

Performance Appraisal Systems and Employee Effectiveness

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Abstract. This paper assesses the interconnectivity between performance appraisal and employee effectiveness. The objective of the study was to empirically ascertain the extent to which 360-degree feedback (3DF) and critical incidence in performance appraisal relates with organisational success in terms of profitability, employee efficiency and job satisfaction. After literary investigation the revealed that there exists a stronger relationship between performance appraisal system in terms of 360 degree feedback (3DF) and critical incidence and employee effectiveness in terms of profitability, employee efficiency and job satisfaction. Based on the finding it was concluded that performance appraisal system impacts positively on employee effectiveness. Amongst the suggestions are that of more investment should be reinforced on 360-degree feedback as this has the highest positive link with business success.

Key words: Performance Appraisal, Employee Effectiveness, 360-degree feedback, Productivity

INTRODUCTION

Employee effectiveness in every organization is highly associated with intangible assets like organizational reputation than the traditional tangible assets like physical and financial assets than could be touched and seen (Alniacik, Alniacik, & Erdogmus, 2013). Today, increase in environmental dynamism and competitive business environment have affected how firms become successful and stay successful is certainly from focusing on the traditional ways of doing things to a more entrepreneurial and innovative method (Mcgrath, & Macmillan, 2020). Organizational success is concerned with organizations members pulling their energies towards achieving organizational goals which has so many potential benefits such as economic of scale, increase profitability, sales increment and market share, hiring the best employees, increase prestige and employee satisfaction etc. (Maheshwari, 2020). This implies that organizational success entails measuring how employee are pulled, organized and executed to achieve organizational goals which ranges from profitability, employee efficiency and job satisfaction which tend towards enhancing organizations changed of survival.

In achieving organization's goals and objectives, managers are required to put managerial strategies in place to ensure workers' performances are being monitored and assessed to obtain optimum results. Consequently, performance appraisal is an indispensable part of corporate existence (Brown, 2018; Longenecker & Fink, 2019). In modern establishments, certain decisions are based on performance evaluations that are commonly used in most organisations (Burkhalter & Buford, 2019; Davis, 2021). They are vital parts of the mechanism by which organisations try to guide themselves (Kreitner, 2018), and for much of the 20th century they have been used as a central factor in the progress of organisations (Grote, 2022; Pettijohn, Parker, Pettijohn, & Kent, 2020). Performance assessment enables companies to report on their growth trends, competences and ability to their staff. It makes it possible for workers to deliberately create their professional development targets. If the assessment of success is handled properly, there is no conflict with the importance of reconciling the individual's and the organization's needs (Cleveland, Landy, & Zedeck, 2013). If used properly, the performance assessment is an important instrument whereby organisations must organize and coordinate the strength of each of their employees to accomplish their strategic objectives (Grote, 2016).

Studies carried out on performance measurements systems indicate that there is shift from traditional methods of staff appraisal, where staffs are engaged with questionnaires to fill in regards to their performance. The traditional approaches of appraisal staff were required to measure their own based on what are able to achieve with reference to job description, management would then

rate staff based on the questionnaires without staff interaction. These methods are not effective because staff will obviously give wrong information. Appraisal system fall in two categories that is traditional methods (put emphasis on individual traits) and modern methods (put emphasis based on evaluation of work results).

A study conducted by Blasé and Blasé in 2013 in United States outlined that a number of employees report being victims of unfair performance evaluation. The outcome, information used; the interpersonal dynamics between an evaluator and an evaluatee and the procedure used of performance appraisal may impact on employee negatively. Unfair performance review may lead to the employee being fired and the emotional stress of losing a job as a result of an unsatisfactory performance appraisal can result to physical manifestations from exhaustion to cardiac and repository issues (Blase & Blase, 2013). Where performance appraisal is conducted properly both subordinates and supervisors have reported the outcome as beneficial and positive. According to Lindquist (2015) in the developed countries fairness of performance appraisal procedures may be associated with fairness outcomes. However according Fisher (2007) this is not an appropriate use of performance appraisal system because its outcomes are the determination of the appropriateness of pay increase.

A study conducted in South Africa by Fletcher (2004) believes that the general aims of Performance Appraisal system also include Motivating staff, Succession planning and identifying potential, promoting manager-subordinate dialogue and formal assessment of unsatisfactory performance. However, the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. From carrying out the performance appraisal, management then have to make choices in relation to retention, future assignments and training and developmental needs. Performance appraisal offers a value opportunity to focus on goals and work activities; to identify and correct existing problems and to encourage better performance in the future. Thus, the performance of the entire organization is enhanced.

