa Limited Onitsha	67
	Total	247

Source: Personnel departments of the respective selected firms (2021)

Since the total population is not up to one thousand, all the employees of the three selected firms in Anambra State were used. The research instrument used for the study was the questionnaire. The researcher structured and administered multiple choice (close ended) questionnaire. The questions were simplified and structured in a way devoid of any ambiguity and technical details. The questionnaire was designed while Likert scale type was adopted ranging from; strongly agreed (SA) = 5 points, agreed (A) = 4 points, Disagree (D) = 3 points, strongly disagree (SD) = 2 points and Undecided (UD) = 1. The study instrument was subjected to content and face validity. The researcher forwarded the copies of the questionnaire to three research experts. This was accompanied by research topic, objectives of the study, hypotheses statements. They read the research instrument and gave corrections and based on their feedback, few items were slightly modified and this ensured that the instrument is sound for main survey.

In addition, the reliability of the instrument was established through a pilot study using test-retest method. This was done by administering 40 copies of the pilot instrument to the respondent outside the study areas on two different occasions. Also, the researcher distributed the same set of questionnaires to the same people after a 2 weeks interval to establish if the responses are similar in the two cases. The resulting sets of responses from the two administrations were checked for consistency using Cronbach alpha correlation coefficient which yielded an average value of 0.714. The result proved the internal consistency of the measuring instrument for the main survey. Furthermore, Pearson product moment correlation coefficient was used to test the formulated hypotheses

for the study at 5% level of significance.
$$r = \frac{n\sum xy - \sum x \cdot \sum y}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

In addition, T-test for test of significance was adopted to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null or alternative hypothesis would still remain valid after the test.

Tcal $\sqrt{\frac{\sum (x - \bar{x})^2}{n}}$

RESULTS Data Presentation and Analysis

A total of two hundred and forty-seven copies of the questionnaire were distributed but only two hundred and thirty-seven copies were returned valid for analysis. The respondents' demographic information is contained on table A. Table B contains information concerning the relationship between management by objectives method of appraisal and employee performance. Tables C and D also contain responses/information concerning the relationships between 360-degree feedback method and goal setting method of performance appraisal and employee performance.

Table A: Demography of the Respondents

Item	Options	Frequency	Percent
Gender	Males	76	32
	Females	161	68
Total		237	100
Age	Below 25 years	56	24
	26-35 years	64	27
	36-40 years	85	36
	41 years and above	32	13
Total		237	100
Marital status	Single	145	61
	Married	92	39
Total		237	100
Educational Qualification	GCE/WASCE	48	20
	A' LEVEL/OND	71	30
	BSC/HND/BA	94	40
	MSC/MBA	24	10
Total		237	100
Work status	Manager	5	3
	Senior administrative staff	71	30
	Junior administrative staff	145	61
	Others	16	6
Total		237	100
Work Experience	Below 4 years	18	7
	4-6 years	101	43
	Above 6 years	118	50

Total	237	100
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Source: Field Survey, 2021.

Table A indicates that 76 respondents are males while 161 are females. This is represented by 32% and 68% respectively. Concerning the age, majority of the respondents are within the age range of 36-40 years and 41 years and above. These are represented by 85 respondents (36%) and 32 respondents (13%). Other respondents are within the range of 26-35 years represented by 64 (27%) and below 25 years represented by 56 (24%). Concerning the educational qualification, majority of the respondents show that they obtained tertiary educational qualification. This is represented by 40%. In addition, concerning the work status, 71 of the respondents are senior administrative staff, 145 of the respondents are junior administrative staff, 5 respondents belong to managerial cadre while 16 respondents belonged to other cadre. In addition, concerning work experience, most of the respondents have more than 6 years working experience and this is represented by 118 respondents (50%). Table A also show that 18 respondents had work experiences below 4 years while 101 respondents have work experience between 4-6 years.

Research question one:

Table B: Management by objective method of appraisal and employee performance.

