

UNIVERSITY OF CAPE COAST

EVALUATION OF THE APPRAISAL SYSTEM ON EMPLOYEE
PERFORMANCE OF SELECTED BANKS IN AKIM ODA, GHANA

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EMPLOYEE PERFORMANCE OF SELECTED BANKS IN THE AKIM
ODA MUNICIPALITY

BY

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DECLARATION

Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature..... Date

Name: Agyekum Asare Barimah

Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature..... Date

Name: Mrs. Elizabeth Annan - Prah

ABSTRACT

This study looks at the effect of performance appraisal system of selected banks in Akim Oda. The specific objectives are to examine the relationship between performance appraisal and employee commitment, the extent to which it affects performance and intention to quit. The study adopted a quantitative method with a sample size of 80. Questionnaire was the main research instrument which was used in the collection of data. Data was analysed with means, standard deviations, frequencies, percentage, correlation analysis, and regression analysis. The results of the research revealed that there was an overwhelming agreement from the respondents affirming that performance appraisal systems exist in the banks. Employees indicated that there are appraisal systems that address employees' strengths and weaknesses and that the bank have well-defined policy on appraisal of employees. The results showed a positive relationship between performance appraisal and employee commitment. The results of the study also showed a very high satisfaction with the performance appraisal system across all the banks. A relatively higher percentage of the employees indicated that performance appraisal information is not used in improving employee salary. The study concludes that performance appraisal systems affect employee commitment.

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Thank you.

DEDICATION

To my brother Dr. Agyekum Boadi

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CHAPTER ONE

INTRODUCTION

This chapter presents the background information of the study on evaluation of performance appraisal system on employee performance, statement of the problem, research objectives, and research questions, significance of the study, scope of the study, limitations of the research, definition of terms and organisation of the study.

Background of the Study

Performance appraisal is a well-prepared, systematic and personal development and planning conversation between manager and employee which is normally conducted once a year (Kikkelsen, 2005). Performance appraisals have been researched for over 40 years, and are described among other things as a search for better, more accurate, more cost-effective communication techniques for measuring job performance, professional learning and job satisfaction (Bosswell & Bourdreau, 2002; Graen, 2003). Performance appraisal may be implemented with a good relationship and high quality dyadic communication between the parties. The conversation may also be implemented by a strict regime, where communication may be more strained, with lower quality of the relationships and one-way communication. Most of the performance appraisals are implemented with strategies that are between these two extremes (Bolman & Deal, 2009). Researchers report that the performance appraisals need to be accepted and supported by the employees if the implementation of the tool are going to be successful (Kavanagh, Benson & Brown, 2007). Many organisations are using this tool to organise, practices, develop employees, provide feedback, and become

familiar with all employees. A key component of the performance appraisals is the formal communication of individual feedback performance to the employees. Feedback is often delivered in a face-to-face session involving the employees and his or her manager (Elicher, Levy, & Hall, 2006; Murphy & Cleveland, 1995). Indeed, the performance appraisals may help organisations in several ways: First they may enhance the quality of organisational decisions, ranging from reward, allocation to promotion. Second, they may enhance the quality of individual personnel's time and efforts. Third, they provide a set of tools for organisational diagnosis and development. Finally, the performance appraisals may affect employees' views on the organisation and have been transformed from a performance – monitoring tool into a development tool for employees (Fletcher, 2004). A biased and unfortunate aspect of performance appraisal may be that both subordinates and managers will be attracted to people who look like them and like their ideas (Tourish, 2006). Traditional, top-down performance appraisal may also be perceived as biased and unfair (Fletcher). Several researchers have identified justice as the most important performance appraisal issue (Bretz, Milkovich, Read, 1992). They argue that employees will have high job motivation when working under a performance appraisal system that they perceive as fair, have good feedback, and have clear objectives in performance appraisals (Mikkelsen, 2005). An organisation with good effect of performance appraisals may help to build up employees' commitment, professional learning and job satisfaction. Performance appraisals themselves are often a source of job motivation and benefit for both managers and subordinates (Murphy & Cleveland, 1995). Research reports that organisations undermine the appraisal process by giving

this too little attention minimising training and accountability, and have too little overview with the employees in the appraisal process. This may include lack of attention, the organisational culture, unfairness and weak relationships between manager and employees. Research suggest that employees with higher education and training in performance appraisal may reate and prepare their own performance appraisal guides, take account of problems such as time pressure, and take more responsibility for the performance appraisal (Schofield, 1996). Several researchers indicate that the current approach to performane appraisals is to conduct them as individual conversations, but also that performance appraisals in groups have become an important element (English, Griffith & Steelman, 2007).

Research has concluded that the groups with a higher average level of duty performance, flexibility have bettr leadership assessment in performance appraisals, especially when performance appraisal are performed in groups (English et al). It gives superiors and subordinates the opportunity for interactive processes. It makes training more pertinent by linking it to performance outcome and future career aspirations (Ayers, 2015).

Ayers (2015) adds that no matter how well a performance system is designed, it will become useless if there is a lack of employee acceptance of the performance appraisal system, or if they do not see it as useful or valid.

Ghana's banking industry has undergone considerable transformation since 1988 as a result of the implementation of financial service reforms. The main purpose of implementing the financial reforms is to build a competitive and stable banking industry to enhance banks' efficiency and ultimately economic growth and development (PNDC Law 225).

Statement of the Problem

Ghana's banking sector is one of the biggest and fastest growing financial service sectors. The post-liberalization era has witnessed significant changes in the structure and operations of banks operating in the country. Arrival of new private and foreign banks has given a cause to both public and private sector banks to be more competitive, effective and innovative in their approach. In addition, recent developments within the banking sector of Ghana have brought increased pressure and expectations among banks to be more effective, efficient and competitive. A classic recent example is the issue where workers of GCB were at loggerheads with management over diverse issues pertaining to employee welfare including dismissal and low employee salaries. (<https://www.ghanaweb.com/GhanaHomePage/business/GCB-management-reacts-to-agitated-workers-217279>). The recent takeover of UT capital, UNIBANK and the problems in ADB are typical work place and staff issues are typical challenges at the banking sector in Ghana. These problems, coupled with major macro-economic financial policies such as increased policy rate, high interest rate and many others are putting a lot of pressure on banks to perform and stay competitive. The researcher is a customer of three of the selected banks in Akim Oda and has witnessed on several occasions where managers expressed dissatisfaction about the kind of services they provide. Again, the researcher witnessed on many occasions a rift between employees and customers. Employees have also criticised management of unfair treatment on issues such as promotions and attending of workshops and also not increasing their pay. It is in light of this gap that the researcher chose the topic and the study area.

Purpose of the Study

The general purpose of the study is to determine the extent to which performance appraisal affect the work of employees. Specific objectives are to;

1. Identify the performance appraisal system in the study area.
2. Determine how performance appraisal affects employee commitment.
3. Ascertain the effects of socio demographic and socio-economic demographic factors on employee performance.
3. Evaluate employees' assessment on the effective use of performance appraisal information.

Research Questions

The research will be guided by the following questions;

1. What kind of performance appraisal system exist in the selected banks in Akim Oda.
2. To what extent does performance appraisal make employees committed.
3. To what extent does the demographic factors of performance appraisal affect employee performance.
4. How do employees perceive the effectiveness of the use of performance appraisal information at the workplace.

Significance of the Study

The importance of this study is to help improve employees' performance in the banking sector and to understand the process and procedures involved in performance appraisal. It provides an empirical document which will serve management of banks to have much insight in how to make performance appraisal efficient and effective. This study therefore adds to existing literature and help contribute to additional knowledge within the banking industry and the general concept of human resource development. The study also helps to unearth the existing challenges with performance appraisal especially within the banking sector and help stakeholders to design responsive mechanism in ensuring the performance appraisal systems are made more effective. Lastly, this study enables the researcher gain deeper knowledge in performance appraisal.

Scope of the Study

The study looks at the effect of performance appraisal on employees' performance in selected banks in Akim Oda. It does not focus on the entire municipality. Also, the study is limited to assessing only, the perspectives of employees working in these banks and does not include the management of the selected banks. In addition, performance appraisal effectiveness is the main conceptual issue which this study seeks to address.

Limitations of the Study

Financial constraints limit the research to access larger respondents and capture a wider study population.

Definition of Terms

Performance Management: A strategic and integrated approach to increasing the effectiveness of organisations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors (Armstrong & Baron, 1998).

Performance Appraisal: The interaction between an organisation's supervisors and employees in which the former assess the performance of the latter (Gardner, 2008).

Commitment: Commitment is a psychological state that characterizes employee's relationship with the organisation and has implication for the decision to continue membership in the organisation (Meyer & Allen, 1997).

Turnover: It is the ratio of organisational members who leave the organisation divided by the average number of people in the organisation within a period of time.

Organization of the Study

The study has five chapters. Chapter one deals with the introduction of the study, the general and specific objectives, statement of the problem and research questions, and significance of the study, scope and limitation of the study. Chapter two deals with the literature review on the research topic. The review under this chapter considers empirical, theoretical and conceptual issues. Chapter three, which is the methodology, looks at the study design, the study population, and the sampling techniques used. It also provides information on the data collection methodology and analysis procedures. The fourth chapter deals with the data analysis and discussion.

