

**PERFORMANCE APPRAISAL PRACTICES AND CORPORATE PERFORMANCE IN THE NIGERIAN PUBLIC SERVICE: A STUDY OF SOME FEDERAL GOVERNMENT INSTITUTIONS IN NIGERIA**

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**ABSTRACT**

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*Corporate performance and governance in the public service given a serious concern to the extent that this study delves into the impact of annual performance appraisal on the public servants productivity in the Nigerian Public Service. The study was drawn from two Nigerian Institutions, namely: Yaba College of Technology, Yaba, Lagos State and the Federal College of Agriculture, Ishiagu, Ebonyi State, Nigeria. The study evaluates the benefits, problems/challenges of the administration of Annual Performance Evaluation Report (APER Form) in the Nigerian public service. This was to ascertain the extent to which the administration of APER Form has achieved its objectives and the effects on stakeholders – the Government, the employees and the Nigerian Nation. Five (5), research questions were administered in order to find answers to the problems of study. The descriptive research design was used by the researchers to obtain a clear understanding of the practice of APER Form in the Nigerian Public Service. One instrument, a questionnaire served as the main instrument for study. This was complemented with oral interviews and available secondary data relating to the study. The data obtained were subjected to descriptive statistical analysis. The study reviewed the potency of APER Form as one of the strategies for achieving better performance in the public sector. Based on the findings, recommendations were made for the adoption of new strategies for implementing sound and better Performance Appraisal in Nigeria. Simultaneously, incorporating another public institution from the Northern Nigeria in future research is suggested in order to depict national outlook.*

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**Key words:** Performance Appraisal, Corporate Performance, APER Form, Public Service, Administration, Stakeholders

**INTRODUCTION**

Beach, (2001) defines performance appraisal as the systematic evaluation of employees according to their job and potential development. Dessler, (2005) also defines performance appraisal as “comparing the employee’s present and past performance to his/her performance standards”. Grubb, (2007) says performance appraisal is a procedure to evaluate how individual personnel are performing and how they can improve their performance and contribute to overall organizational performance. Mooney, (2009) suggested that performance is not only related to results but it also relates with activities and behaviors of employees that they adopted to achieve their given goals.

Individual’s ability, capability and manpower imputed into the organization are checked annually, quarterly, monthly etc. and the evaluation triggers every staff to put in their best for the job and towards

achieving set goals and organizational objectives. Consequently, it is important to examine how workers appraisal influences productivity and individual performance. Once the employees are selected and placed on their respective jobs, it is essential for managers to conduct performance appraisal using Annual/BiAnnual Performance Evaluation Report Form, otherwise called APER FORM to see how the employees have performed their jobs.

Briefly stated, the history of Annual Performance Evaluation (APER) Form / performance appraisal system can be traced to the early 20<sup>th</sup> century where Fredrick W. Taylor pioneered the time and motion studies. This eventually gave a green light for the performance appraisal system to come into limelight in the 1940s where merit rating was used for the first time during the Second World War as a method of justifying an employee’s wages. Lillian & Sitati

(2011). Thereafter, several strategies were adopted by managers/supervisors to improve staff performance, one of which is the administration of performance appraisal. Performance appraisal takes numerous forms, but in general and in a simple way, performance appraisal become the accepted process through which the performance of employees is measured and improved upon. Since the focus of performance appraisal is not only on the assessment of performance but also on the improvement of performance, performance appraisal includes various practices like the recognition of employees' achievements and providing them feedback for personal and professional development.

The primary aim of every organization whether business or public is to maximize profit or achieve organizational goal. This could easily be attained through employee performance and the individual/employees' performance can be measured through the use of APER Form. In the Nigerian public sector, employee performance is measured through the administration of APER Form and whose aim is to give room for promotion, pay increase, adequate training and development as well as feedbacks from both the management and employees. A poorly implemented appraisal system leads to low morale and low performance in a public institution. Many public institutions in Nigeria only use appraisal system for its promotion purposes while neglecting the training aspect of the appraisal system. It is against this background that this study was carried out to determine the benefits and challenges of APER Form administration in the Nigerian public institutions.