Items	Frequency					Total	Percentage					Total
	SA	A	U	D	SD		SA	A	U	D	SD	
1. Management by objective method in use differs from organization to organization depending on the set objectives.	104	96	12	18	7	237	44	41	5	7	3	100
2. This method compares actual performance from objective and indicates strengths from weaknesses.	102	78	10	26	21	237	43 9	33	4	11	100	
3. To maintain strength and overcome deficiencies, employees and their supervisors prepare development plan f or implementation and review at the end of a specified period of time.	109	90	4	14	20	237	46 8	38	2	6	100	
4. It focuses on performance results rather than personal characteristics.	106	87	15	17	12	237	45 5	37	6	7	100	
5. Employees are most deeply motivated by work which stimulates and energizes the m while also advancing organizational goals	102	88	9	25	13	237	43	37	4	11	5	100

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Total	105	88	10	20	14	237	44.2	37.2	4.2	8.4	6	100
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Source: Field Survey, 2021

As could be seen from the table b, five test questions were posed. The first test question was to determine if management by objective method in use differs from organization to organization depending on the set objectives. From the responses, 44% strongly agreed, 41% agreed, 5% remained undecided, 7% disagreed and 3% strongly disagreed. The second test question was to determine if this method compares actual performance from objective and indicates strengths from weaknesses. From the responses, 43% strongly agreed, 33% agreed, 4% remained undecided, 11% disagreed and 9% strongly disagreed. The third test question was posed to determine if performance appraisal maintains strength and overcome deficiencies, employees and their supervisors prepare development plan for implementation and review at the end of a specified period of time. From the responses, 46% strongly agreed, 38% agreed, 2% remained undecided, 6% disagreed and 8% strongly disagreed. The fourth test question was posed to determine if it focuses on performance results rather than personal characteristics. From the responses, 45% strongly agreed, 37% agreed, 6% remained undecided, 7% disagreed and 5% strongly disagreed. The fifth test question sought out to determine if Employees are most deeply motivated by work which stretches stimulates and energizes them while also advancing organizational goals. From the responses, 43% strongly agreed, 37% agreed, 4% remained undecided, 11% disagreed and 5% strongly disagreed. The table shows that 44.2% of the respondents on the average strongly agreed with the Statement of the items, 37.2% agreed, 4.2% were undecided, 8.4% disagreed and 6% strongly disagreed.

Research question 2:

Table C: The 360-degree method of appraisal and employee performance.

Items	Frequency				Total	Percentage				Total		
	SA	A	U	DSD		SA	A	U	DSD			
1. The use of 360-degree performance appraisal is that a significant amount of performance data about a given employee can be gathered when multi-sources are used.	109	81	8	21	18	237	46	34	3	9	8	100
2. It helps in overcoming disadvantages such as prejudice, subjectivity and halo errors that characterize traditional evaluation systems.	108	100	9	16	4	237	46 2	42	4	7		100
3. 360 degree appraisal systems allows for gathering of information about an individual from different degree and angles.	105	97	7	19	9	237	44	41	3	8	4	100
4 Supervisor's feedback about employees' productivity helps strengthen self-development that enhances productivity.	129	81	9	10	8	237	55	34	4	4	3	100
5. Selfappraisal helps employees to analyze strength and weaknesses, productivity standards and areas of improvement that enhances their productivity.	119	83	5	28	2	237	50	35	2	12	1	100

TOTAL	114	88	8	19	8	237	48	37	3	8	4	100
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Source: Field Survey, 2021

Judging from table c, five test questions were posed. The first test question was to determine if the use of 360-degree performance appraisal gathers significant amount of performance data about a given employee can be gathered when multi-sources are used. From the responses, 46% strongly agreed, 34% agreed, 3% remained undecided, 9% disagreed and 8% strongly disagreed. The second test question was to determine if it helps in overcoming disadvantages such as prejudice, subjectivity and halo errors, which characterize traditional evaluation systems. From the responses, 46% strongly agreed, 42% agreed, 4% remained undecided, 7% disagreed and 2% strongly disagreed. The third test question was posed to determine if 360-degree appraisal systems allows for gathering of information about an individual from different degree and angles. From the responses, 44% strongly agreed, 41% agreed, 3% remained undecided, 8% disagreed and 4% strongly disagreed. The fourth test question was posed to determine Supervisor's feedback about employees' productivity helps strengthen self-development that enhances productivity. From the responses, 55% strongly agreed, 34% agreed, 4% remained undecided, 4% disagreed and 3% strongly disagreed. The fifth test question sought out to determine if Self-appraisal helps employees to analyze strength and weakness, productivity standards and areas of improvement that enhances their productivity. From the responses, 50% strongly agreed, 35% agreed, 2% remained undecided, 12% disagreed and 1% strongly disagreed. Table c also shows that 48% of the respondents on the average strongly agreed with the Statement of the items, 37% agreed, 3% were undecided, 8% disagreed and 4% strongly disagreed.