Chapter five summarizes the salient trends and ends with suggestions and recommendations necessary for the attainment of an effective appraisal system in the bank.

CHAPTER TWO

LITERATURE REVIEW

Introduction

It is important to review literature in this study as it provides background that supports the study and provides a foundation towards understanding the research. This chapter of the study reviews related literature. The literature focuses on the theoretical, empirical and conceptual studies. Vrooms expectancy theory of motivation and Equity Theory of motivation in addition are reviewed. The concepts of performance appraisal, performance management and appraisal systems are reviewed to add more meaning to the conceptual approaches. The chapter also reviews some appraisal techniques and factors that affect workers' motivation.

Theoretical Framework

This study demonstrates that organisations with good appraisal systems (policies, processes, and techniques) are able to satisfy and motivate their employees for high performance and that the employees are likely to stay for a long time. In this quest, theories underpinning performance management are reviewed. Though there are several theories underpinning performance management, equity and expectancy theories lay the basis to support this research.

Equity Theory

John Stacey Adams develop the equity theory in 1960s. The point of focus is the comparison a person makes between his effort and reward with reward of other people in a similar situation. The equity theory and the sense of fairness does not look at whether reward exceeds effort but the theory is

based on the idea that when people feel they receive fair treatment, they are more likely to be motivated and increase their work effort. However, when they sense an unfair treatment, they become prone to dissatisfaction and demotivation. The core to the heart of this theory lies on how people measure the sense of fairness. Adams refer to efforts of people as input and its associated reward as output. He defines input as what we put in our work and output as what we receive in return. The theory also uses 'referent' to mean the other people with whom we compare our situation which is the pivot of this theory.

The theory of equity and sense of fairness goes beyond assessing effort and reward. In terms of its application to work and management, people seek a fair balance between what we put into our work and what we get out of it. The balance of what is enjoyed by other people with whom we believe to be in the same situation with. Importantly, this means that equity does not depend on our input – to – output ratio alone but also on our comparison between our ratio and ratio of others. We form perceptions of what constitutes a fair ratio of inputs and outputs by comparing our own situation with others 'referent' in the market place as we see it.

In practice, the theory helps to explain why people are so strongly affected by the situations of colleagues and friends in establishing their own personal sense of fairness in their work situations. What matters is the ratio and not the amount per se. Equity theory as a theory of performance helps managers to balance employees' contribution to his job with the compensation and other rewards associated with his success. Most researchers conclude that no one motivation factor completely motivates employees to increase their

effort under all circumstances. Therefore, managers must consider the expectations of their employees.

Both the equity theory and expectancy theory represent a cognitive approach to motivation and explain how people will adjust themselves should they perceive their efforts may obtain outcomes that are consistent with the expectations (Stecher & Rosse, 2007). Both instances deal with individuals being motivated when they perceive that their efforts will lead to their expectations. For example, money or recognition. This makes it appropriate to assess Vroom's expectancy theory.

Expectancy Theory

Victor Vroom propounded the expectancy theory on employee expectancy. He believes that employee is motivated to exert more effort in his work when: he believes that his effort will lead to good performance, his achievement will be rewarded that will satisfy his personal goals. He stated that, effort, performance and motivation are linked in a person's motivation. The core of this theory relates to how a person perceives the relationship between effort, performance and reward. The theory uses three variables namely; Expectancy, Instrumentality, and Valence. Expectancy refers to the probability perceived by individuals that exerting a given amount of effort will result into good performance.

The expectancy theory states that a person will decide to behave or act in a certain way due to expectations of resulting outcomes of his actions. It is usually based on a person's past experience, self-efficacy or self-confidence and perceived difficulty of the performance standard. Self-efficacy is the persons believe that their ability will lead them to successfully perform a

particular task. For instance, a highly motivated employee will put in maximum effort in his work when he believes his effort will yield better results and will be rewarded to have good life.

Instrumentality

The degree to which the employee believes that performance at a particular level will lead to attainment of desired reward. It is believed that if performance expectation is met, then the person will be rewarded by a pay increase, bonus, promotion or recognition. Instrumentality tends to increase when individuals think they have control over how, when reward will be distributed.

Valence:

The degree to which an organizational reward will satisfy individual needs and its attractiveness for the individual. This is best applied to extrinsic rewards such as pay, promotion, pension arrangements, car benefits etc. since they depend on others for their provision and have an objective truth about them. The value a person places on the reward given. According to Vroom (1964), the three factors that is expectancy, instrumentality, and valence combine together to create a driving force, which motivates an individual to put in an effort to achieve a level of performance and obtain rewards at the end.

Criticisms of Expectancy Theory

According to Lawler (1971), expectancy theory is too simplistic as it just assumes that reward for excellent performance such as pay increase or promotion will entice employees enough to increase their productivity to obtain the reward. But this will only work if employees attach much

importance to that reward. The theory can be difficult to implement in the case of rewarding group of employees since individual workers may not be motivated by the same reward. The theory fails to take into consideration the emotional state of individuals as this can also affect the level that an employee will be motivated (Lawler & Porter, 1967). Despite the criticisms of the Expectancy theory, it is still one of the useful for getting to know the behaviour of employees (Aaodt et al 2007).

Performance Management (PM)

Armstrong and Baron (1998), define PM as “a strategic and integrated approach to increasing the effectiveness of organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. Performance management must examine how results are attained because this gives information needed to determine what must be done to improve those results.

Performance management is a process for establishing a shared understanding of standards set and how to manage the human resource to help increase the chances of achieving success. (Weiss & Hartle, 1997). Achieving an organizational goal includes identifying and setting priorities of desired results, establishing means to assess progress and level of success of those results, increasing feedback for employees, and re-enforcement of activities that achieve results and appraisal interviews, Scholarly Research Journal for Science and English Language (2012). There is much more to performance management than performance appraisal. Performance management is a situation which brings together employers and employees to plan, monitor and

review an employee's work objectively and his total contribution to the organization (Fletcher 2001).

Performance management is a means of getting better results from the organisation, teams, and individuals by understanding and managing performance within an agreed framework of planned goals, standards, and competence requirement (Amstrong & Baron, 2004). It is a prominent practice that helps organisations to create business value through better output of their employees (Gungor, 2011). In its broadest sense, performance management is an activity that link itself to corporate objectives, performance standards and evaluation to which performance appraisal is applied. Performance management is not one-shot or periodical exercise but a continuous setting of objectives, assessing progress and providing ongoing coaching and frequent feedback to ensure that objectives and career goals of employees are being met (Bernardin & Beatty, 1984). Performance Management's objective is making good arrangement in an organisation to get things done successfully and to optimize results (Walters, 1995).

Armstrong also found that when performance management is done well, it contributes effectively to organisational success. Bacal (1999), defines performance management as an ongoing communication process between an employee and his or her superior in establishing clear terms expectations and understanding essential job functions of employee, contribution of the employees' job to the overall organisational goals, how the supervisor and the employee will together work to improve, sustain, and build on the existing employee performance. All individuals in an organisation set up have

potentials and these potentials to develop the individuals and to help the organisation achieve its target.

Performance management also involves designing and implementing motivational strategies which aims to transform the potential of people within the organisation into real performance. However, due to certain reasons, the potentials of employees are not fully and effectively converted and utilized. Performance management serves as an agent in ensuring that performance barriers and obstacles are removed and motivate employees to enable conversion of the potentials of employees (Kandula, 2006). Performance management refers to ‘a general set of activities which are carried out by the organisation to improve employee performance. (De Nisi & Griffen, 2008).

The underlying conceptual foundation of performance management lie in theories of motivation, especially Goal setting theory and Expectancy theory. Goal setting theory (Locke & Latham, 1984) opines that assigning specific goals only does not result in enhanced performance but also, assuming goal acceptance, increasing the challenge or difficulty of goals leads to increased motivation and thereby increasing performance. Expectancy Theory assumes that individuals change their behaviour according to their anticipated satisfaction in achieving certain goals (Vroom, 1964). These theories have important implication for designing performance management processes (Pucik, 1985). Pucik and Viance asserts that it is difficult to standardize aspects of performance management and this they think is due to the cultural differences.

Performance Management System

Smith and Goddard (2002), defined performance management as an integrated set of planning and review procedures which cascade down through the organization to provide a link between each individual and overall strategy of the organization. According to Rudman (2003), a performance management system is a system for integrating Human Resource Management activities with objectives of the organization where there is the working together of management and Human Resource activities to influence individual and collective behaviour to support organizational strategy.

The selected banks have adopted performance appraisal in the wake of improving the level of performance and customer satisfaction.

The adoption of certain performance appraisal has been given priority Niven (2002). The establishment of benchmarks or standards for year to year improvement has contributed immensely to better service provision Davis (2006). Performance management systems are effective when they are based on goals that are jointly set and are driven by an organization's business strategy (Lawler, Benson & McDermott, 2012). The importance of Performance Management System is to continuously improve organizational performance (Macky & Johnson, 2000). It is advisable before you embark on development of performance management system, you consider your organization human resource management practices in place to make the performance management process work.