Literature on performance appraisal suggests that a good performance appraisal has mainly the following objectives and functions:

- (1) Administrative functions which are concerned with taking decisions regarding salary administration, promotion and rewards;
- (2) Formal assessment of performance in order to suggest improvements for employee performance;
- (3) Development of an employee's competencies and capabilities through training, learning, and career planning; and
- (4) Overall job analysis so that individual performance can be linked to the development needs of the job.

Furthermore, the individual employee requires feedback that relate to his or her own goals and development as well as the related management expectation. Performance appraisal is therefore a development process since it seeks to identify the strengths and weaknesses of the employee as a guide to his or her further development. It is usually administered in a prescribed manner at specific intervals such as quarterly, biannual or annually to assess employees' job performance and to give guidelines and advice where necessary in order to improve efficiency and effectiveness.

An effective performance appraisal, therefore, is to give information for promotion and to motivate workers in an organization. An effective performance appraisal also review the organizational system, it gives room for training and development of employees. Moreover, it provides employees with constructive feedback on how they are performing their jobs as viewed by their managers/superiors which in turns lead to increase performance.

Legal implication dictates the need for jobs to be defined explicitly, for objectives to be set and agreed upon by supervisors/managers and employees, as well as performance standard based on the criteria set for the employees. Thereafter, supervisors/managers appraised the employees to know those that meet the organization goals and objectives

The primary aim of this study, therefore, was to investigate the effects of performance appraisal policy and to create awareness among stakeholders in the Nigerian Public Service, using two Nigerian Public Institutions as a study. The Institutions are: Yaba College of Technology, Yaba, in Lagos State and the Federal College of Agriculture, Ishiagu, Ebonyi State, Nigeria. Other objectives are as listed below:

- 1) To determine the effectiveness of APER Form / Annual Performance Appraisal in the Nigerian public service.
- 2) To ascertain the extent to which the APER Form / Annual Performance Appraisal policy contributes to employee performance and development.
- 3) To identify the various performance appraisal techniques used by the management of the two Nigerian Public Institutions in relationship to workers Performance.
- 4) To evaluate the common performance appraisal problems, and
- 5) Recommend to stakeholders how the identified problems/challenges could be solved.

No organization can develop without systematic performance appraisal. A good performance appraisal helps the employees to know his/her performance level in the organisation. A good appraisal system is so fundamental to management of people in any organization that it must not be ignored. Not only that we are dealing with the future of individual human being who makes up organization, we must also recognize that the success of the organization depends on good performance by employees measured by a good appraisal system, those who contribute most will be adequately rewarded and the right type of people are likely to be promoted into position of higher responsibility.

Riffing (2016:430) stated that, performance appraisal is a formal assessment of how well employees are doing their job. Consequently, the employee's performance should be evaluated regularly based on the following reasons:

1. It may be necessary for validating selection devices or assessing the impact of training programs.
2. It is administrative that it helps in making decisions about pay prices, promotion and training.
3. To provide feedback to employees so as to help improve their performance and plan future careers.

The idea behind performance appraisal is not meant to find out that someone's performance is worth but equally to find ways of making it worth more. The primary goal or objective of performance appraisal is to generate accurate and valid information regarding the behavior and performance of members of the organization, the more accurate and valid the information generated by the system, the greater its potentials to the organization.

According to Mebela Tamnoiebe (2014), there are several reasons why performance appraisal is conducted in an organisation. The notable ones are listed below.

- a. *To identify key skills:* Even after selection and matching of skills, unanticipated changes can occur as either the employee or the job will remain. Employee of performance appraisal can provide the opportunity for defects to be identified.
- b. *To identify training needs with appraisal:* The training needs are identified as limitations to the good performance of the employee(s) and this can be eliminated by training the employee(s). Appraisal brings out the strengths and weaknesses of the individual.
- c. *To report the present performance:* most employees' do not meet the standard acquisitions. The appraisal system enables the reasons and the barriers to come to the surface.

In addition to the problems already highlighted above, various performance appraisal techniques have also brought a number of fairly common errors to which people are proved when making judgments and ratings about people. Weice (2016) suggested some of the problems associated with rating as follows:

- a. **Strictness and Leniency:** some individuals when filling out rating seats on their employees have a tendency to rate everyone quite strictly or hardly. A person pruned to such bias would tend to rate good employees as poor and all of the ratings are lower of more strict in an actual performance of the employees or subordinates in such a manner, as said exhibit strictness or harness bias to their rating.