Obviously, majority of these studies have not deemed it necessary to examine the link between performance appraisal and business success especially employing critical incident method and 360-degree feedback, profitability, job satisfaction and employee efficiency as its proxies. These has caused lacuna in the subject matter and the body of literature in the management field of study of which the present research seeks to bridge as a point of departure. Hence, there is need to measure employee effectiveness on performance appraisal.

Statement of The Problem

The importance accorded to performance appraisal systems in part arises from the nature of the current business environment, which is marked by the need to achieve organisational goals as well as remain relevant in intensely competitive markets through superior employee performance. Regrettably, performance appraisal is major issue of controversy when it comes to management circles. While managers use performance appraisal system but the outcomes is always a disappointment with the process and one of their function is to ensure organization are effective and efficient. If performance appraisal is not carried out perfectly it can cause ripples among staff and can be seen to be unfair and ineffective. Performance appraisal can also have negative effects in organization, which has become an issue of concern in many organizations that have not put in place the right tools for staff performance measurement and in order to determine whether its strategy is being achieved organizations should put in place a good performance system. Line managers plays the most important duty to see that performance management succeed. Role of senior management is to manage and effectively deploy organizational resources in such a manner that they fulfil organizational objectives; there are many tools, frameworks and techniques that assist managers to meet their obligations. Leading organizations therefore strive to put the right performance measurement system which is value based, that help them set agree upon performance goals and give the desired outcomes. Performance measurements generates data that is used to gauge the direction in which organization is headed and it allow organization to design, control and account for staff performance as laid out in the organization strategy.

Apparently, low organizational success could be traceable to low profitability, poor employee efficiency and low job satisfaction which also indicates poor performance of the firms involved. Measuring success is a necessity if an organization wish to attain its projected position as it covers both subjective and objective measures or metrics. Subjective success metrics are emotional happiness and fulfillment, proud enterprise or fluid way of life. There are several causes that lead to success and it is determined by the properties, persistence and social skills of owners/entrepreneurs/managers to be self-sustaining. Thus, the current study is inclined that adequate performance appraisal in terms of 360-degree feedback and critical incident methods could relate to employee effectiveness by way of profitability, efficiency and productivity. This study seeks to proffer probable solutions in that regard.