Phases of Performance Management System

Schneier, Beatty and Baird (1987), classified performance management into Planning, Monitoring, Review and Reward phases:

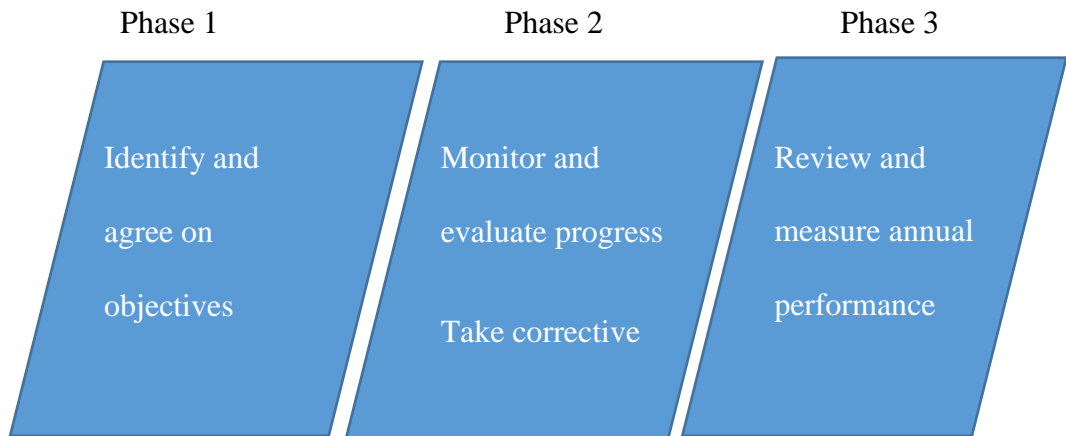


Figure 1: Phases of performance management system
Source: Schneier, Beatty and Baired (1987).

The figure above shows the three phases of performance management systems as provided or established by Schneier, Beatty and Baired (1987).

Phase 1

The phase one is the planning phase. The planning phase is collaboration of effort of managers and employees in which they: Examine detail of the job description to discover if it reflects employee's current work. The job description is adjusted when there are new responsibilities. Develop and design work plan to identify obligations to be performed and measure standards that will be used to evaluate performance. Identify training needs that will help the employee improve upon his skills, knowledge and competencies (Bevan & Thompson, 1991).

Phase 2

In making performance management system effective, work progress and performance of employees must be monitored continuously. Performance Review provides a great opportunity to appraise, summarize and highlight the employee's performance over the course of the review. Managers must pay attention on individual behaviours and results achieved. At this phase, both the manager and employee assess and review processes towards meeting

performance target. Identify barriers that can make performance objectives far-fetched, and fashion out strategies to help correct and overcome them. Determine whether or not the employee needs more support from management in discharging his or her duties and providing constant or regular feedback on progress.

Continuous Coaching:

Performance management also involves coaching employees to correct performance related issues to ensure positive contribution to the organization. Coaching refers to providing direction, guidance and support to an employee on assigned duty. The coach's responsibility in performance management is to demonstrate skill and knowledge on an activity for employees to emulate and learn. He must also identify the strengths and weaknesses of employees and devise means to maximize strengths and minimize or overcome the weaknesses. A coach is not expected to have all the answers, but the strategic power of a coach is to ask the right questions.

Providing Feedback

Effective feedback is one that tends to magnify a process or increase its output by giving timely and frequent feedback (Ashford & Cunnings, 1983). The constructive type of feedback alerts an individual about an area of work which changes needs to be made to improve performance. It must always gear towards the action but not the person as it is descriptive in nature. Constructive feedback is to help the employee to know his position in relation to job performance and achievement of results.

Positive feedback

Document Reviews: challenges identified by the supervisor must be documented or written down to help identify and design suitable programs for training and development.

Phase 3

Rewarding performance:

Odd performance should be rewarded to bring about continuous action. Rewarding performance is giving something to employees for a good work done. Good performance can be rewarded by offering opportunities to employees to develop themselves. Opportunities given to employees to develop themselves must be universal but voluntarily. Development should focus on improving performance and be based on performance gaps. Linking pay to performance is more and popularly used as a reward mechanism for excellent performance.

Pay for reward is giving monetary rewards through carefully designed compensation system that base pay on measured performance within the control participant (Locke, 2004). Pay for performance system make great contributions to performance: they affect the motivation of employees and influence them to perform. It also attracts and helps retain quality workforce.

Performance appraisal (PA)

Performance appraisal falls under the broader umbrella of performance management. Performance appraisal as a tool is used to identify, observe, measure and develop human resources in an organization (Gillen 2007). It is mostly done annually at the end of the year where employee immediate supervisors measure their performance. Boice and Kleiner (1997), assert that

performance appraisal is commonly seen as a device to inform employees about how well they have gone in their work, identify work areas that needs development.

Performance appraisal has been described as the process of identifying, observing, measuring, and developing human performance in an organization (Carrol & Schider, 1982). The definition has very important ingredients needed for the appraisal process. The identification aspect of this definition determines what has to be examined. The observation component gives the need for supervisors to frequently observe the identified characteristics. The measurement component indicates the translation of the observations into ratings. By development component, we mean the appraisal should focus on the future and the improvement of the results as well as evaluation of the past.

Performance appraisal is increasingly considered one of the most important human resource practice. (Boswell & Boudreau, 2002). Grote (2002) describes performance appraisal as a formal management tool that helps evaluate performance quality of an employee. Performance appraisal focuses on measuring and improving the actual performance of employees and also identifies their potentials. It seeks to improve performance at the individual level as well as the organizational level (Cascio, 1998). Performance appraisal is intended to gather crucial information and measurements about the actions of staff and the company's operations which are valuable to management for enhancing the inner workings of the organization wholly (Rahman & Shah, 2012).

Performance appraisal is conducted on an annual basis for existing employees' whereas for trainees and new recruits it is done on quarterly basis

in many organisations. Employees who have relatively lenient appraisers have higher score than to equally competent workers. (Rajput, 2015). For performance appraisal to be effective, there should be clear objectives for doing it and everyone in the organization should understand why it is being done. (Marley, 2013). Organisations employ skills of people to achieve certain goals and objectives. So often, the employer takes stock of the employee's performance potential and his value and the likelihood of his success in the company. To this study, this can be achieved through performance appraisal

Importance of Performance Appraisal

Performance appraisal should be a positive experience and contribute to the overall development of the organization. Performance appraisal when undertaken in the right manner can contribute significantly to employee motivation (Tuytens & Devos, 2012). Performance appraisal helps in designing training and development programmes to teach the employees about the company's specifics, educate them on rules of the organization to give them technical knowledge which is considered important to complete tasks effectively and to eradicate the probable imperfections at work. (Sari, 2009).

According to Jacobs, Kafry and Zedeck (1980), employees see performance appraisal to give them better understanding of their obligations and responsibilities towards the organization. Organizations perceive performance appraisal as a tool that measures employee performance on a common ground. There are other several advantages of PA as outlined by Bannister and Balkin (1990): Improve work performance and overall organizational performance. The point here is that where performance appraisal is approximately carried out it will lead to increased productivity and

better service delivery in the organization. Identification of potentials to aid succession planning: Performance appraisal will benefit an organisation in the sense that it will make obvious to plan for succession of employees working in the organization. Without adequately and carefully planning for succession of employees an organization will run into problems. This can be done screening the performance of recent hired workers.

More objective distribution of rewards and improve retention of employees: When performance appraisal is properly and objectively carried out it will lead to more objective distribution of rewards in the organization by so doing grievances of workers will be reduced to the advantage of the organization. For example, in Alfalah bank of Pakistan, if the performance rating is satisfactory and excellent, then the outcome of appraisal would be positive and bonuses provided base on the ratings. On the other hand, if outcome is negative as a result of low and weak performance then improvement measures are taken on the need base. Performance appraisal and performance management system in Alfalah bank motivates the employees for more productive tasks (Farheen & Faiza, 2014). Increased motivation and job satisfaction: Performance appraisal can have a profound effect on levels of employee motivation and satisfaction for better as well as for worse. Performance appraisal provides employees with recognition for their work efforts. It will also benefit the individual employee as he will see how his contribution will help the organization achieve its strategic objective.

Vance (1992) noted that performance appraisal provides direction for the individual employee and the organization as behaviours of employee are shaped by organizational system of rules and match organizational goals.

According to Arbaiy and Suradi (2007), performance appraisal system helps managers and supervisors to effectively and efficiently assess the performance of employees and provide them with feedback. Kane, Bernardin and Wiatroski (1995), suggest that supervisors should give employees the opportunity to share their views and insights about their own performance. Thus, effective performance appraisal should involve employees.

Arbaiy and Suradi assert that, in today's work pressure, performance appraisal allows the supervisor and the subordinate to take time out for a one-on-one discussion of work problems that might not otherwise be addressed. Performance appraisal helps in the development of employees as well as the organization as a whole. This they say is achieved by identifying strengths and weaknesses for future development. Bach (2000), posits that one of the underlying purposes of performance appraisal schemes is to elicit corporate compliance. These importance notwithstanding, critiques have also emerged. For example: Effective management and evaluation of performance is still a major challenge for many managers today (Armstrong, 1994). Some writers have given reasons why they think that empirical studies on performance appraisal have made little impact on improving managerial decision (Thorndike, 1949).

