EFFECTS OF PERFORMANCE APPRAISAL ON EMPLOYEE PRODUCTIVITY IN FEDERAL MINISTRY OF EDUCATION HEADQUARTERS ABUJA NIGERIA

Mandara Binta
Department of Business Education, Federal College of Education, Yola, Nigeria.
Email: bmandara31@gmail.com Tel: +2347035795656

Ibrahim Muhammad
Department of Accountancy, Nuhu Bamali Polytechnic, Kaduna, Nigeria.
Email: imohammad@polazibank.com Tel: +234808602790

Zailani Ahmed
Department of General Studies, Federal College of Education, Yola, Nigeria.
Email: zailanishmed59@gmail.com Tel: +234803899632

Ali Manir Bazza
Department of Procurement, Federal Ministry of Education Headquarters Abuja, Nigeria.
Email: manirbazza@gmail.com Tel: +2347038057716

Badiya Magaji
Department of Management Technology, Modibbo Adama University of Technology, Yola, Nigeria.
Email: badiyamag@yahoo.com Tel: +2348039568652

ABSTRACT

The study examined the effects of Performance Appraisal on Employee Productivity in Federal Ministry of Education Headquarters Abuja. The study used survey research design. The population of the study consists of 1797 employees of Federal Ministry of Education Headquarters Abuja. The sample size of the study was 400 respondents and was determined using Taro Yamane formula. Data for the study was collected using structured questionnaire and analyzed using descriptive and OLS analysis. Results from the findings revealed that the coefficients of appraisal performance and employee feedback had positive and significant effect on employee productivity for the period under study. The coefficients of employee training and employee compensation had positive but insignificant effect on employee productivity for the period under study.

The coefficient of multiple determination $R^2$ value of 0.687 percent implied that 68 percent total variation in employee productivity was explained by performance appraisal, employee feedback, employee training and employee compensation. The study recommends that multiple appraisal method should be introduced to further encourage objectivity and eliminate biasedness in the appraisal of workers in the Ministry.

Contribution/ Originality: The study contributes to the body of knowledge by distinguishing itself from previous studies that used only inferential statistic in their analysis. The study used both inferential and OLS technique to analyze the data and the study focused on education sector hence it is one of the few efforts done in recent times in the Ministry.

1. INTRODUCTION

The meaning of Performance appraisal is seen to be the assessment made on a job of a worker’s production in a specified duration. It is synonymous to a report card on employee and how authorities measure their activities during the preceding year. As workers who happen to work in various units will affirm, there is no same appraisal
performance that will exist in a firm. The many different structures and ways are attainable in many establishments. Given the fact that there are assessments that are effected so badly that they are designed for both failure and creating an experience that may not seem positive for manager and employees. It is seen also as a way performance and productivity of individual employees is assessed so as to determine his or her contribution to the development of the organization for the attainment of their main objectives. There are varied ways for the assessment of a performance of a worker in organizations. But the main reason is to have an approximate job performance of individual employees towards the attainment of the objectives of that organization. It is similarly done for promotions of the employee and transfer to other tasks and positions within the organization (Eldman and Arnold, 2009).

The purpose for performance appraisal is to help enhance productivity in organizations. It will help measure the productivity of organizational members and it is quite paramount and sensitive in managing human resources, the reason is that the outcome of the output of workers helps in making the organization succeed. It is important to indicate here that some authorities use this to downsize or under-score the efforts of workers who are not their favorites. Thus, a proven performance appraisal process joints the work place and the workers together and show the workforce what they are expected to do, and where they may function appropriately in the organization. It is used together with the productivity of an employee to identify a worker’s chance for upgrading, improvement and ranking into other high ranks of offices. Since majority of employees will like to infer the leaders’ thoughts of their output places performance assessment in a contested spot. People who work in organizations with few workers and who usually interacts between their managers and themselves, generally know what the authorities expect from them. But, in big organization, the magnitude of interaction is almost nonexistent that many workers may lack the ability to predict actually what their leaders ‘perspective about them might be and the outcome of their output assessment will likely result in Donli (2008).