Research question 3:

Table D: Goal setting method of appraisal and employee performance

Items	Frequency					Total	Percentage					Total
	SA	A	U	D	SD		SA	A	U	D	SD	
1. Adequate provisions are made for the attainment of the goals set.	131	73	4	23	6	237	55	31	2	10	2	100
2. Receiving feedback and constructive criticism have a direct positive effect on the job satisfaction.	116	82	9	20	10	237	49	35	4	8	4	100
3. Participation of employees in organization activities improves job satisfaction.	110	66	12	21	28	237	46	28	5	9	12	100
4. Goal setting and performance appraisal play complementary role in firms.	112	80	10	19	16	237	47	34	4	8	7	100
5. Clear job descriptions improve job satisfaction.	111	86	13	15	12	237	47	36	6	6	5	100
Total	116	77	10	20	14	237	49	33	4	8	6	100

Source: Field Survey, 2021

As indicated on table d, five test questions were posed. The first test question was to determine if adequate provisions are made for the attainment of the goals set. From the responses, 55% strongly agreed, 31% agreed, 2% remained undecided, 10% disagreed and 2% strongly disagreed. The second test question was to determine if Receiving feedback and constructive criticism have a direct positive effect on the job satisfaction. From the responses, 49% strongly agreed, 35% agreed, 4% remained undecided, 8% disagreed and 4% strongly disagreed. The third test question was posed to determine the participation of employees in organization activities improves job satisfaction. From the responses, 46% strongly agreed, 28% agreed, 5% remained undecided, 9% disagreed and 12% strongly disagreed. The fourth test question was posed to determine if goal setting and performance

appraisal play complementary role in firms. From the responses, 47% strongly agreed, 34% agreed, 4% remained undecided, 8% disagreed and 7% strongly disagreed. The fifth test question sought out to determine if clear job descriptions improve job satisfaction. From the responses, 47% strongly agreed, 36% agreed, 6% remained undecided, 6% disagreed and 5% strongly disagreed. The table shows that 49% of the respondents on the average strongly agreed with the statement of the items, 33% agreed, 4% were undecided, 8% disagreed and 6% strongly disagreed.

Test of hypotheses one:

HO₁: Management by objectives (MBO) method of appraisal has no significant relationship with employee performance.

HA₁: Management by objectives (MBO) method of appraisal has a significant relationship with employee performance.

Table: Calculation of Correlation Coefficient for Hypothesis One

S/N	Options	X Points	Y Responses	XY	X ²	Y ²
1	Strongly Agree	5	105	525	25	11025
2	Agree	4	88	352	16	7744
3	Undecided	3	10	30	9	100
4	Disagree	2	20	40	4	400
5	Strongly Disagree	1	14	14	1	196
	Total	15	237	961	55	19465

Source: Field Survey, 2021.

Using the Pearson product moment correlation coefficient formula given as:

$$r = \frac{n\sum xy - \sum x \cdot \sum y}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}} = \frac{5(961) - (15)(237)}{\sqrt{[5(55) - (225)][5(19465) - (56169)]}}$$

$$r = \frac{1250}{1435} r = 0.87$$

Therefore the correlation coefficient $r = 0.87$ as shown above is an indication that MBO has a significant relationship with employee performance. Nevertheless, there is a need to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null hypothesis would still remain valid after the test. T-test for test of significance was adopted as follows:

$$T_{cal} = 0.87 \sqrt{\frac{5-2}{1-(0.87)^2}}$$

$$T_{cal} = 3.053$$

$$\text{But } t_{0.05, 3} = 2.35$$

Therefore the null hypothesis was rejected since $T_{cal} = 3.053 > T_{tab} = 2.35$, and the alternative which suggest that MBO has a significant relationship with employee performance is accepted.

Hypothesis Two

HO₂: 360 degree feedback method of performance appraisal does not have a significant relationship with employee performance.

HA₂: 360 degree feedback method of performance appraisal has a significant relationship with employee performance.

Table:

Calculation of Correlation Coefficient for Hypothesis Two

S/N Options	Points	Y Responses	XY	X ²	Y ²
Strongly Agree	5	114	570	25	12996
Agree	4	88	352	16	7744
Undecided	3	8	24	9	64
Disagree	2	19	38	4	361
Strongly Disagree	1	8	8	1	64
<u>Total</u>	<u>15</u>	<u>237</u>	<u>992</u>	<u>55</u>	<u>21229</u>

Source: Field Survey, 2021.