Napier and Latham (1986), posits that the dominating issues in performance appraisal research such as cognitive processing, training, evaluations and the methodology design seem odds with existing condition in organizations. Furthermore, they note that performance appraisal practice has failed because researches on performance appraisal are not put to use. This is similar to what Maroney and Bucktey (1992), state that there exist a

substantial gap between theory and practice of performance appraisal and that managers and human resource practitioners do not make adequate use of performance appraisal information. Napier and Latham again report that Previous research also have not done enough on the effective implementation of performance appraisal systems and how they influence the motivation of employees to bring about improved individual and organizational performance. Therefore, by way of examining the employee attitude and performance level, the study would find the internal factors that affect the performance of an organization and thus fill the gap. Unfair procedures used in performance appraisals create job dissatisfaction. Performance appraisal systems should be fair and must provide accurate and reliable data. Therefore, it is important that performance management systems are fair to staff for the organization to reap the benefits (Karimi, Malik & Hussain 2011).

Lawler (2012) discusses how a lot of literature poses the idea of dismissing performance appraisal completely, but he believes that performance appraisal is a vital procedure for effective talent management. Gordon (2006), asserts that the process of performance evaluation lacks credibility. This is usually due to the failure of management to spell out clearly what aspects of the job are to be evaluated and to define the standards against which performance is to be measured. Lack of clarity defined measurements can lead to intellectual dishonesty in the evaluation, unfair ratings and loss of credibility of management and the appraisal process. As a result, the worth of the appraisal exercise is forfeited. It is therefore important that the argument of the above-mentioned scholars shows that performance appraisal practice in many organizations suffers from bias just as the case of

the selected banks in Akim Oda. The gap lies in consistent failure of the design of the processes of performance appraisal in organizations. The most common among all the critics of performance appraisal is that they have not come out with its replacement, an alternative for it. Instead of doing away with performance appraisal, organizations need to work on improving their appraisal system to ensure its effectiveness. They need to review their procedures for the exercise to make it compatible.

Most organizations research are complex in methodology and lacks important application which stakeholders reject Bedeian (1989). It is therefore necessary to improve performance appraisal in organizations and ensure it is being used for the intended purpose. According to Moats (1999) performance appraisal has three main purposes: Administrative: According to McGregor in Moats (1999), appraisal serve an administrative purpose by making it easy to determine salary increases and other rewards, and by delegating authority and responsibility to the most capable individuals. It also when appraisal results are used for promotion, demotion, and transfer decisions. Developmental: The developmental aspect of performance appraisal deals with the provision of information about an employee's strengths and weaknesses, designing training programmes to help address those weaknesses. Legal: This is where performance appraisal is conducted properly and fairly. This involves appraising the work of all employees by using the same rating method for all employees. This purpose also involves performance appraisal serving as a documented prove upon which certain decisions are taken and can be used to defend the organization in court should an employee challenge the decisions of management in court.

Performance Appraisal Systems

Moats (1999), reports that effective appraisal system should have the following characteristics: pragmatic, relevant, and uniform. By pragmatism we mean the system must ensure easily understanding by employees to enable managers and employees effectively put into action. Moats further emphasized that appraisal structures that are difficult to understand tend to result in confusion and non-use. Performance appraisal systems should be relevant specifically to the job. This will ensure efficient use of resources and reduce time spent on the process. Successful appraisal systems are those that focus on identifying and evaluating critical behaviours that have link with job success. Uniformity as the last characteristics is much important as it ensures that all employees are evaluated on a standardized scale. Thus, it ignores or reduces biases in the system and helps also for easy work comparison of different employees.

The role of each job should therefore be determined in accomplishing the company's goals, Moats (1999). Like most organizations, the selected banks have a formal performance appraisal system embedded with performance planning. Performance appraisal should document procedures and achievement of individual with regard to set target (Allan, 1994). Developing an appraisal system that reflects performance of employee is very challenging (Boice and Kleiner, 1997). Managers in designing appraisal system should involve employees to make it more practical and operational. Effective performance appraisal system should have good preparation, open and honest discussion between managers and employees provide timely, accurate and meaningful feedback and fair to all employees, Mooney (2009).

Performance Appraisal Techniques

There have been many classifications of appraisal techniques but the one widely used is the traditional and modern methods given by Strauss and Sayles (1980). They say the traditional methods lay emphasis on the rating of the individual's personality, traits, such as initiative, dependability, drive creativity etc. Whiles the modern ones' places more emphasis on the evaluation of actual work results that is work achievement than the personal traits. Some of the traditional and modern methods are discussed below:

Management by Objective:

Management by objective as one of the key appraisal methods is defined as a result-based evaluation program (Choon & Embi, 2012). The goals of the performance appraisal system from an MBO perspective are mutually defined by a number of key stakeholders who include the subordinates' supervisors and employees as well. A typical MBO appraisal system consists of several steps. The process begins by the establishment of clear objectives for the employees. An action plan detailing the way in which the objectives are to be achieved is developed. The employee is then allowed to implement the developed action plan. This allows for appraisal of performance in an objective manner. Corrective actions are taken in situations deemed necessary as well as new objectives for future establishment (Sillup & Klimberg, 2010).

As key aspect of MBO as identified by Huang, S., Durcikova, A., Lai, H., and Lin, W. (2011) is that it stresses the importance and value of employee involvement.

Behavioural Anchored Rating Scale (BARS)

This method of appraising performance came in as a result of the problem of objectively judging the work of employee. The method combines benefits of narratives, critical incidents and quantified ratings by anchoring a quantified scale with specific behavioural examples of good or poor performance. It first generates the critical incidents or behaviours that are essential for effective job performance. Employees and supervisors are then asked to describe in short sentences or phrases identified critical behaviours of effective or ineffective performance. It then groups the incidents into smaller set of dimensions, usually five to ten and each dimension is defined. Those critical incidents which fall above 50% are retained and concluded in the final anchored scale. Finally, a BARS instrument with vertical scales is used for appraising the performance. This rating scale is not widely used (Williams, 2002).

Graphic Rating Scale Method (GRSM)

Graphical rating scales constitute the most used method during performance appraisal in most organisations (Woods, 2012; Wirtz, 2004). A graphic rating scale in this context entails a performance appraisal rating checklist. Using the checklist, the manager supply rates the employee on continuum that may range from poor to excellent depending on the scales aspect being evaluated. Such scales are also considered as requiring minimal cost, training effort and time.

Notwithstanding the advantages, critics have also been raised against the method which include; rating scale may suffer from systemic advantage in

which case relevant indicators of performance may be excluded and hence the inability to achieve results that reflect the employees full value (Woods,

Critical Incident Method 2012). (CIM)

This method measures issues comprising of both positive and negative behaviour of the employee. These are then discussed with the employee. The discussion focuses on actual performance and not the employee's trait.

360 Degree Appraisal

The 360-degree performance appraisal as evident from existing literature is one of the appraisal systems that has in recent years gain significant popularity in both small and large-sized firms (Deb, 2009; Lepsinger & Lucia, 2009). With this method an employee work or performance is assessed by all with whom he has contact with in connection with his or her work. It is a technique where managers, immediate supervisors, peers, customers assess the work of the employee (De Nisi & Griffen, 2008). The process also includes the employees' opinion about himself and hence its recognition as a multi-source, multi-rater and full-circle appraisal system (Grund & Przemec, 2012).

The underlying premise behind the use of 360-degree performance appraisal is that a significant amount of performance data about a given employee can be gathered when multi-sources are used (Sahoo & Mishra, 2012). While supporting such views, Deb (2009) underscores that the use of multiple assessment sources helps ensure that an employee performance is double checked.

Notwithstanding the benefits of the 360-degree appraisal system, some banks including the selected banks in Akim Oda use a single source appraisal

system which is widely not considered as reflective enough of the employees' performance (Sahoo & Mishra, 2012).

Objectives of Performance Appraisal

Evans, (2004); Luecke, (2006) observed that performance appraisal is expected to achieve eight objectives. These eight objectives and their suggestion in achieving them are:

- Performance appraisal provides feedback to employees
- Performance appraisal serves as a basis for salary discussions
- Performance appraisal identifies opportunities for promotion
- Performance appraisal provides direction to employee's work
- Performance appraisal provides opportunities for recognition for special projects
- Performance appraisal identifies employees training and educational needs
- Performance appraisal is necessary to meet legal requirement
- Performance appraisal serves as channels for communication

The objectives of this performance appraisal system is to provide the employee with clear feedback about overall performance in the duties they are employed to which may be linked to the overall business objectives. Performance appraisal helps employees to set plan work and identify skills in order to achieve them. Employee is motivated as there is clarity of what he is required to do in a given period. Increased clarity brings greater focus on job related activities, which in turns facilitate better performance efficiency and commitment. This increases the productivity of the individual employees and the organisation stands benefited out of improved performance of employees.

Setting of performance target/objectives, agreement on measurement criteria and organisations expectations of desired performance level brings to transparency to the appraisal process. It helps organisations in taking people related decisions such as career planning, career development, promotions, training and development opportunities, and succession planning. Meritorious employees are rewarded better with increased compensation, promotions, leadership grooming opportunities, job rotations etc. and help retain to talents in the organisation by satisfying their growth and development needs. Employee's involvement in planning of work and identification of skill helps to bring greater self-awareness and increases his commitment to the objectives of performance appraisal activities. Performance appraisal provides an opportunity to communicate performance feedback, review the job description, plan upcoming goals and objectives and develop an individual development plan. Performance appraisal accord an opportunity to develop an employee through the identification of gaps in skills and competencies. Once deficiencies in skills and competencies has been identified, suitable training and development programmes can be established for rectifying the gaps/deficiencies. This results in personal and professional development of employees (Fletcher, 2008).