Conceptual Framework

**PERFORMANCE
APPRAISAL SYSTEM
(PA)**

**EMPLOYEE
EFFECTIVENESS**

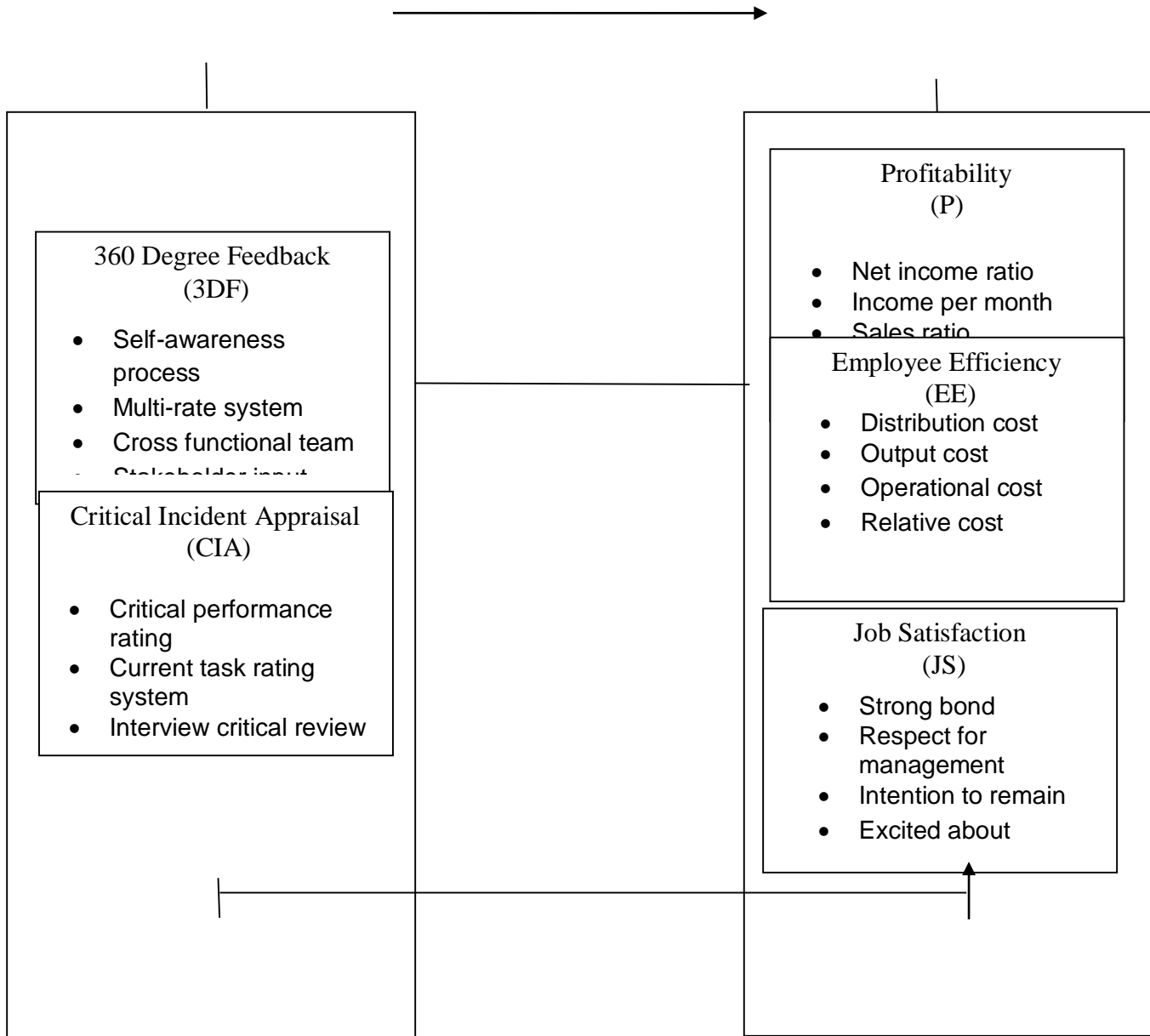


Figure 1: *Conceptual Frameworks on performance appraisal and business success of oil & gas industry in Port Harcourt, Rivers.*

Source: *Adapted from Thakur and Aggarwal (2013); Brinckman et al (2010)*

Aim and Objectives of the Study

The aim of this study was to determine the extent of relationship between performance appraisal and employee effectiveness. The specific objectives were highlighted below:

- (1) To determine the extent to which 360-degree feedback significantly relate with profitability.
- (2) To determine the extent to which 360-degree feedback significantly relate with employee efficiency.

- (3) To determine the extent to which 360-degree feedback significantly relate with job satisfaction.
- (4) To determine the extent to which critical incident appraisal significantly relate with profitability.
- (5) To determine the extent to which critical incident appraisal significantly relate with employee efficiency.
- (6) To determine the extent to which critical incident appraisal significantly relate with job satisfaction.

REVIEW OF RELATED LITERATURE

Theoretical Review

The study is anchored on goal setting theory and Herzberg-Two Factor theory. Goal setting theory is Locke's theory which gave the blueprint for modern workplace motivation by making the direct relationship between goals, productivity and employee engagement both clear, and actionable. In 1968, Edwin A. Locke published his groundbreaking "Goal Setting Theory" that gave primary revelation about setting specific and measurable goals, rather than keeping outcomes broad. With his theory he demonstrated how targets like "increase sales by 20%" or "reach a customer NPS of 50" are much more effective than vague direction such as "complete your work to a higher standard." (Young, 2017). The theory shows managers how specific goal settings are key to business success; thus, appraisals should be based on specific goals in order to ensure effective employee performance. In 1959, Fredrick Herzberg established the two-factor theory to decide on what individuals sought from their work. The answerers had to explain the working conditions under which they felt good (content) or negative (unhappy). The answer was then categorized as pleasure or disappointment. The elements of job satisfaction include advances, acknowledgment, self-employment, achievement, progress and responsibility. Herzberg called these features the motivators. The features include working environments, monitoring, relationships between individuals, corporate policies and management (Robbins, 2006). Furthermore, Schermerhorn (1993), who wants better understanding of the issues they face in terms of work and performance, pointed out that Herzberg's two-principle theory is vital benchmarks.