Using the Pearson product moment correlation coefficient formula given as:

$$r = \frac{n\sum xy - \sum x \cdot \sum y}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}} = \frac{5(992) - (15)(237)}{\sqrt{[5(55) - (225)][5(21229) - (56169)]}}$$

$$\frac{1405}{1581} \quad r = 0.89$$

The correlation coefficient $r = 0.89$ as shown above is an indication that 360 degree performance appraisal has a significantly relate with employee performance. Nevertheless, there is a need to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null hypothesis would still remain valid after the test. T-test for test of significance was adopted as follows:

$$T_{cal} = \sqrt{\frac{n-2}{1-(r)^2}}$$

Substituting the value of the correlation coefficient $r = 0.87$ in the above formula. We obtained the result:

$$T_{cal} = 0.89 \sqrt{\frac{5-2}{1-(0.89)^2}}$$

$$T_{cal} = 3.36$$

$$\text{But } t_{0.05, 3} = 2.35$$

Therefore, the null hypothesis was rejected since $T_{cal} = 3.36 > T_{tab} = 2.35$, and the alternative which suggest that 360-degree performance appraisal method has a significant relationship with employee performance is accepted.

Hypothesis Three

HO₃: Goal setting performance appraisal method has no significant relationship with employee performance.

HA₃: Goal setting performance appraisal method has a significant relationship with employee performance.

Options	X Points	Y Responses	XY	X ²	Y ²
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Source: Field Survey, 2021.

Table: Calculation of Correlation Coefficient for Hypothesis Three S/N

Using the Pearson product moment correlation coefficient formula given as:

r

1	Strongly Agree	5	116	580	25	13456
2	Agree	4	77	308	16	5929
3	Undecided	3	10	30	9	100
4	Disagree	2	20	40	4	400
5	Strongly Disagree	1	14	14	1	196
Total		15	237	972	55	20081

$$r = \frac{n\sum xy - \sum x \cdot \sum y}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}} = \frac{5(972) - (15)(237)}{\sqrt{[5(55) - (225)][5(20081) - (56169)]}}$$

1305

1487 $r = 0.88$

The correlation coefficient $r = 0.88$ as shown above is an indication that goal setting method of appraisal has a significant relationship with employee performance. Nevertheless, there is a need to equally estimate for the significance of the coefficient and to ascertain whether the claim of the null hypothesis would still remain valid after the test. T-test for test of significance was adopted as follows:

$$T_{cal} = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

Substituting the value of the correlation coefficient $r = 0.87$ in the above formula. We obtained the result:

$$T_{cal} = \frac{0.87\sqrt{5-2}}{\sqrt{1-0.87^2}}$$

$T_{cal} = 3.21$ But $t_{0.05, 3} = 2.35$

Therefore, the null hypothesis was rejected since $T_{cal} = 3.21 > T_{tab} = 2.35$, and the alternative which suggest that goal setting performance appraisal has a significant relationship with employee performance is accepted.

Summary of Findings

1. There is statistically significant relationship between management by objectives appraisal method and employee performance.
2. There is statistically significant relationship between 360-degree feedback method of appraisal and employee performance.
3. There is statistically significant relationship between goal setting performance appraisal method and employee performance.

Recommendations

Based on the findings, the following recommendations are made,

1. Management by objectives method of performance appraisal should be enforced by the organizations to enable staff participate in organizational goal setting and understand areas of responsibility so as to further improve productivity in the organization.
2. The 360-degree feedback method of performance appraisal should be a pre-requisite for the management as this will assist supervisors and employees to address job weakness, setting production standards and also to improve productivity.
3. Subordinates and supervisor should mutually set goals in order to avoid demoralization, frustration, withdrawal, hostility, and distrust between a superior and subordinates.

Conclusion

The study has provided a comprehensive understanding that performance appraisal significantly lead to employee performance in selected firms in Anambra State of Nigeria. Management by objective appraisal method, 360-degree feedback appraisal method as well as goal setting appraisal method has proved to significantly relate to employee performance. Conclusively, performance appraisal is necessary for employee productivity, promotions, increment and job enrichment. Therefore, the study concludes that performance appraisal systems should be designed in such a way that it creates fairness, equity and satisfaction among the employers and employees. Proper appraisal system improves employees' productivity if management by objectives, adequate feedback and goal setting appraisal methods are well handled for utmost employee's performance, commitment and productivity in the organization and even beyond.

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