Performance appraisal is seen as a mechanism that stands in administering a place of work and a worker there in such way that an individual and/or group can attain the outlined institutional objectives (Fletcher, 2001; Esu and Inyang, 2009). But also, performance appraisal stands for more than an outline of individual activities that has a goal of assessing and adapting worker performance.

1.1. Statement of the Problem

It is said that the output of a worker is suffering from a neglect of the high order especially here in Nigerian companies which obviously are about to collapse because of that and also could be directed to management’s method of performance that is poor but still exist in public service (Gerhart and Milkovich, 2010). This point has been reiterated by Watkins (2007) who explains that some agencies in Nigeria do not care about performance appraisal review and they do not see it as a tool for improving performance given the fact that even recent researches how that performance reviews seem to be gainful to organizational performance in all sectors be it public or private. To Aidah (2013) a worker might possess the strength together with the will, and all the materials needed together with understanding from authorities even so such workers are likely to lack optimum productivity.

Many researches were carried out on performance appraisal and employee productivity across countries; some of them are: Mollel-Eliphaz et al. (2017) these studies gave detailed information on this field of study, but still, it is surprising to note that almost all the works could not be channeled towards federal government establishments, and from the geographical aspect, not much effort has been exhausted to carry out similar study in Yola. It is on this note that this study seems to be needed because of the importance of the selected institution in employment generation and services rendered to the citizenry. Reviewed empirical works done and that relate to performance appraisal and employee productivity could not show how the establishments will find valid and required information about employee’s feedback so as to have an environment that is enabling to them so that they will put in more effort and produce more. Additionally, processes that are exhaustive about these establishments on how to
retain their staff by training them regarding their cordiality between them and their management seem not to be in the past works studied. It is against this background that this attempt is made to analyze effects of performance appraisal on employee productivity in Federal Ministry of Education Headquarters Abuja.

1.2. Aim and Objectives
This work is aimed at assessing effects of performance appraisal on employee productivity in Federal Ministry of Education Headquarters Abuja. While the specific objectives of the study are to:

i. Examine the effects of performance appraisal on employees’ productivity in Federal Ministry of Education Headquarters Abuja.
ii. Analyze the level to which appraisal feedback affects employees’ productivity in Federal Ministry of Education Headquarters Abuja.
iii. Evaluate the extent to which employees’ training affects employees’ productivity in Federal Ministry of Education Headquarters Abuja.
iv. Investigate the effects of employee compensation on employee productivity in Federal Ministry of Education Headquarters Abuja.

1.3. Research Questions
The study sought to address the under listed research questions:

i. What is the effect of performance appraisal on employees’ productivity in Federal Ministry of Education Headquarters Abuja?
ii. To what extent does appraisal feedback affects employee’s productivity in Federal Ministry of Education Headquarters Abuja?
iii. To what extent does employee training affects employee productivity in Federal Ministry of Education Headquarters Abuja?
iv. What is the effect of employee compensation on employees’ productivity in Federal Ministry of Education Headquarters Abuja?

1.4. Hypotheses
The research has the following hypotheses:

H01: Performance Appraisal has no significant relationship with employees’ productivity in Federal Ministry of Education Headquarters Abuja.

H0ii: Appraisal feedback has no significant effect on employee productivity in Federal Ministry of Education Headquarters Abuja.

H0iii: Employee training has no significant effect on employee productivity in Federal Ministry of Education Headquarters Abuja.

H0iv: Employee compensation has no significant effect on employee productivity in Federal Ministry of Education Headquarters Abuja.