Service organisations like the banking industry should move from performance appraisal to performance management. lawler and Mohrman (2005) and Mathis and Jackson (2006) opined that primary attention should be placed on evaluating the system and not the individual. Correspondingly, Presico (2006) advocates process management instead of traditional performance management. Process management is a strategy for managing an

organisation that focuses on control of the process and not solely on control of the employee, and a process is defined by its inputs, methods, materials, information, and the environment.

Performance is the degree to which a project or institution meets predefined criteria or quality standards, such as, efficiency, effectiveness and relevance. Similarly, banking performance metrics could indicate to management how well it is performing in meeting its objectives. When choosing performance measurement systems these should be linked to a performance strategy to be truly successful in helping bankers or human resources officer to make better decisions (Moondy, 2008).

Concept of Commitment

Commitment refers to the individual's psychological bond to the organization including a sense of job involvement, loyalty and belief in the values of the organization O'Reilly (1989). Commitment is a psychological state that characterizes employee's relationship with the organization and has implication for the decision to continue membership in the organization Meyer and Allen (1997), assert commitment to be a psychological state that binds the individual to the organization. Porter (1974), posit commitment as an attachment to the organization that is characterized by an intention to remain in it, identification with the values, and goals of the organization and willingness to exert extra effort on its behalf. Meyer and Allen (1990), opine commitment into three dimensions namely Affective, Normative, and Continuance. Affective commitment is the relative strength of an individual's identification with and involvement in an organization (Porter & Steers, 1982).

Meyer and Allen (1995), on the other hand opine that affective commitment is influenced by factors such as role clarity, personal recognition, feedback, peer cohesion and work challenge. Best (1994), opines that committed individuals exhibit certain behaviours due to the belief that it is morally correct to remain in the organization rather than personally beneficial. Wiener (1982), expressed normative commitment as the internal pressure to act in a way which meets organizational goals and interests. Employees with normative commitment feel they ought to remain with the organization because they see it to be the best thing to do (Meyer & Allen, 1991). They further described it as arising through socialization within the organization.

Kanter (1968), adduce that continuance commitment involves reward or gain associated with continued participation in an organization and the cost that comes with leaving. According to Beck and Wilson (2000), continuance commitment is regarded as an instrumental attachment to the organization based on economic benefits for continually being with the organization. They report that members of an organization become committed to the organization because of positive extrinsic rewards obtained but not with the goals and values of the organization. Meyer and Allen (1997), recognize that an employee's relationship with an organization may show varying degrees of all the three components of commitment but it is important to individually consider the strength of each as the associated behaviours are overwhelmingly different.

Becker, Eveleth, Gilbert and Billings (1996), surveyed research linking employee commitment and job performance. They found that earlier studies had not distinguished between individual emphasis and motives of

commitment and therefore provided inconclusive evidence of linkage. In contrast, their study identified different attentions of commitment within the organization and found that superior members' commitment was positively related to performance while commitment to the organization in general has a weak correlation. Therefore, it is important to identify a profile of an employee's commitment as that distinguishes individual's concentrations that are important for a person and identifies the strength of the three components of commitment associated with each other.

Employee Performance

In the organisational context, performance is usually defined as the extent to which an organisational member contributes to achieving the goals of the organisation. Employees are a primary source off competitive advantage in service-oriented organisations (Luthans & Stajkovic, 1999; Pfeffer, 1994). In addition, a commitment performance approach views employees as resources or assets, and values their voice. Employee performance plays an important role for organisational performance. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Gungor, 2011). Borman and Motorwidle (1993), identified two employee behaviours that are necessary for organizational effectiveness: task performance and contextual performance. Task performance refers to those behaviours or activities that deal directly with the production of goods and services. Task performance is the accomplishment of assigned duty. Contextual performance on the other hand refers to the individual effort that is not directly related to their main task functions. These indirect behaviours serve an important purpose as they shape

the organizational, social, psychological contexts and serve as catalyst for task activities and processes (Suliman 2001). Macky and Johnson (2000) pointed that improved individual employee performance could be represented as a distribution of outcomes achieved, and performance could be measured by using a variety of parameters which describe an employee's pattern of performance over time. On the other hand, Darden and Babin (1994) said employee's performance is a rating system used in many corporations to decide the abilities and output of an employee. Good employee performance has been linked with increased consumer perception of service quality, while poor employee performance has been linked with increased customer complaints and institution or organisation switching. To conclude, employee performance could be simply understood as the related activities expected of a worker and how well those activities were executed. Then, many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help employees identify suggested areas for improvement.

Motivation

Motivation refers to individual's willingness to demonstrate a certain behaviour (Rajput, 2001). Motivation is the degree of readiness of an organization to achieve a particular goal and implies the determination of the nature and locus of the forces inducing the degree of readiness. Rajput (2001), again considers motivation as another component of Human Resource Management practice and defines it as "individual desire to demonstrate the behaviour and reflect willingness to expand efforts". Kreitner and Kinicki (2001), puts that motivation represents psychological process that cause

stimulation for voluntary actions that are goal oriented. Motivation is divided into Intrinsic and Extrinsic motivation. Intrinsic motivation is the satisfaction, enjoyment, positive recognition, interest one gets from his achievement. Intrinsic motivation is mediated within the person or individuals who are motivated intrinsically desire taking challenging cognitive task rather than offering them rewards or physical or material benefit (Mullins, 2006).

Early writers like F.W. Taylor believed in economic needs motivation he stated that workers would be motivated when given sufficient and adequate wages and salaries through working in the most efficient and productive way. But in recent times, (Mullins 2006) puts that many people are increasingly motivated by broader concerns such as work-life balance, personal growth and development and feeling of being accepted and respected by the organization. (Mullins), asserts that motivation as a key ingredient in employee performance and productivity.

With clear work objectives, the right skills, and a supportive working environment employee would not achieve those objectives through main effort without enough motivation. It is in this light that all organizations are now concerned with what should be done in order to achieve sustained high levels of performance through employees (Ifinedo, 2003). Motivated employees are found to be more self-driven and autonomy-oriented than those who are less motivated (Grant, 2008). A handful employee who performs at their peak is better than a large number of employees who operate at average efficiency. But motivating employees to perform at their peak can be one big challenge manager's face. Forbes (p. 296). Management must therefore be concerned with developing motivation processes and create work environment that

enables individuals to deliver in accordance with management expectations. The level of this direction and abilities can influence how employees work in the selected banks in Akim Oda.

Training and Development

Gordon (1992 pp. 235) asserts that training is a planned and systematic modification of behaviour through learning activities, programmes and events which leads to participants achieving high levels of knowledge, skills, competencies and abilities to carry out their work effectively. Training is the act of increasing the skills of an employee for doing a particular job. Employee development on the other hand refers to a joint initiative of the employee as well as the employer to upgrade the existing skills and knowledge of the individual worker. In employee development, the organization formulate policies and design programmes to facilitate the continuing development of the employee, select training and development activities that match the employee's career. The organisation should collaborate with staff to assess and provide feedback on their skills and level of development. Training and development programme is one of the important human resource practices that affect employee's knowledge, skill and capacity positively. These effects enhance employees' performance and achieve organisational standards (Guest, 1997). Tzafrir (2005), opines that training is an important element in the production of human capital. According to Cheng and Ho (2001), managers are much concerned about employee performance and employees also are more concerned about issues on their own output and are increasingly becoming aware of the accelerated obsolescence of knowledge and skills in their ever-changing environment. Employees become more

aligned for career growth and career potential by giving or offering them continuous training.

Empirical Review

Edirisooriya (2014) examined the impact of extrinsic rewards and intrinsic rewards on employee performance: With Special Reference to ElectriCo Sri Lanka. Self-designed questionnaire was used as the primary data collection method. The data was analyzed using descriptive statistics and inferential statistics. The representative sample of 100 employees are selected from a population of 1075 employees in the ElectriCo. The results revealed that there is a positive relationship between extrinsic reward, intrinsic reward and employee performance.

Performance Appraisal and Employee Commitment

Performance appraisal process help the employee to better understand the activities, organizational expectations in terms of the employee's activities, actions and results. If an employee does not know what he is to accomplish, and how he will be judged, he will hesitate to make decisions and will rely on trial and error in meeting the organizational expectations (Rizzo, House & Lirtzman, 1970). Employee's commitment is important because high levels of performance lead to favourable individual and organizational outcome. However, commitment is influenced by many factors such as employment opportunities, job clarity, management style and organizational structure (Dovdevic, 2004). The existence of employment opportunities influences people to be committed (Meyer, 1997).

According to him the likelihood of an employee finding another job may render them less committed to an organization as they ponder on such

desirable alternative. However, if such employment opportunities are very difficult to come by there is the tendency of high level of organizational commitment. Organizational structure is a key element in employee commitment as Zeffane (1994 p. 9), indicates that “the removal of bureaucratic barriers and the creation of more flexible structure are more likely to contribute to the enhancement of employee commitment both in terms of their loyalty and attachment to the organization”. Storey (1995) is of the view that management can increase employees’ commitment level by giving them greater direction and influence. Jaworski and Kohli (1991), argue that managerial feedback informs workers of the expected results and performance. Thus, clarity increases focus, which in turn increase satisfaction and performance.