- b. **Central tendency:** On the other hand, some raters are somewhat scales, they dislike being too harsh, with anyone by giving them an extremely low rating and they may also feel that one is really good enough to get the highest possible ratings. As the supervisor completes all the forms in about average and in his efforts to be fair, he disseminated among different workers or among the different areas of performance of an individual.

- c. **Hallow effect:** The term "hallo w effect" is a phenomenon found during the performance appraisal in which the characteristics of someone is too strong that they affect his impression of that person. Other characteristics some supervisors have are a tendency when filling out performance rating scales to rate subordinates very similarly on all of the dimension or characteristics being assessed. Thus, the person who is rated on quality performance will also be rated really in high on all the dimensions being assessed or low on all of them, as the case may be.

However, it is frequently the case that an employee may be very high on some dimensions, average on some and low in another. A superior who rates such a person the same (whether high, medium or low) on all dimensions is said to exhibit a hallow effect.

- d. **Regency:** Ideally, rating of employee performance should be based on systematic observation of an employee's performance over the entire rating period (usually a year). Unfortunately, it is often the case that a superior rating a subordinate is strongly influenced by the most recent events and observations of the subordinate performance things that happened recently tend to be remembered more clearly and to be most salient in the mind of the rater. Thus annual reviews tend to be influenced by what the raters have observed of the subordinate over the few weeks or months immediately preceding the performance.

- e. **Personal bias:** some individual unfortunately prove bias may be based upon the past history of the relationship between the two individuals' stereotypes and so on.

Regardless of its basis or causes, personal bias is a source of error in performance appraisal system to serve the organizational purpose for which it was designed.

One of the key responsibilities of the manager in any organization is to evaluate the performance of his subordinates. The essence of the performance appraisal is to assess the employees' character, attitude, potentials and past performance on the job

(Mani, 2002:142). Arnold Anderson 2002) stressed that employees' can be inspired by a comprehensive and honest performance appraisal system. He continued by saying that employee performance appraisal has positive impact if properly handled with honest and sincerity and that is an important career development tool for the manager and employee. The manager can help guide the employee in the path of corporate advancement and the employee get clearer understanding of what is expected from him or her in his or her daily job duties. Performance appraisal has a wide variety of effects on employees which managers of an organization must identify and understand. Other effects are as follows:

- i. **Motivation:** An employee performance appraisal can act as a motivation for an employee to improve performance when an employee sees his/her goals clearly defined, his performance challenges identified and career development solutions in place to help advance his/her career. The effect is to motivate the employees to achieve those goals. Creating a comprehensive plan for employees' development and giving an employee achievement to strive for what will inspire a higher level of efficiency.
- ii. **Clarity:** Employees perform their job duties to the best of their abilities. The part of the performance appraisal is when manager and employee review the job description and compare the employee's performance with expectations. This gives the employee a feeling of clarity and understanding that will help him better perform his job duties.
- iii. **Taking Responsibility:** To prepare for the annual review appraisal, supervisors should keep notice of all the employees' accomplishments and challenges throughout the year. When these are presented to the employees during the appraisal, it gives the employees the opportunity to benefit from his/her accomplishments and accept responsibility for the performance issues; the employees make the process of career development as a personal commitment.
- iv. **Team Work:** During a performance appraisal period, supervisors need to take time to show the employees how performance affects the performance of the entire organization. When employees understand how their performances affect the ability of others to their job, it helps put their job duties into the overall contexts. This helps to improve the notion of team work among the employees and also

encourage co-operation to achieve corporate goals.

The performance appraisal is an essential part of the human resources departments' contribution to an organization. Other benefits of performance appraisal to employers are as follows:

- i. **Improving communication-:** All too often, employees and management don't get along and can't understand why. Problems that stem from a lack of communication can sometimes be resolved with a performance appraisal.
- ii. **Providing a career path:** The performance appraisal is the perfect opportunity to address long term goals that may not be on the everyday to-do list. Not only does this provide the employee with an opportunity to be greater use to an organization, the employee feels pleased and valued.
- iii. **Encouraging good work and improvement:** Celebrating a job well done is the easy part of the performance appraisal. Noting areas of improvement is not so easy. Nevertheless, no one is perfect, and the performance appraisal is an ideal time to diplomatically highlight areas that need improvement.
- iv. **Improving decision-making ability:** When an organisation has detailed information on employee performance, business decisions become easier. Filling open positions with existing staff strengthens the organization and promotes loyalty.