2. LITERATURE REVIEW
2.1. Conceptual Issue
2.1.1. Performance Appraisal and Employees’ Productivity
Cardy and Leonard (2011) identify Performance appraisal as an interaction that is formal and structured which exist between an individual and his overseer, which comes in shape of interviews that are periodic (yearly or less), where output of that individual is assessed and appraised, with the intention of pinpointing strengths and weaknesses together with chances for likely improvement and subsequent skills development. Various
organizations, use appraisal results, directly or indirectly, so as to determine reinforcements. This is to say that the results are used to get employees who seem good and who would be given higher merit remuneration increases, bonuses, and or promotions. Performance reviews of workers is surely among the best practices to boost performance, morale and increase productivity. Performance appraisal according to Manoharan et al. (2009) is a very significant management tool for measuring the efficiency of employees in a place of work. It is meant to boost the efforts of a worker and his team to gradually see to the success of the overall organizational mission accomplishment (Cardy and Leonard, 2011). It is used in some companies to interpret resultant rewards in the company, that is people that may be given merit allowance increases, bonuses, or cadre movement. Also, it can be employed to get the low performers who may be advised, demoted, dismissed or suffer remuneration decrease. Armstrong (2012) pointed out that it often includes performance management system. This is a management systems used to manage and direct the resources of an organization so as to get the optimum likely performance. According to Dessler (2008) it involves ensuring the main objective, establishing goals of a team, developing performance plan, performance analysis (through appraisal system) identifying developmental needs and rewards assignment.

2.2. Performance Feedbacks and Employee Productivity

Aguinis (2009); DeNisi and Kluger (2000) specify that feedback on performance is a determining segment of all management of performance systems. This can be explained to be the data relating to the past behavior of an employee relating to identified standards of the behavior of an employee and results. Its main aim is to improve the performance of an individual and the team, as well as the engagement of the employee, stimulation, and satisfaction in the job (Aguinis, 2009). To Mello (2015) it is a kind of performance management that may be seen as a powerful developmental strategy and when related to the traditional manager-subordinate appraisals may seem quite different. The strategy is not replacing the traditional process and may be employed as a lone strategy for development. It includes feedback appraisal derived from those with perspectives that are seen to be quite relevant and helpful.

2.3. Employee Performance

In organizational context, performance usually is explained as the length to which a member of an organization puts in his efforts towards the achievement of the objectives of that organization. According to Luthans & Stajkovic; Pfleffer, in Asamu (2013) employees are the basic source of competitive advantage in organizations that are service-oriented. Additionally, the approach of commitment performance sees employees rather as assets and resources, with a value for their voice. Actually it performs a very good role in the performance of an organization. It is seen as basically as the performance or otherwise of an employee. Güngör (2011) identifies the performance of employees to basically include: output quantity, output quality, promptness of output, diligence to work, cooperativeness, in his part, Boachie-Mensah (2011) shows that improved organizational performance can as well depend on improved employee performance.

2.4. Reward System and Employee Productivity

Reward system means the available employer tools that is effected so as to attract, hold, stimulate and gratify workers (Armstrong, 2013). Thompson (2002) sees reward is an appreciation that may be monetary or otherwise extended to workers for their extra output to the firm. It is also viewed as overall gratification that may be an association of monetary and other rewards in an identified reward system (Armstrong, 2009). Armstrong also explained on the reward that is total is normally stressed because it is unclear as to which of the rewards (monetary or otherwise) is better in stimulating employees’ morale for better performance.
2.5. Employee Training

Raja et al. (2011) explain that training is seen as the most vital instrument in the contemporary global business, this is as a result of efficiency that it boost and the efficiency at the side of workers and the firm. Khawaja and Nadeem (2013) stressed that training is seen as activities used by companies which will result into increase in awareness or skill acquisition for the growth and subsequent contribution to the welfare and general output of human capital, company, boosting the workers’ output and creating a link to the available performance and the optimum required performance. To Armstrong (2003) it is a change that is systematic and formal in an individual’s behavior because of learning, experiences that are planned and instructions. Training is a way of giving out desired knowledge and skills to workers of a place of work for the execution of a specified activities.

