

PERFORMANCE APPRAISAL AND EMPLOYEE PERFORMANCE

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ABSTRACT

Every organization's success is dependent on Employee performance. Committed employees enables organization achieve its objectives whereas, poor performing employees leads to downfall of an organization. To develop reliable and unbiased ways of evaluating employees, organizations should understand the key benefits of employee performance.

Evidence of positive association between performance appraisal and employee performance have been recorded in literature and the confirmation have been registered in both private and public organizations. Empirical findings from some scholars have cast doubt on whether performance appraisal leads to employee performance. It has been indicated in literature that ineffective performance appraisal can be alleviated and developed by human resource functions. However studies have remained subjective in examining how performance appraisal increases employee performance. To find out the relationship between performance appraisal and employee performance using training and development as the parameter, this study used desk review and based the study on expectancy theory which underpins the construct of performance appraisal and employee performance. From the review of

literature carried out, it was discovered that gaps existed in literature regarding the association of performance appraisal and employee performance. It was found out that different scholars have different concepts on performance appraisal in regard to employee performance. The study found that inadequacies in performance appraisals are related to organization structure context while others are associated with the processes.

This study recommends the need to examine the association of performance appraisal and employee performance by incorporating both organization structures and processes with the focus of increasing employees' commitment and performance. The supervisors should discuss attainable goals with the employees and there should be regular reviews. Timely feedbacks should be discussed with the individual employees. Those that achieve their targets should be recognized and poor performers should be reproached. The gaps realized should be sealed through training and development.

Keywords: performance of employees, performance appraisal, training and development.

INTRODUCTION

The greatest asset in nearly all organizations is their human resource. These surpass in value and in importance than physical assets i.e. building, land, equipment and vehicles. (Anstey et al., 2017) To enable organizations achieve competitive advantage over competitors globally, employees play a very critical role (Oaya et al., (2017). Employees' performance determines company's success, conducting employee performance appraisal ought to be done appropriately

and regularly in order to improve quality of work, reduce employee dissatisfaction and decline in work performance. (Shrestha, S. & Chalidabhongse, J., 2006).

(Obeidat et al., 2014) Performance appraisal plays a role that is valuable in employee training and development and can be used to identify and initiate the process of providing relevant training and development in their study. Mwema and Gacunga (2014), found out that performance appraisal enables identification of training needs for staff and accordingly organization is able to provide the required training thus helping employees achieve their performance targets.

Belcourt et al, (2002) examined that the main purpose for training is to help the organization achieve its goals. In addition training programs should be established with a focus on organizational goals and strategies. Most organizations emphasize on capacity building programmes to the employees as a critical human resource management practice towards employees commitment.

Eliphas et al., (2017) using recognition, feedback, and training and development as performance appraisal tools found out that productivity in the organization is mainly influenced by recognition and feedback while training and development does not play a critical role.

STATEMENT OF THE PROBLEM

Global economy has forced organizations in public sector to emphasize on transparency, accountability and efficiency to enhance productivity. (Bouckaert & Halligan, 2006; O'Toole & Meier, 2015). One key factor to staff performance is organization goal achievement and for employees to be considered successful, they are expected to achieve their performance goals. (Campbell, 1990). According to Armstrong (2009) managing performance is the means of getting better results within an agreed certain time period while upholding the organization standards and competency. McDougall and Levesque (1999) elucidates that poor or ineffective, service delivery will result to loss of confidence by the customers who becomes dissatisfied and end up seeking for alternatives. Performance appraisal is widespread and it is potentially a crucial instrument for organizations to make the most of their employees. (Armstrong and Baron, 2005) While performance appraisal is applied to a cross section of employees and in different levels, at times they are seen as merely administrative in nature, quite mechanical, ineffective and serve little or no purpose towards improvement of employee performance as reported by (Torrington et al., 2011). Critiques argue that performance appraisal is not a very reliable tool to measure employee and organizational performance. That notwithstanding, performance appraisal system is considered efficient enough and seem to be achieving good results for organizations. (Dauda & Luki, 2021)

Empirical studies in performance appraisal have shown that employee performance on organizations can be enhanced through effective performance appraisals. On the contrary, empirical study's findings from some scholars have doubted whether performance appraisal leads to employee performance. The differences in empirical evidence of performance appraisal and employee performance thus create gaps that need further empirical investigation. Hence the study seek to investigate the association of performance appraisal and employee performance which is supported by training and development as the parameter.

OBJECTIVE

The study seeks to establish the relationship between performance appraisal and employee performance.