## METHODOLOGY

Asika Nmamdi (1991) defines research design as the structuring of investigation aimed at identifying variables and their relationships to one another. William (2006:183), described a research design as the planning of any scientific research from the first to the last step. Furthermore, it is a specification of the most adequate operations to be performed in order to test a specific hypothesis under a given condition.

Consequently, the research design adopted in this study involved five basic steps, namely: research objectives, exploratory research findings, formal survey research, data collection and data analysis. The exploratory research was necessary to uncover the relationship between performance appraisal and its impact on employee performance. The design is basically descriptive in approach in the sense that it tries to establish relationship between two and more variables. The respondents were drawn from two Federal Government of Nigerian Institutions, namely: Yaba College of Technology, Yaba (Yabatech.), Lagos and Federal College of Agriculture, Ishiagu (FCAI), Ebonyi State in Nigeria.

The data was collected from primary and secondary sources through a structured questionnaire prepared and administered. Personal interviews were conducted with some of the respondents. The questionnaire consisted of three sections, each containing a different set of questions dealing with demographic and personal profiles of the respondents, motivational and influencing factors, as well as certain questions related to the challenges/problems of performance appraisal administration.

A sample of 200 questionnaires were administered, 150 were completed and returned, giving a response rate of 75%. With regards to age, the respondents came from the adult age group of 18 and above. The actual sample mean, standard deviation and percentages were used to calculate and actualize the meaningful presentation as shown in the table below. The formulae of the statistical method used are as follows:

- a) Mean variable (x) of the frequency distribution =  $x = \frac{\sum fx}{\sum f} = \frac{n}{\sum f}$
- b) Standard Deviation ( $\delta$ ) =  $\frac{\sqrt{\sum fx^2 - \frac{(\sum fx)^2}{\sum f}}}{\sum f}$

where  $\delta$  = Standard Deviation,  $\sum fx$  = the summation of fx.

'n' analysis the factor statement, 5 for any factor under consideration; to have mean (x) less than 3 shows negative reaction by the entrepreneurs.

## RESULTS AND DISCUSSION

TABLE 1 shows the socio-economic characteristics of the respondents. Results shows that majority of the respondents were females, 51.43% from Yabatech and 56.25% from FCAI. The age distribution of the study shows that majority of the respondents were from the age bracket of between 31 and 40 years. Majority of the respondents were married with Yabatech having a percentage of 62.86 and FCAI having 61.25%. Educational qualification of the respondents revealed that majority of the respondents obtained HND/B.SC. with a percentage of 37.58% from Yabatech and 33.75% from FCAI. The years of experience revealed that majority of the respondents at Yabatech came from between 11 to 20 years while that of FCAI came from between 0 to 5 years. This confirmed that FCAI had recruited many of its workforce within the last 5 years.

**Table 1:** Socio-economic Characteristics or Demographic Composition of the Sample

ITEMS	VARIABLES	FREQUENCY		FREQUENCY	
		YABATECH	PERCENTAGE (%)	FCAI	PERCENTAGE (%)
Gender	Male	34	48.57	35	43.75
	Female	36	51.43	45	56.25
	<b>Total</b>	<b>70</b>	<b>100%</b>	<b>80</b>	<b>100%</b>
Age	18-30 years	22	31.43	24	30
	31-40 years	25	35.71	28	35
	41-50 years	15	21.43	18	22.5
	51years- and above	08	11.43	10	12.5
Marital status	Single	20	28.8	22	27.5
	Married	44	62.86	49	61.25
	Widowed	06	8.57	09	11.25
Educational Qualification	WASC/GCE/SSCE	06	8.57	11	13.75
	OND/NCE	15	21.43	20	25
	HND/B.Sc./BA	27	38.57	27	33.75
	MBA/M.Sc and	22	31.43	22	27.5
	others				
Year of Experience	0 - 5 years	10	14.29	30	37.5
	6 - 10 years	15	21.43	17	21.3
	11 - 15 years	22	31.43	13	16.3
	16 - 20 years	12	17.14	11	13.8
	21 - 25 years	05	07.14	08	10
	26 - 30 years	04	05.71	01	01.25
	31 - 35 years	02	02.86	--	---
	36 - above	--	--	--	---