2.6. Employee Productivity

When we talk about productivity it means using resources effectively and efficiently. Resources include time, personnel, ideas, facts, finance, tools space, force and materials. Output/input ratio is what is referred to as Productivity. It is seen as an assessment of how establishments make use of elements like capital and labor in an efficient and effective manner in their production. When same amount of capital and labor is used to generate more productivity, it is also termed as increase productivity. It may be seen as preforming things rightly and in a right way so as to get optimum efficiency and value. It assesses output and inputs relationship and may be seen as the ratio of production to that of the required production. It may also be perceived as the quantity and quality of products produced from the utilized resources (Grönroos and Ojasalo, 2004; Calabrese, 2012). It measures how some elements such as capital and labor are manipulated to give out a required output level. Productivity is taken to be a key element for economic growth and competition and, that is why it is seen as an elementary data for international statistical comparisons and national performance judgment.

2.7. Theoretical Framework

The theory is anchored on Vroom’s Expectancy theory.

2.8. Vroom’s Expectancy Theory

This particular idea was postulated by Victor H. Vroom. It is an attempt to explain how motivation of an individual can be harnessed to help get a desired outcome. It may be described in the form the benefit of an outcome to somebody because of successfully overcoming it and what gains are attached to that outcome (Banjoko, 2002). This theory is anchored on the fact that the effort of an employee will result into performance and performance will subsequently result into rewards. This theory advocates that the magnitude of a tendency to perform in a desired form largely relies on the expectation that the act will lead to a given outcome and based on the attractiveness of that outcome to the individual. According to Idemobi (2010) the Theory is a process theory developed which largely relies on the outcomes. The explanation of Vroom is that to motivate workers or employees, the effort put in by them, their subsequent performance and motivation must be joint to one another. He said, employee expectations are likely to affect the motivation of an individual. Therefore, their input depends on their expectations of the outcome.

2.9. Empirical Review

In this section, prior studies were reviewed covering two related topics: Performance appraisal’s influence related to worker’s performance in some public sectors and also on workers’ output in some private sectors. There is no consensus in the literature related to this topic leading to a divide among policy makers as to whether performance appraisal increases workers’ performance or not. So many researches were done in relation to the topic of study. Remarkable among these studies are; Mollel-Eliphaz et al. (2017) who studied the influence of performance
appraisal practices on employee productivity: A case of Muheza District, Tanzania. The researchers discovered that employee productivity in a company is affected by recognition and feedback. Similarly, Peleyju and Ojebiyi (2013) studied the employee productivity of public universities in South-Western Nigeria related to lecturers’ performance. They discovered a relationship quite significant and positive that exist between performance appraisal and employee productivity in the institutions. Similarly, Homayounizadpanah and Bagherkord (2012) looked into the performance appraisal and employee productivity, they discovered that performance appraisal seems to be integral and an approach that is strategic in boosting employee and organizational productivity. Marsor (2011) investigated the performance appraisal and employee productivity, where he showed that structures that are laid properly may be reappraised and assume to be good in other parts in boosting the output of an employee.

Odunayo et al. (2014) looked in to relationship modeling between organizational productivity and performance appraisal in the government own sector of Nigerian enterprises. They showed a relationship that is positive and significant that exist in performance appraisal and work output. Gichuhi et al. (2014) performed their research related to supermarkets in a Kenyan town of Nkurru. They saw a significant influence of employees’ productivity to performance criteria, feedback, and frequency. Again, Onyije (2015) looked at the concepts related to Nigerian University. He saw a relationship that is significant and positive in performance appraisal and employees’ productivity. But Hayford et al. (2016) digressed to look at “If performance appraisal is Anachronistic in tertiary institutions in Ghana”: Evidence from University of Cape Coast. Their result proved that university staff there saw reason for performance appraisal pointing at it being for administration or for development.

But Omusuebe and Kimenichege (2013) collaboratively looked at the topic related to Mumias Sugar Company limited. They realized that between performance appraisal and employee productivity in a company a correlation really exists. In their own part Ajayi et al. (2011) scrutinized the topic related to South West Nigerian Universities’ academic staff. In their part they found out that a positive and significant relationship exists in the performance appraisal and employees’ productivity of the staff. Obiora (2002) investigated the topic as it relates to Nnamdi Azikiwe University, Awka and he came up with the realization of the existence of relationship between performance appraisal and employees’ productivity in the time of the study.