LITERATURE REVIEW

Theoretical Literature Review

Expectancy theory was developed by Victor H. Vroom in 1964 through his study of the motivations. According to Torrington et al (2011), advocates of expectancy theory holds that the behavior of individual employee is dependent on the expected reward. Thus employees will work harder when they believe that their effort will be rewarded with something they value.

Vroom's expectancy theory believes that there is positive correlation between the effort employed, and performance supported by presence of the right resources, right skills as well as the necessary support to get the job done. Performance appraisal is rooted in the expectancy theory which submits that without an effective appraisal system, it is quite challenging to rate performance (either as good or poor), ensure equitable allocation of rewards, share desired work expectations and promote expected performance outcomes ([Adams, 1963](#); [Porter and Lawler, 1968](#)).

Empirical Literature Review

Eliphas et al., (2017) did a study on the influence of performance appraisal practices on employee productivity. The study focused on three aspects; recognition, feedback, and training and development. The findings of the study revealed that productivity in organizations is mainly influenced by recognition and feedback while training and development does not play a critical role.

Riego and Lapuz (2020) using descriptive-correlation research design carried out their study in an academic institution in Philippines where they examined the relationship between

management style, performance appraisal, and employee development of selected personnel. The study found out that there was a low-moderate positive relationship between management style, performance appraisal and employee development.

Hee and Jing (2018) using questionnaire to collect data from 161 employees carried out a study on the influence of human resource management practices on employee performance in the manufacturing sector in Malaysia. The study focused on the following human resource management practices; compensation and benefits, work-life policies, performance appraisal and training and development to examine their relationship on employee performance. According to the multiple regression analysis, performance appraisal and training and development were significantly related to employee performance.

2.1 Summary of Gaps in Empirical Review

	Author	Focus	Findings	Research Gaps
1.	Eliphas et al., (2017)	The study which was carried out in Muheza District, Tanzania looked at the influence of performance appraisal practices on employee productivity	<ul style="list-style-type: none"> Employee productivity was influenced by recognition and feedback which are critical to employee's performance The study found out that training and development had little effect on employee performance 	The study examined the following performance appraisal practices; recognition, feedback, and training and development
2.	Riego and Lapuz (2020)	The study which was carried out in Philippines in an academic institution from selected personnel examined the relationship between management style, performance appraisal, and employee development	The study found out that there was a low-moderate positive relationship between management style, performance appraisal and employee development.	Management style, performance appraisal and employee development were the aspects that the study examined
3.	Hee and Jing (2018)	The study was carried out in Manufacturing Sector in Malaysia and focused on influence of human resource management practices on employee performance	Employee performance was significantly related to performance appraisal and training and development	The study examined employee performance based on the following human resource practices; compensation and benefits, work-life policies, performance appraisal and training and development

RESEARCH METHODOLOGY

Research Design

This study carried out a desk review of theoretical and empirical literature in establishing the relationship between performance appraisal and employee performance addressing training and development objective.

DISCUSSIONS AND FINDINGS

The focus of this study was to establish performance appraisal constructs while establishing the relationship to employee performance. The study was grounded on the theory of expectancy theory where advocates of the theory hold that the behavior of individual employee is dependent on the expected reward. Without an effective appraisal system, it is quite challenging to rate performance, ensure equitable allocation of rewards, share desired work expectations and promote expected performance results.

The parameter of focus was training and development which was investigated as a construct for finding out the pathway through which performance appraisal affects employee performance. The study found out that both public and private organizations measure employee performance using performance appraisal tools which include; establishing the objectives, setting targets, assessing the progress through regular reviews of employees' performance, providing feedback and offering the necessary training and development. The benefits accruing from effective performance appraisal ranges from time management, efficiency, meeting targets, and organizations goals being met. Nevertheless, to achieve the performance appraisal purpose, both organizational context and appraisal system should be appropriate.

CONCLUSION AND RECOMMENDATIONS

Different scholars have different concepts on performance appraisal in regard to employee performance and different employees from various organizations perceive performance appraisal differently. There is conclusive evidence that performance appraisal is significant on employee performance. However, inadequacies in performance appraisals are related to organization structure context while others are associated with the processes.

The study recommends the need to examine the relationship between performance appraisal and employee performance by incorporating both organization structures and processes with the focus of increasing employees' commitment and performance. The supervisors should discuss attainable goals with the employees and there should be regular reviews. Timely feedbacks should be discussed with the individual employees. Those that achieve their targets should be

recognized to raise their satisfaction and poor performers should be reproached. The gaps realized should be sealed through training and development.

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