The two-factor hypothesis is therefore based on the variables for employee happiness. Spector's (1997) Job Satisfaction is "the amount to which the individuals like their employment and loathe their occupations" It is acknowledged as having a beneficial impact on the work and performance

of workers (Levy, 2003). (Yousef, 2000). Under these criteria, people may be expected to have beneficial results for their job rather than only preventing and neutralizing their unhappiness while putting high emphasis on external elements, such as working environment and monitoring. In order to support this notion, several study findings were provided. Schroer makes a statement that goes against the finding of Herzberg (2008). Using the two-factor theory the researcher examined the influence of demographics on employment satisfaction. The study indicated that complete satisfaction with the workplace relates to age and education and differs across the professional groups in terms of intrinsic and external motivational variables. Moreover, the topic of criticism in a second case study was encouraged by two institutions in Kuala Lumpur, Malaysia to identify their work satisfaction elements. In order to establish how these parameters, connect to the work satisfaction of the faculty members in Malaysia, two criteria are employed (Edward & Teoh, 2009). Of interest, the presence and happiness of the persons responding to external motifs contributed favorably, albeit they were not actually neutralized but demotivated. A 2011 Yang research in China demonstrated that Chinese workers might be motivated to work hard by all outside causes of incentive. The results have revealed that the top and second greatest factor in China is the inverse impact of the overriding intrinsic engine factors. Finally, recent study by Wan Fauziah and Tan (2013) shown that the producing factor is a critical component in determining employee motivation both internally and outside. Interestingly, new generations of employees inspired by external motivational drivers are motivating and demotivating influences to citizenship at their workplaces. Schermerhorn (1993) contends that the two-factor theory of Herzberg stresses two crucial parts of all the work: the workplace where individuals work, and their work environment (job context). Schermerhorn (1993) proposes that managers attempt and eradicate bad hygienic sources of workplace unhappiness and ensuring satisfaction aspects are incorporated into their work content in order to optimize employee contentment and productivity. This is a key idea because it recognizes that employees function in two categories, and that both must be handled to maintain optimal production.

Conceptual Review

Concept of Performance Appraisal System

Performance appraisal systems are the mechanisms and procedures by which assessments in an enterprise are performed. The methods of assessing the kinds of data gathered and measured, the modes and frequencies of correspondence between managers and their workers, and the different types of performance measurement instruments. The assessment processes used are crucial to

consider because they can affect the effectiveness of an evaluation procedure in an entity and the advantages that it has perceived or actually achieved (Cintrón & Flaniken, 2011). Methods for performance assessment were defined in different ways by several scholars. The methods in which the performance assessment data are grouped into two categories are determined by Landy and Farr (2013), judging or analytical and non-judgements or quantitative measurements. The concept of appraisal regards to employees stemmed from performance management which implies a systematic approach for increasing organizational performance via the development of individual and team performance (Armstrong, 2012). Companies use performance management to set work goals, establish performance standards, allocate and analyze work, provide feedback on performance, determine training and development needs, and issue awards (Briscoe & Claus, 2008). Performance control and appraisal is a process that includes performance planning, management, appraisal, reward, and development (Deb, 2009). Individual performance appraisal can be defined as the process of formally assessing and grading employees based on the efforts made by the employers or management team.

A significant characteristic of the success assessment is the frequency of assessment. As frequency will influence the outcome of the procedure the evaluation schedule should be closely taken into account. For instance, Werner and Bolino (2017) demonstrate a high frequency of appraisal, their perceived justice and employee satisfaction. The goal of the performance appraisal process can affect the process' time (Murphy & Cleveland, 1995). As administrative decisions are made annually on the basis of evaluation outcomes, several organisations conduct a performance assessment every year. This is true with salary raises or job advancement. In comparison, evaluations are carried out more often to provide input to workers. Certain companies do not also follow a set output evaluation frequency pattern. In addition, the timeframe of the assessment depends on work done by one person and the quality of the task, since the style of work decides whether short, medium and long term results are observed (Baron & Kreps 1999). Performance appraisals are the mechanism by which all workers in an organization routinely evaluate their performance, independent of their hierarchy. The use of various synonyms for performance evaluations is dependent entirely on the way the industry, company or organisation works, such as employee review, performance evaluation, performance assessment and personnel evaluation and ranking of services. Performance of employees is evaluated using such pre-defined factors, such as employee awareness of the assigned work; quality and volume of production; employee effort to meet demands, leadership skills shown in their work (Vasantham, 2019).