3. METHODOLOGY

Primary data is used for this study, that is data which was sourced from the structured questionnaire used. In order to avoid biasedness in responses from the respondents, five (5) points likert scale was employed that is, strongly Agree (5), Agree (4), Undecided (3), Disagree (2), and Strongly disagree (1) as adopted from Mohammed and Abdulahi (2019).

3.1. Population and Sample Size

Population for this study consist of all the staff of the Federal Ministry of Education Headquarters, Abuja and the staff are one thousand seven hundred and ninety-seven (1797). On the other hand, the sample size of the study is four hundred (400) respondents out of the total population.

3.2. Sampling Technique

The technique for sampling used was purposive and random sampling and was employed for the selection of the respondents for the study. Purposive sampling involved the selection of only the employee of Federal Ministry of Education Headquarters Abuja, then five hundred (500) employees were randomly selected from each department and unit in proportionate to the number of employees in each department and this constituted the sample size for the administration of questionnaire.
3.3. Technique for Data Analysis

The data analysis techniques for the study are descriptive and regression analyses. The justification for using regression analysis on this study is that; It took into cognizance the importance of each variable together with the effect they have on one another; it is employed for progressive and categorical variables and also addresses unknown parameters.

3.4. Model Specification

The functional relationship of the model is given below:

\[ Y = f(X_1, X_2, X_3, X_4) \]

The econometric model is given as the following:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \mu \]

Where

Y = Dependent variable.
X1-X4= Exogenous variables.
Y= Employee productivity.
X1 = Performance appraisal.
X2 = Employee feedback.
X3 = Employee training.
X4 = Employee compensation.
\[ \alpha = \text{Intercept} \]
\[ \beta_1 - \beta_4 = \text{slopes of the independent variables} \]
\[ \mu = \text{Random error} \]

4. RESULTS AND DISCUSSIONS

The researcher attempted to use 500 respondents for the study, but however only 300 questionnaires were able to retrieved from the respondents, and the following are the results and discussions for the analyzed data of the study.

<table>
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<tr>
<th>Table 1. Gender distribution of the respondents.</th>
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<td>Gender</td>
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<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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<td>Total</td>
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Table 1 shows the gender distribution of the respondents. The result reveals that 114 respondents which represents (38%) of the respondents constitutes male while 186 respondents which represents (62%) are female.

<table>
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<th>Table 2. Educational qualification of the respondents.</th>
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<td>Educational level</td>
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<tr>
<td>Secondary school</td>
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<tr>
<td>NCE/Diploma</td>
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<tr>
<td>First degree/HND</td>
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<tr>
<td><strong>Total</strong></td>
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Table 2 shows the educational qualification of the respondents. Those with secondary school certificate and its equivalent constitutes 92 (30.67%), Diploma/NCE constitutes 96 (32%), while first degree holders/HND constitutes 112 (37.33%).
Table 3 shows a descriptive analysis of the data for all the indices used in the study. The total number of observation of the variables is 500. These are performance appraisal (PFA), employee productivity (EMP), feedback (FEB), training (TRA) and employee compensation (ECP).

PFA has a maximum value of (112.00) and minimum value of (7.00) with a central tendency single observation mean value of (47.50). The measure of dispersion of EMP is indicated by standard deviation value (36.88175). The skewness statistic value of (0.710) indicates that the variable is positively skewed.

EMP has a maximum value of (122.00) and minimum value of (9.00) with a central tendency single observation mean value of (48.00). The measure of dispersion of PFA is indicated by standard deviation value (42.75389). The skewness statistic value of (0.953) indicates that the variable is positively skewed.

FEB has a maximum value of (133.00) and minimum value of (2.00) with a central tendency single observation mean value of (48.00). The measure of dispersion of FEB is indicated by standard deviation value (44.36215). The skewness statistic value of (0.952) shows that the variable is positively skewed.