Several studies support the idea that perception of fairness of performance appraisal is closely related to employee’s commitment to their organization, (Bekele, Shigutu & Tensay, 2014). If employees perceive decisions to be fair, they would reciprocate with high commitment and would be willing to contribute immensely to attaining organizational goals. Employees would reciprocate their perception with low commitment (Sellah, Amin, Muda, & Halim, 2013). Form the above discussion, it can be concluded that the perception of employees towards performance appraisal activities is of high importance since it determines the employees level of commitment to the organisation (Akhtar & Khattak, 2013). Organizations must therefore realize employees’ perception on performance evaluation and improve it since performance appraisal has a predictive role in changing employees’ attitude and affective commitment (Roberts, 2003).

Performance Appraisal and Employee Performance

Researchers have concluded that HR practices affect performance as it shapes employee attitudes and behaviours (Huselid, 1995). HR practices enhance organizational effectiveness by creating environment where employees become highly motivated and work hard to accomplish organizational goals. HR practices must increase workforce optimization by establishing essential processes for carrying out work, providing good conditions of work and establishing fair basis of work evaluation (Basta & Johnson, 1989). Found that PA process offer more benefits to the individual and the organization which include high level of performance. Performance appraisal is a vital component of HR practices. This aspect of HR looks at the evaluation of output per individual and link performance to established organizational goals (Lowenberg & Conrad, 1998).

Researchers have concluded that factors of performance appraisal have influence on job satisfaction, which has the potential to bring about higher performance (Babin & Boles, (1996). This depicts a clear relationship between HR practices such as performance appraisal and employee performance. Smither (1998), in his research noted that one factor that contributes to effective performance appraisal system is ensuring that the system focuses on performance. In ensuring effective appraisal system, organizational goals should first be established. These objectives should then be broken down into departmental and individual goals. This helps the employee to know clearly the standards by which his performance will be evaluated.

Training and Development and Employee Performance

According to Farog and Aslam (2011), performance empirical research examined the impact of training and feedback on employees' performance. They also conducted a literature review that showed the importance of both factors in influencing the employees' performance. Their research results showed that training programmes are effective tool for enhancing employees' performance. Fakhar, Mazhar, Aamir, and Adnan (2011), conducted a research on impact of training on employees' performance in Pearl continental hotel, Pakistan. The study was on the basis of age, gender, number of training attended, time spent on training and performance at the training examination. Six dimensions of performance were analysed, they are: job preparedness, physical maintenance of rooms, hotel hygiene, work safety, preparation for serving customers in many ways and communication with the guest. The results showed that, there is essential and strong relationship between employees' performance and the six dimensions also those employees who have received higher number of trainings were found more capable while performing the duties as compared to those who received lower number of trainings.

Per this discussion, there is evidence of clear positive relationship between training and development and employees' performance. Sheller (2013), opines that as employees have some weaknesses in their area of work, training and development programme help strengthen the skills they need to improve and make their performance rise to a higher level. Sheller adduce that, despite the drawbacks of training and development such as delay in completion of work as a result of attending training. Training and development

provides the whole organisation and the individual employees with benefits that make the cost and time a worthwhile investment.

Conceptual framework

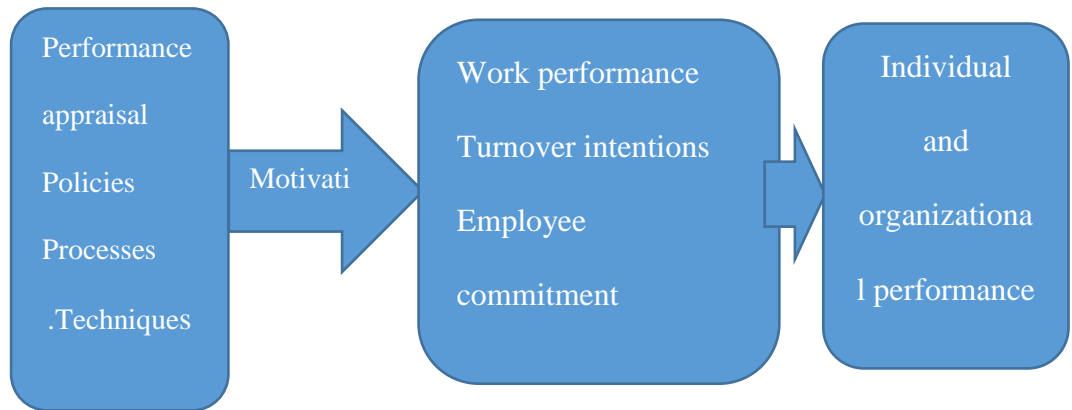


Figure 2: conceptual framework
 Source: Author’s own construct

The model shows how appraisal systems and techniques lead to motivation among employees. With good appraisal policies, processes, and techniques, employees will be motivated. An appraisal process with clearer objectives and bias free will yield positive results for the organization due to the understanding employees get about what is expected of them and their positive attitude towards work. When employees are motivated they become more committed, do away with any intention of leaving the organization and will therefore put in much effort to help achieve organizational goals. Appraisal is a key factor in employee’s motivation. Policies in the organization are expected to positively affect all the elements in the system.

The appraisal exercise should motivate employees and, in the end, bring about outcomes. The outcome depends on a larger extent the policies, actor, activities and processes in the system. All the elements in the system interrelate to achieve effective result. All the policies, systems, activities, and processes motivate the employee to bring an outcome.

Chapter Summary

Managing individuals' performance effectively is key to attaining organizational goals. For line managers to attain strategic objectives accurately, performance level of employees must be made available. It is by this reason that organizations gather and record such essential information (Swanepoel, Ayato, Smither, & Sullivan, 2000). Performance management can be simple and at the same time very complex. It consists of different parts and it therefore requires some skills. Performance management will always work and pay great benefits if it is approached with proper mindset. Performance management is vital component of the process of managing human resources with the aim of achieving employee and organizational goals and will remain key concern of HR practitioners and managers alike (Bacal,1999).

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter focuses on the methodology used for the collection and analysis of data. The chapter will look at the design used for the study, the study area, the study population and sampling. Other issues that this chapter covers include sample size determination, tools for data collection and data collection methods, ethical issues and data analysis.

Study Design

Yin (2003 p. 20) defines research design as a “logical plan for getting from here to there, where here may be defined as the initial set of questions to be answered and there is some set of conclusions (answers) about these questions. The study also made use of descriptive research design. The descriptive research design is used to describe conditions that exist. It entails the use of techniques to describe and record, analyse and interpret existing conditions. A descriptive design tries to identify the relationships that exist between the variables and also improves efficiency.

The study also adopted quantitative research approach. Quantitative research is a formal, objective, systematic process in which numerical data are used to obtain information about the world. Quantitative research focuses on gathering numerical data and generalizing to explain a particular phenomenon. This research method is used: to describe variables, to examine relationships among variables, to determine cause-and-effect interactions between variables.' (Burns & Grove 2005). The goal in conducting quantitative

research study is to determine the relationship between one variable and another within a population

Study Area

The study was conducted at Ghana Commercial Bank, National Investment Bank, Barclays Bank and SG-SSB Bank branches in Akim Oda in the Eastern Region of Ghana. The study area has been deliberately chosen by the researcher due to the fact that some managers of these banks criticise the performance of employees and employees also complain about their pay being inadequate. Also the researcher is a customer of three of the selected banks and thus his familiarity with the area of the study helped to simplify the research work.

Study Population and Target Population

The total population of this study comprises of employees in all banks in Oda. But the target population of this study is the employees of the four largest universal banks in the Akim Oda. That is staff of Ghana Commercial Bank, Bank, National Investment Bank and General Societal Bank.

Sample and Sampling Technique

Sampling as the process by which relatively small number of individuals or measures of individuals, objects or events is chosen and analysed in order to find out something about the entire population from which it was chosen (Salaria 2012). A sample is a selection of respondents chosen in such a way that they represent the total population as good as possible. It is a small subset of a population said to be representative enough of the total population. It is the process of selecting units of people, organisations from a population of interest so that studying the sample we fairly generalize our

result back to the population (Quinlan, 2011). The total population for the study is one hundred and ten (110) and the distribution according to the banks is: Ghana Commercial Bank – 36, National Investment Bank – 30, Barclays Bank – 24 and SG-SSB Bank – 20.

The study used stratified, proportional and simple random sampling probability sampling in selecting units from the population. The sampling was done by dividing the population into groups. This was done according to the levels of their organisation's hierarchy. That is the top level, middle level and lower level management. Employees at the lower level management were fifty-five (55) which constitute 50% of the total population. 50% of the sample figure size (86) is 43. The total workforce of the banks at the middle level was thirty-five. The percentage of the thirty-five (35) of the population is 31.8% and 31.8% of the sample size (86) is 27. The top management level workers were twenty (20). The percentage of the twenty (20) managers to the total population is 18.2. 18.2% of the sample size (86) is sixteen (16). The simple random sampling was chosen because it gives every unit of the population an equal opportunity to be selected. According to the theoretical sampling table as given by Krejcie and Morgan (1970), a population with 110 gives a corresponding sample size of eighty-six (86).