Consequently, the strength of performance in the managerial perspective is performance appraisal, which has an impact on organizational performance. It aids in identifying and resolving problems that employees have at work (Mackey & Johnson, 2000). Although performance assessment provides many benefits for the business, Anderson (2002) claims that it has an equal chance of having a negative impact on the company as well as on employee performance. Managers, according to Fletcher and Bailey (2003), are completely capable of making appropriate judgments on employee performance. "Rating inaccuracy was often a consequence of a planned conscious process of distortion utilized to support the rater's agenda, rather than unconscious bias or error," (Fandray, 2001). Employee performance ratings are clustered around moderate or high performance, according to Atkins and Wood (2002). Negative information is less likely than positive information to be communicated. Furthermore, due to the interpersonal difficulty of telling employees their performance is below average, managers tend to grade employees as average or above average (Rechter, 2010). "There is a propensity to mark in the center of the scale or higher, and raters may avoid giving unpleasant news because they deploy empathetic buffering," according to Byron (2007). According to Hunt (2005), there is evidence that managers are using ratings to achieve purposes that are counter to the goal of giving accurate employee performance evaluations in performance appraisal policies. A fear of disagreement with a low-performing employee may motivate ratings. Furthermore, inflation can be utilized to boost an employee's self-efficacy, which can help them perform better (Mackey & Johnson, 2000). If employees are thought to be performing poorly and this may reflect adversely on the manager, managers may exaggerate evaluations on a regular basis to safeguard their employees' reputation as competent managers (Rudman, 2003). Performance appraisal has both positive and negative effects, according to Rudman (2003). Employees that obtain a high rating on their performance review are more likely to perform well and keep it up. Positive appraisal feedback, especially when coupled by salary increases, offers employees a sense of worth and value. If a supervisor delivers a negative rating on an employee's performance review, the employee may lose motivation at work. As a result, the employee's performance may suffer (Cook & Crossman, 2004). According to Rechter (2010), performance appraisal policy in many firms is still a question of rewarding employees as individuals. While performance appraisal may be part of a policy that encourages rivalry among coworkers, these coworkers may also be expected to work as a team (Freeman, 2002). As a result, an employee may find themselves in an undesirable situation in which their official performance as an individual, typically in rivalry with his or her team mates, is anticipated. This emphasis has a

negative impact on the employee's performance (Mello, 2010).

360-Degree Feedback

The 360-degree feedback is a popular performance assessment technique that involves the assessment of the company and external sources at multiple degree or dimensions. The input of an employee's superior, colleagues, subordinates, customers, suppliers and/or spouses is the basis for the feedback from 360 methodological grading (Jafari, Bourouni&Amiri, 2009). It notifies individuals about the impact of their actions on others at work. It offers a notion that a better self-awareness process can trigger behavioral change (Elverfeldt, 2005). The 360-degree feedback is based on the input from the managers, colleagues, subordinates, sometimes clients, suppliers and/or spouses of an employee in accordance with Thakur and Aggarwal (2013), its advantages include 1. being an excellent tool for employee development, 2. More defensible legally 3. Multi-rate system is more objective. Their disadvantages are: 1. It takes time and is very expensive. 2. Organizational and cultural sensitivity. 3. It could damage employees' self-esteem if the comments are brutal. 4. Susceptible to people's political and social games. 5. Difficult for cross-functional teams to implement. 6. In small organizations, the maintenance of confidentiality can be a challenge. Additionally, in today's fluctuating and volatile ecosphere, establishments they constantly seek ways to enhance performance and meet the demands of all parties concerned. Almost inevitably, this will involve change which will then become a key success dynamic. An association needs appraisal systems to be adapted to evolve the people who work in it, and in order to succeed, it first of all needs to know what it means to change the way they currently perform. Through its ability to provide structured and detailed information on current performance and what an individual will need in future to allow detailed and relevant development plans to be formulated, 360-degree feedback is playing an increasing role in organizations (Mukhopadhyay, 2006).

The concept of 360-degree feedback has attracted the attention of different authors such as Meenakshi (2012) who collected data on an individual's performance and collected systematically from a number of stakeholders and utilized to improve performance in Multi-Source Feedback or 360 Degree Feedback. The researcher attested that the 360-degree Feedback technique establishes a consistent management philosophy that meets the previously stated criteria. The 360-degree feedback appraisal process is a human resource methodology that is commonly utilized for both staff evaluation and development. The 360-degree feedback methodology, which is used in employee performance reviews, differs from traditional, top-down appraisal systems in which the

supervisor responsible for the appraisal provides the majority of the data. Instead, it attempts to present a more complete picture of employee performance by incorporating data from different sources. When this strategy is applied in employee development, it complements employees' opinions of training needs with those of the individuals they deal with. The 360-degree feedback based appraisal is a complete method in which the employee's input is gathered from all sources who come into contact with him or her on the job. Peers, bosses, subordinates, team members, customers, suppliers, and vendors can all be responses for an employee. The 360-degree assessment comprises four components that include self-appraisal, superior's appraisal, subordinate's appraisal, student's appraisal, and peer's appraisal for anyone who comes into contact with the employee. The suggested method aims to adopt a 360-degree feedback-based appraisal system in academic institutions, particularly engineering colleges.