TRA has a maximum value of (116.00) and minimum value of (12.00) with a central tendency single observation mean value of (48.00). The measure of dispersion of CI is indicated by standard deviation value (39.55276). The skewness statistic value of (0.851) reveals that the variable is positively skewed. EMC has a maximum value of (116.00) and minimum value of (13.00) with a central tendency single observation mean value of (48.50). The measure of dispersion of EMC is indicated by standard deviation value (39.70616). The skewness value of (0.957) indicates that the variable is positively skewed. The result revealed that the index of employee feedback has the highest standard deviation with a value of (44.36215) and performance appraisal has the least standard deviation with a value of (36.88175). This implies that performance appraisal is the best performance indicator of employee productivity among all the variables used in the study.

Table 4 contains multiple regression results for the effects of performance appraisal on employee productivity in the Federal Ministry of Education Headquarters Abuja Nigeria. The coefficients of performance appraisal (PFA) and employee feedback (EFB) were found statistically significant as indicated by their probability values of 0.017 and 0.003 respectively; this result is in consonance with the findings of Deleyeju and Ojebiyi (2013) and Mollel-
Eliphaz et al. (2017) they discovered a relationship quite significant and positive that exist between performance appraisal and employee productivity. While the coefficients of training (TRA) and employee compensation (EMC) were found statistically insignificant at 10 per cent level of significance as indicated by their probability values of 0.499 and 0.460 respectively. The result is in line with the finding with of Audu and Timothy (2014) whose study was on effect of human resource training and development on productivity in hospitality industry in Nigeria. The coefficients of all the variables of this study were positively signed and in consistent with the theoretical expectation of the study. This result therefore, implied that as PFA, EFB, TRA and EMC increases by 1 percent, the employee productivity will increase by 0.047, 0.721, 0.108 and 0.140 percent respectively. The F-change 28.5576, which measured the joint significance of the parameter estimates, was found statistically significant at 1 per cent level as indicated by the corresponding probability value of 0.000. This implies that all the variables of the model were jointly and statistically significant in affecting the employee productivity in the Federal Ministry of Education. The R² value of 0.687 percent implied that 68 percent total variation in employee productivity was explained by PFA, EFB TRA and EMC in Federal Ministry of Education Headquarters Abuja. Coincidently, the goodness of fit of the regression remained high after adjusting for the degree of freedom as indicated by the adjusted R² (R² = 0.641 or 64%). The Durbin-Watson statistic 1.62 was observed to be higher than R² 0.684 indicating that the model is non-spurious (meaningful). The Durbin-Watson statistics 1.62 suggests the absence of positive serial correlation.

5. CONCLUSION

It can be concluded that performance appraisal enhances workers’ productivity in Federal Ministry of Education. When an objective appraisal is carried out, the organization will be in a position to reward the performing employees. The study found that performance appraisal indices enhanced employee productivity. This will further enhance the opportunity for determining deficiencies in the performance of the workforce. Consequently, appropriate training and development programs would be designed to correct such deficiencies. Performance appraisal also helps an organization to place employees in tasks they are best suited for in order to improve productivity. When productivity is improved it leads to increased earnings in the organization.

6. RECOMMENDATIONS

Having empirically examined the effect of performance appraisal on employee productivity in the Federal Ministry of Education Headquarters Abuja, the following recommendations were proffered.

i. It is recommended that multiple appraisal method should be introduced to further encourage objectivity and eliminate biasedness in the appraisal of workers in the Ministry.

ii. It is also recommended that employee feedback method of performance appraisal should be a pre-requisite for the Management of Federal Ministry of Education as this will assist supervisors and employees to discuss weakness, productivity standards and areas of improvement that enhances productivity.

iii. The study recommends that the Ministry should establish and adopt performance appraisal systems that would enable effectively appraisal of the employees and therefore providing opportunities to the management in identifying staff training needs.

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