Table 1 Krejcie and Morgan Sample Size (1970)

Population (N)	Sample (n)	Population (N)	Sample (n)	Population (N)	Sample (n)
10	10	220	140	1200	291
15	14	230	144	1300	287
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Data Collection Instrument

Data was collected by the use of questionnaires. The questionnaire was structured in five sections, A, B, C, D and F. Personal or demographic data pertaining to the employees was included in the first part of the questionnaire. The variables that were measured include: age, gender, marital status, level of

education and rank or position at work. Burns and Grove (2001) noted, “Demographic information is analysed to provide a picture of the sample which is called the sample characteristics”.

Section B of the questionnaire sought to collect data on the commitment level of employees at the bank. Respondents were to indicate their level of agreement to a list of statements seeking to measure the commitment level of employees on a Likert scale. Section C in the same structure as B sought to measure the performance appraisal system of the banks on a five-point Likert scale type question. In addition to that, staffs were to indicate if the appraisal system has affected their performance. Finally, section D sought information on the perception of the staffs on the use of performance appraisal information

Data Collection Procedure

After the bank managers granted the permission to administer the questionnaires, the researcher communicated with the employees, did the distribution and collection of questionnaires himself with assistance from an employee authorized by the managers and personally explained the research purpose to the employees on individual basis. Participants were given a two-week period to complete the questionnaires. There was a low response rate and due to this, the completion and collection date was extended by one week in hope for a higher response rate. Due to the perseverance and consistency of the researcher, the response rate was improved. The data was collected in November 2016.

Data Processing and Analysis

The questionnaires would be numbered and edited before coding. Raw scores were fed into the computer and processed using the Statistical Package for Social Sciences (SPSS) version 21 software. Eighty questionnaires were retrieved out of the total eighty-six (86) questionnaire and this represent 93% response rate. The results were presented with the aid of frequencies, tables and percentages were also used. Correlation was also used to establish relationship between the variables. The information gathered was used to provide confirmation and disagreement of empirical findings in the literature.

The first objective was analysed using a Pearson correlation coefficient to determine the relationship between performance appraisal and employee commitment. But before the correlation analysis, means and standard deviations were used to assess staff perception of performance appraisal system and the level of employee commitment. With respect to the second objective, frequency and percentage was used to determine whether performance appraisal has any influence on the performance of the employees, and in addition a cross-tabulation was conducted to determine how performance appraisal had influence on performance across the four banks.

In line with the third objective, percentage and frequencies were used to determine the extent to which performance appraisal affect intention to leave among staffs. In line with that, a cross tabulation was conducted to determine how intention to quit is based on performance appraisal. Also, the final objective was to determine the use of performance appraisal information. Frequencies and percentages were used to measure the perception of

employees on what performance appraisal information is used for. The results were presented in tables and pie charts.

Ethical Issues

The researcher ensured a high degree of ethical issues. The researcher collected an introductory letter from the Department of Management Studies, UCC to the managers of the selected banks for their support and assistance. All instructions and information regarding the purpose of the research, reasons for being approached and administration of questionnaires and interviews were provided in the form of invitation letters. Participants were made aware the purpose of this study and were allowed to ask questions to seek for clarification. The research ensured voluntary participation and participants were not made to disclose their identity to ensure higher anonymity in the research.

Chapter Summary

The research is quantitative and used the descriptive research design. The target population was the entire employees of the four selected banks in Akim Oda. The population was sampled using the stratified sampling method. Questionnaire was used to collect data and the data was processed using the Statistical Package for Social Sciences (SPSS) version 21.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter analyses data on the effects of employee engagement on organizational performance in the public and private sector. The data for these analyses were obtained through the administration of questionnaires. In line with the main research goal, this chapter reflects on the core research objectives as outlined in chapter One.

Data was collected from the total work force of senior and junior staff of Ghana Commercial Bank, Barclays Bank, National Investment Bank, General Societal Bank in Akim Oda. The population size was 110 employees and a sample size of 86 was chosen based on Krejcie and Morgan (1970) sample selection table. A total of eighty-six questionnaires were issued from which eighty were filled and returned which represents a response rate of 93%. This response rate was considered satisfactory on the basis of the assertion made by Mugenda and Mugenda (2008) that a response rate of 50% is satisfactory enough for analysis. The success rate in this study could be attributed to the self-administration of the questionnaires applied by the researcher from which the intended respondents were pre-notified on the actual date before the data collection. The researcher also made a lot of efforts to make many follow-ups calls to clarify queries with the intention to boost the high response rate.

Descriptive Results for Socio-Demographic Characteristics

In order to understand the socio-demographic characteristics of the respondents, the first section of the questionnaires was designed in such a way that the respondents could provide answers relating to their backgrounds. After analysing their answers, the information that was obtained had been summarized and shown in Table 2 below. Overall, taking into account the totality of the respondents from all the Banks, it can be noted from Table 2 that the majority of the respondents were from GCB Bank, 23 representing (28.8%), followed by 21 from National Investment Bank representing (26.3%) and Barclays Bank (23.7%) and finally SG-SSB (21.2%). With respect to the sex of the respondents, men (55%) while 45% were female. However, the sex distribution among the respondents indicate a considerable high level of participation of women in the banking industry.

Table 2: Demographic Characteristics of the Respondents

Variable		Frequency	Percent
Banks	Barclays	19	23.7
	National Investment Bank	21	26.3
	SG-SSB	17	21.2
	Ghana Commercial Bank	23	28.8
Sex	Male	44	55
	Female	36	45
Age	18-28	7	8.8
	29-39	38	47.4
	40-50	28	35
	51-above	7	8.8
Educational Levels	Polytechnic	1	1.3
	1st Degree	48	60
	Master's Degree	28	35
	Ph.D.	3	3.7
Length of employment	1-5 years	25	31.2
	6-10 years	24	30
	11-15 years	20	25
	16 - 20 years	8	10
	20+ and above	3	3.8
Staff Category	Top Level	13	16.2
	Middle Level	26	32.5
	Lower Level	41	51.3
Salary Level	GH 1001-GH 2000	39	48.8
	GH 2001-GH 3000	32	40
	GH 3001 and above	9	11.2
Total		80	100

Source: Field survey Agyekum, (2019)

With respect to age, the results indicated that most of the employees' age was between 29-39 years with a percentage figure of 47.4%, followed by those between the ages of 40-50 years (35%). The least age group was those between the ages 51 and above and 18-28 years, 8.8 percent each. What can be inferred from this age demographic issue of the respondents is that, in the first place, the sample could be considered to be all-inclusive as it captured the opinions of various age groups within the institution.

Furthermore, one can argue that the fact that the majority of the respondents was between the ages of 29-39 shows that the Banks in Akim Oda have great potentials of talented workers who could stay with the banks for a longer period. In addition, looking at the percentage number of the employees who are older than 50 and those between 18-28 being least (7 %), it is fair to deduce that the turnover intention is low among the respondents (Kipkebut, 2010), in addition to the young employees benefitting from the experiences of these matured employees.

The results of the educational level of respondents indicate that those who were the majority were those with First degree (48%), followed those with the Master's Degree (35%) and PhD (3.7%) while the least was those with Polytechnic Diploma (1.3%). This finding is not surprising considering the fact that this is a professional institution which prides itself with good quality of services and those with good educational backgrounds and as such those with HND diploma have the possibility of not being employed.

With regards to how long respondents have worked with the banks, the finding shows that those who have worked between 1-5 years are the majority with 31.2% while those between the years of 6-10 are the second highest of 30%. This is followed by 25% of those who had worked for a period of 11-15 years, 10% had worked between 16-20 years. Those with working experience of 20 and above years are the least represented as they are only 3, representing 3.8%. This suggests that while most of the employees have not worked for a longer period and therefore may lack experience compared to the number of staff who have worked for longer period and have had enough experience, there is a right mixture of workers in the institution. The experienced ones are

relatively large enough to be able to impact their knowledge on the inexperienced staff.

The staff category indicate that majority of the respondents were lower level (51.3%) followed by middle level (32.5%) while the top level was 13 representing 16.2%. This indicate the competitive nature of the industry since only few could occupy top management positions.

Analysis of the Objectives

The first objective of the study sought to identify the performance appraisal system in the study area. In view of this and based on the literature review, the employees were given a number of statements that measure the existence and effectiveness of performance appraisal systems. They were then asked to indicate the extent to which they agreed or disagreed with these statements. On a scale of 1 to 5 with one indicating a strong level of disagreement and 5 indicating a strong level of agreement.

Table 3: performance appraisal system of the banks

	N	Mean	S. D
The bank has a well-defined policy on appraisal of employees	80	3.46	.810
The appraisal systems of this bank are fair	80	3.38	.891
The performance appraisal exercise is conducted on regular basis	80	3.45	.710
There are appraisal systems that address employees' strengths and weaknesses	80	3.65	.677

Source: Field survey, Agyekum, (2019)

The results indicate an overwhelming agreement on the existence of performance appraisal systems in the banks. This is made evident by the statement; There are appraisal systems that address employees' strengths and

weaknesses, mean = 3.65, Standard Deviation (SD) = 0.677. Followed by the statement; The bank has a well-defined policy on appraisal of employees, mean = 3.46, SD= .810. Indicating that there are well established performance appraisal systems in the banks. Another statement that indicate respondents' perception of the existence of a performance appraisal system is; The performance appraisal exercise is conducted on regular basis, mean= 3.45, SD = .710. This underscore consistency in performance appraisal activities among the banks.