Critical Incident Appraisal

Critical incident method is a performance assessment system that analyzes workers' behaviors in certain cases, which either were very good or would have been better. Technique for the collection of critical incidents is used for a set of procedures. The observer observes critical human behavior, skills employed, and incidents on the job during a critical incident method. The employee's manager gives all the details of the incident in the critical incident method. Compared to other, very objective methods that could only require ratings out of 5/10, etc, the method is very subjective. It helps to define the skills, abilities, abilities and other characteristics needed for a job or task that involves a job. The observer not only examines the difficult skills, but also the mental skills required by the employee (MBA School Team, 2020). Thakur and Aggarwal (2013) stated that critical incident appraisal consists of recording and checking with employees at predetermined times of the unusually good or unwanted examples of work-related behaviours. Its advantages are: 1. Develop and manage easily and economically. 2. Drawing on direct comments. 3. Time is tested and offers more time while its limitations are: 1. The time it takes to summarize and analyze the data is laborious. 2. It is difficult to persuade people through a survey to share critical incidents. 3. Offers an organizational personal perspectives.

Different approaches and techniques have been used to study the questions about marketing and management in service contexts. In the last three decades the amount of the service research exploded. The Critical Incident Technique (CIT) was a particular approach that was often utilized in recent years in this research. Although the CIT was published in the commercial literature in

1975 (Swan & Rao 1975), a Journal of Marketing by Bitner, Booms, and Tetreault (1990), that investigated sources of satisfaction and dissatisfaction in service meetings appears to be a major catalyst for using the CIT method for service research. More than 140 CIT studies have been published in literature related to marketing (or marketing) since the seminal article published by Bitner and her colleagues.

Employee Effectiveness

Employee effectiveness measures the extent to which an employee performs a task with little resources spent without compromising quality. Employees are the most significant asset of a company as they may create or destroy a firm's reputation and can adversely influence profitability through their level of output and how they maximize or minimize cost. Employees generally are accountable for the large proportion of the labor to be done as well as client happiness and the quality of products and events. If they are not efficiency-conscious, it may be detrimental to the success of the organization they work with. Thus, managers have discovered that without effective training and appraisals, employees both new and present do not obtain the information and build the skill sets essential for executing their responsibilities at their fullest potential. Employees who undertake good training and appraisal tend to stay their positions longer than those who do not. Improved capacities, appraisal, knowledge and skills of the skilled personnel demonstrated to be a major source of competitive advantage and employee efficiency in a global market (McKinsey, 2006). To develop the required knowledge, skills and abilities of the employees, to perform successfully on the work, requires effective training programs that may also impact employee motivation, commitment, and efficiency (Meyer & Allen, 1991). Accordingly, Farooq and Aslam (2011) noted that managers are doing their level best to enhance the employee's talents, finally generating positive working environment inside the firm. For the purposes of capacity development managers are involved in establishing the effective training programs for their staff to equip them with the needed knowledge, skills and abilities to attain organizational goals. This battle by the top management not only enhances the employee performance but also produces favorable image of the organization internationally, and improve employee efficiency (Jia-Fang, 2010). Effective training programs and employee appraisals assists employees to obtain familiarity with the desired new technological innovation, while obtaining complete command on the competencies and abilities essential to execute a certain work and to void on the job errors and blunders that increase waste there by boosting employee efficiency (Robert, 2006).

Performance Appraisal: This is the assessment and monitoring of employees to ensure that their activities match with organizations' set goals and objective.

360-Degree feedback: This is a dimension of appraisal that takes note of feedbacks from different concerned individuals of specific organization.

Critical incident appraisal: This entails evaluating and employee based on predetermined period.

Business Success: The measurement of extent to which an organization reaches its set goals and objectives.

Profitability: The tendency of organization to gain more revenue than its expenses over an accounting period.

Employee efficiency: Measures the extent to which an employee performs a task with little resources spent without compromising quality.

Job satisfaction: An excitement and feeling of delight about the delivery or the personality of an organization and its products.