Source: Authors' Research Work, 2019

### **Hypothesis 1:**

**Ho:** There is a direct relationship between performance appraisal and job performance.

**Hi:** There is no relationship between performance appraisal and job performance

*The calculated value equals 2.6 and the mean 8.1 is above 3 and this shows that the statement, there is a relationship between performance appraisal and job performance is accepted. The Null hypothesis (Ho) is therefore accepted.*

### **Hypothesis 2:**

**Ho:** Annual performance appraisal enhances better performance among the employees in the Nigerian public institutions.

**Hi:** Annual performance appraisal does not enhance better performance among the employees in the Nigerian public institutions.

*The calculated value equals 2.4 and the mean 6.7 is more than 3 and this shows that annual performance appraisal enhances better performance among the employees in the Nigerian public sector is accepted. The Null hypothesis (Ho) is therefore accepted.*

### **Hypothesis 3:**

**Ho:** Employees' awareness on appraisal system leads to effective employees' performance in an organisation.

**Hi:** Employees' awareness on appraisal system does not lead to effective employees' performance in an organisation.

*The calculated value equals 2.6 and the mean 6.3 is above 3 and this shows that Employees' awareness on appraisal system leads to effective employees' performance in an organization is accepted. The null hypothesis (Ho) is therefore accepted.*

### **Hypothesis 4:**

**Ho:** Performance appraisal administration leads to ineffective employees' performance in an organization.

**Hi:** Performance appraisal administration does not lead to ineffective employees' performance in an organization.

*The calculated value equals 1.9 and the mean 0.9 is below 3 and this shows that the statement: performance appraisal administration leads to ineffective employees' performance in an organization is rejected. The null hypothesis (Ho) is therefore rejected.*

## **CONCLUSION**

The main objective of this study was to investigate the effectiveness of performance appraisal and its attendant problems/challenges in the Nigerian public institutions. The study has revealed that some organisations in Nigeria only use performance appraisal for staff promotion exercise while

neglecting the training aspect of the staff. Other findings include:

1. Identification of a uniform appraisal method in the public institutions in Nigeria. .
2. It was discovered that government agencies in Nigeria administered performance appraisal on its workers, annually.
3. Another startling discovery was that, most of the workers in FCAI embarked upon their self development effort themselves without government/management financial assistance, unlike their counterparts in Yabatech.
4. The results of the study indicated that most employees in the Nigerian public institutions preferred performance appraisal to be used for both promotion and training purposes but not on promotion alone.

## **RECOMMENDATIONS**

The recommendations offered by this study are as follows:

1. Management of FCAI should improve on the training and development need analysis component of performance appraisal policy in order to meet the aspirations of employees.
2. Management should be aware that a well trained and developed workforce is required for increased employee performance and organizational growth. It would also lead to efficiency and effectiveness of organizational activities.
3. Any changes made to ratings of employees during the performance appraisal process should be communicated clearly and early to all concerned. This would go a long way to prevent conflict situations and create a healthy atmosphere for team work.
4. Job rotation, internal transfers and Counseling, should be encouraged among the administrative staff by top management as policy interventions to help poor performers to improve upon their performance.
5. Top management and supervisors that conducts performance appraisal needs to be equipped with methods of motivating employees through the performance appraisal policy.
6. Employees should be appraised either quarterly or annually as this would serve as a compelling force that trigger and arouse their interest for effective discharge of duties.
7. Rating of employee's performance should be based on systematic observation of an employee's performance over the entire rating period.
8. Management should rate employees according to their performance, that means

- that strictness and leniency should not be applied while rating employees.
9. Management should avoid central tendency while rating their workers.
  10. Management should avoid personal bias on employees for it is a source of error in performance appraisal system to serve the organizational purpose for which it was designed.
  11. More so, workers should be rewarded and paid their fringe and other benefits as at when due as this would also influence their performance.

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