Empirical Review

Studies on various business environments stress that individual performance assessments can be tailored according to the corporate framework in which they occur to enhance business success (Molapo, 2002). In order to improve employee performance effectively, the employee performance appraisal can be adapted to each company context. Molapo (2002) stresses further that an organization's internal context will evaluate low standards of efficiency such as lack of facilities, lack of supplies and the environment itself in the workplace and that approaches used in employee performance appraisal should take these conditions into account. Another research identifies the value of consistency between the employee performance assessment and the corporate operational context (Pulakos, 2009) and suggests that the background and architecture of an enterprise and the current resources for the implementation of an appropriate performance management framework be considered. Therefore, it is necessary to point out that the management committee should take into consideration considerations such as the corporate culture, the legal system, operational strategy etc. (Herreid, 2006). The main characteristics of a successful performance assessment are: (1) versatility in terms of adjustments to the operational framework, (2) consistent with the vision and key goals of the organisation, according to Mohram et al. (1991) (in Herreid, 2006). Therefore, administrators should recognize and consider the main organisation's contextual factors to create an accurate employee performance assessment, since these factors have an important influence on their employee performance levels which apparently affect business success.

Particularly in their recent works, authors Pichler, Varma, Michel, Levy, Budhwar & Sharma (2015) underline the social context of the performance appraisal and highlight the role of information exchange between managers and employees, having an impact on procedural justice and the business success. In this regard, the emphasis on the interaction between employee and boss emphasizes that the performance management system will succeed by better coordination between manager and staff and thus, in particular, in the organizational sense of the performance management systems (Pulakos & O'Leary 2011). Performance management system efficiency can be linked to the social environment of performance evaluation and day-to-day activities and experiences play an important role such as affecting employee efficiency, job satisfaction and profit level (Pulakos, Mueller Hanson, Arad & Moye, 2015). In addition, authors Levy, Silverman & Cavanaugh (2015) stress the importance of the performance assessment context in terms of employees' performance management system's strategy and effectiveness. Moreover, environmental variables like corporate society, the environment and the structural integration of human resource management, 360-degree feedback, and critical incident methods affect the successful performance management of employees (Haines III & St-Onge, 2012). The authors stress the role of organizational culture, which reflects the commitment of employees through a common mission, a relationship climate which refers to the nature of social relations between the management team and staff and strategic integration of human resources management. Consequently, managers need to understand the organizational framework task for the performance appraisal of their employees, including employee performance assessment frameworks and processes, in order to allow the efficacy and improve employee performance and business success. In a study conducted by Egbuonu and Oparamma on (2018) on "functional structure and effectiveness." The study used a cross-sectional form of survey. The sample frame is made up of 190 management personnel from four petroleum service firms. Use of the questionnaire as research tool for primary data was acquired. Data analysis for the study was based on inferential and descriptive statistical methods. To test the hypotheses, the coefficient of correlation (r) of Spearman rank order was used. The research indicated that the divisional organization and effectiveness of petroleum service businesses in Port Harcourt are significantly linked. The study concludes that the divisional organizational structure in select petroleum service companies in Harcourt has a high impact on organizational efficiency. The study recommended that petroleum maintenance companies make adequate organizational predictions and use these predictions as strategic premises in view of their internal and external environments, as well as feasibility and implementation of this

prediction.

Also, Ozuru and Wali (2018) conducted a survey, which was designed to determine the impact of "green advertisement on the business success of consumer goods manufacturing companies." Data were collected from our interviewees and from senior administrative and management personnel of the manufacturing firms of consumer goods. The study therefore found inter alia a moderate relationship between green media campaigns and sales growth, showing a strong relationship between green media campaigns and market share, with a *0.605 and *0.867 link. One of the findings was that eco-labeling has a significant and favorable effect on the business success of consumer goods businesses in Port Harcourt, based on the conclusion that eco-labeling activities should be given special attention, among others, for consumer goods manufacturing firms in Port Harcourt to succeed in the turbulent business environment. In conclusion, other interested parties have suggestions that they should do their research in other parts of Nigeria in the subject which is conducted in the metropolitan of Port Harcourt.

Stanislous and Akhigbe (2020) conducted a survey and critically examined how "the flexibility of human resources (HRF) relates to the performance of oil production firms." This investigation included a cross-sectional survey. The study included an overall population of 1,200 and 93 (1.293) managerial staff from echelon. A population sample size of 305 was obtained. A systemic methodology of sampling has been utilized. In the collection of pertinent data, a questionnaire was used. The Pearson Product Moment Correlation was utilized to analyze the bivariate hypotheses and to evaluate the moderating effects of organizational culture using the partial correlation. The results reveal that the dimensions of flexibility in human resources (flexibility of skill and behavior) are highly connected with innovation and quality of the product. The association between the two variables is strongly moderated by organizational culture. In conclusion a company's success will be influenced by the amount to which the institution is capable of enhancing its employees' skill and adaptability. The research therefore advised that oil-producing companies should ensure their staff are properly taught and developed so as to gain a variety of abilities to improve the organization's performance.

Also, the case study of Kumasi Polytechnic has identified 300 people of Polytechnical staff, using tables to analyze the responses from the respondents, tabled the frequency of responses and computed a percentage of the frequencies for the general views, in a study of 'effectiveness of performance assessment on labor productivity.' Senyah, Coffie and Adu-Pakoh (2016): The researchers realized, however, that performance assessment is carried out on the workplace mostly

every year. Again, the rating scale, descriptive system and management of Kumasi Polytechnic have been used by objective system evaluation methods in order to evaluate employees. Management was also found to be the most widely used method by objective. It has therefore shown that the assessment takes place in the institution every year. Finally, findings from the research show that Kumasi Polytechnic's performance assessment has a great deal to do with work performance.

Gap in Literature

An extensive review shows that performance appraisal and business success has been trending issues among academia especially in management field of study. For instance, Adokiye, Alagah, and Onuoha (2017) in a study on “entrepreneurial mindset and organizational success” observed that majority of studies have not completely examined organizational success in Nigeria which is synonymous to business success. Egbuonu and Oparamma (2018) focused on “functional structure and effectiveness of companies.” The study adopted a cross sectional survey method but its emphasis was on organizational structure such as function and division while the success of the organization was measured the functional aspect like sales volume and market share. Ozuru and Wali (2018) conducted a survey study and the purpose of the study was to ascertain the extent to which “green advertising influence business success of consumer goods manufacturing firms.” The study made much emphasis on the financial aspect of business success such as sales growth and market share omitting other non-financial aspect of business success such as job satisfaction.

Consequently, Senyah, Coffie and Adu-Pakoh (2016) studied a “case study of Kumasi Polytechnic has identified 300 people of Polytechnical staff,” using tables to analyze the responses from the respondents, tabled the frequency of responses and computed a percentage of the frequencies for the general views, in a study of 'effectiveness of performance assessment on labor productivity. The study made effort to examine performance appraisal but focus was on academic-based organizations which neglected other sectors of the economy. Consequently, Kateřina, and Andrea and Gabriela (2013) conducted a survey on "Identification of employee assessment methods in agricultural organizations," The purpose of the article is to identify the current state of formal employee evaluation in a sample group of farming organizations and to test the dependencies among qualitative properties selected. In samples groups comprising more than 40 respondents, a Pearson's Chi Square Test was adopted and emphasis was based on Agro-based organizations. Obviously, majority of these studies have not deemed it necessary to examine the link between performance appraisal and business success especially employing critical incident method and 360-

degree feedback, profitability, job satisfaction and employee efficiency as its proxies. These has caused lacuna in the subject matter and the body of literature in the management field of study of which the present research seeks to bridge as a point of departure.

Conclusion

Notably, the literary studies show that use of performance appraisal for identifying employee strengths and weaknesses as well as a basis for employee promotion are the most statistically significant factors that influence employee motivation. The study reviewed copious related literatures that are found relevant in building the theoretical and empirical framework. Basically, the literature review revolved around performance appraisal system with its proxies as 360-degree feedback and critical incident appraisal; business success was measured using profitability, employee efficiency, and job satisfaction. In addition, the literature review was guided and anchored on goal setting theory and Herzberg Two Factor theory. These theories provided the lens through which the variables were looked upon while organizational culture was covered as the moderating factor. The review of relevant literature further aided in forming the operational framework which also captures the linkage of variant hypotheses.

Recommendations

From the foregoing conclusion, it can therefore be recommended that the organisation should focus on the two aspects to help improve motivation. Overall, the positive impact of the five identified roles in improving employee motivation helps confirm that a positive relationship exists between performance appraisal and employee motivation.

Performance appraisal systems should be designed in such a way that they create perceptions of fair treatment relative to other employees as well as the employee's own expectations. This can contribute significantly towards positive attitudes, which have been shown in this study to be a significant determinant of employee's level of motivation and consequently work performance

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