The second objective sought to determine whether or not performance appraisal systems have effect on employee commitment.

Employee commitment was also measured. Respondents were to indicate their level of agreement with statements measuring the commitment of the respondents in the various banks.

Table 4: Employee commitment

Response	N	Min	Max	Mean	S. D
Willingness to put in a great deal of effort beyond expected	80	3	5	3.93	.759
Feel of loyalty to the bank	80	2	5	3.93	.671
Readiness to accept almost any type of work assigned	80	1	5	3.07	.938
Not ready to move to another similar bank	80	2	5	3.55	.778
Inspiration from employer through job performance	80	3	5	4.09	.640
There is a lot to be gained by sticking to this bank indefinitely	80	2	5	3.60	.668
Content in working for the bank	80	2	5	3.44	.653

Source: Field survey, Agyekum, (2019)

The most significant statement that indicates the commitment of the respondents is; the bank really inspires me in the way of job performance, mean = 4.09, SD = .640. The standard deviation indicates that the dispersion is around the mean. Another important statement that indicates employees' commitment is; I feel very loyal to this bank, mean = 3.93, SD = .671, followed by; I am willing to put in a great deal of effort beyond which is normally expected in order to help this bank to be successful, mean = 3.93, SD = .759. All these statements measure employee commitments and it indicates the extent to which employees are committed to the banks.

As part of the first objective, a person correlation was conducted to determine the relationship between performance appraisal and employee commitment as measured by statements in table 3 and 4 respectively. The results of the correlation analysis are presented in table 5.

Table 5: Correlation analysis between Performance appraisal and commitment

		Performance Appraisal	Employee Commitment
Performance Appraisal	Pearson Correlation	1	.409**
	Sig. (2-tailed)		.000
	N	80	80
Employee Commitment	Pearson Correlation	.409**	1
	Sig. (2-tailed)	.000	
	N	80	80

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Field survey, Agyekum (2019)

The results of the Pearson product-moment correlation coefficient, show that there was a positive relationship between performance appraisal and

employee commitment [$r = .409$ $n=80$, $p=.000$], two-tailed.). In relation to interpreting the magnitude of the correlation coefficients, Cohen (1988) suggests the following guidelines: $r=.10$ to $.29$ or $r=-.10$ to $-.29$ small, $r=.30$ to $.49$ or $r=-.30$ to $-.49$ media, $r=.50$ to 1.0 or $r=-.50$ to -1.0 large. This means that there is a positive correlation between performance appraisal and employee commitment among the banks in Akim Oda. According to Pallant (2005), a p value $< .05$ indicates that the results are significant. This result supports the findings of Page (2001), that performance appraisal and employee commitment are negatively related. The results support the findings of Bekele, Shigutu and Tensay (2014), that performance appraisal is closely related to employee's commitment to their organization. It further corroborates the results of Sellah, Amin, Muda, & Halim, (2013) that If employees perceive performance appraisal decisions to be fair, they would reciprocate with high commitment and would be willing to contribute immensely to attaining organizational goals. Since the results prove that there is a positive relationship between performance appraisal and employee commitment, the ideal situation here is to ensure fairness in performance appraisal systems.

Performance appraisal factors and the effect on employees' performance

The third objective sought to solicit respondents view on the effect performance appraisal factors such as wages and salaries, length of service, marital status, education level and age have on employee performance.

Table 6: Responses on Socio Demographic and Socio-Economic factors on Employee Performance

Multiple linear regression model, performance appraisal (n= 80)

R² = 23.30 %

F (15, 220) = 5.76

Variable	Coefficient	95% CI
<i>Constant</i>	46.62	0.360 – 52.87
<i>Education level (ref = Senior High)</i>		
1. Polytechnic	0.432	-4.463 – 5.33
2. First degree	1.14	-5.046 – 7.32
3. Master's degree	1.11	-4.143 – 5.76
4. PhD	1.21	-5.132 – 7.11
<i>Marital status (ref = Single)</i>		
1. Married/common law	4.00*	-0.089 – 8.10
2. Divorce/widowed	4.91**	0.040 – 9.78
<i>Age (ref = 18-28 years)</i>		
1. 29 – 39	3.77	-1.631 – 9.16
2. 40 – 50	3.12	-2.637 – 8.88
3. 51 & above	8.21**	1.003 – 15.41
<i>Salary level (ref = GH¢ 1000 & below)</i>		
1. GH¢ 1001 – GH¢ 2000	-0.01	-3.800 – 3.79
2. GH¢ 2001 – GH¢ 3000	1.20	-2.851 – 5.26
3. GH¢ 3001 & above	7.75**	2.436 – 13.07
<i>Years of employment (ref = 1-5 years)</i>		
1. 6 – 10 years	-0.11	-0.118 – 7.24
2. 11 – 15 years	1.30	-1.783 – 6.34
3. 16 – 20 years	3.03*	-.316 – 6.37
4. 20+ years	4.84**	0.782 – 8.89
<i>Gender (ref = male)</i>		
1. Female	-0.90	-5.825 – 4.02

** Statistically significant at $p < 0.05$; *Close to statistically significant at $p < 0.05$

Multiple regression analysis (Table) was used to evaluate the correlates of performance appraisal, with correlates including respondents' education level, marital status, age, salary level, gender and years of employment. Preliminary analyses were performed to ensure there was no violation of the assumptions of normality, linearity and multicollinearity. A significant regression equation was found [$F(15, 220) = 5.760, P < 0.001$], with an $R^2 = 23.30$.

From the analysis, there was a high effect of socio-demographic and socio-economic factors on employee appraisal performance across all banks. This was evident from the co-efficient of the level performance in relation to the factors. From the regression analysis, those employees whose salary is above GH₵ 3,000 had a very significant co-efficient (7.75**) which means employees whose salary is above GH₵3,000 had a higher score in performance appraisal which also mean they perform at a higher level. This has been supported by the study of Sajuyigbe, Olaoye and Adeyemi (2013) in which they examined the impact of reward on employee performance in a selected manufacturing companies in Ibadan, Oyo State, Nigeria. Results showed that reward dimensions jointly predict employees' performance which accounted for 71% variance of performance.

In a likewise manner, it was revealed that employees who have worked with their organisations for quite a longer period of time perform well in the performance appraisal. This is as a result of knowing the organisational systems and culture and have also attended in-service training and have gained much experience. This was also the case of 'Age' as workers who are 51+ are those who have served their banks for a longer time. On the other hand,

factors such as education level and gender did not have any effect on how well an employee performed or the score an employee obtain in the appraisal exercise.

Babin and Boles, (1996) have concluded that factors of PA have influence on job satisfaction, which has the potential to bring about higher performance.

The study sought to assess the link between the various banks. The results of the cross tabulation are presented in table 6.

Table 7: Cross tabulation among the various banks on PA and Employee performance

	The performance appraisal system		Total
	improved performance		
	YES	NO	
Barclays	15 (77.8%)	4(22.2%)	19(100%)
NIB	18 (85.7%)	3 (14.3%)	21(100%)
SG-SSB	15 (88.2%)	2 (11.8%)	17 (100%)
GCB Bank	17 (73.9%)	6 (26.1%)	23(100%)
Total	65 (81.3%)	15 (18.8%)	80 (100.0%)

Source: Field survey, Agyekum, (2019)

It is clear from the result that of the respondents who were of the view that PA has helped improve their performance, a majority came from NIB (18), followed by GCB bank (17) with Barclays and SG-SSB having 15 respondents each. Of the 15 respondents who were of the view PA did not contribute to their performance, a majority of 6 were from GCB bank followed Barclays bank with four (4) respondents. It can be inferred from the cross tabulations that GCB has the highest number of respondents among all the banks indicating that performance appraisal did not affect performance (26.1%) followed by Barclays bank (22.2%).

Assess the use of performance appraisal information

The final objective assessed how respondents perceive that performance appraisal information is used to improve their conditions. Respondents were asked to indicate yes or no to statement that intend to determine whether performance appraisal information is used to; improve salary, design training programs, promotions and demotions issues and career development policies. The results are presented in the figures and tables below.

A pie chart showing the responses on PA and employee salary decisions

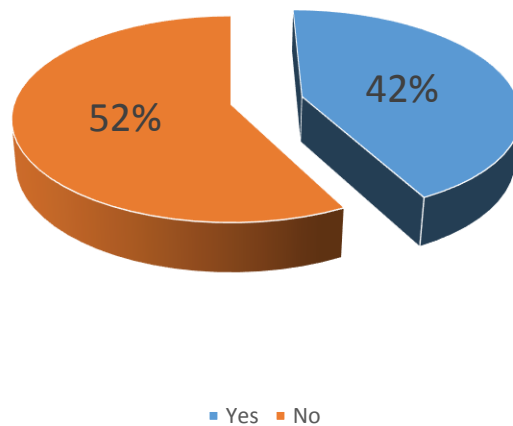


Figure 3: Performance appraisal and employee salary
Source: Field survey, Agyekum, (2019)

Sherman (1996) define the objective of appraising performance as giving employees the opportunity to discuss performance related issues with their supervisors. Again, it provides the supervisors the means of identifying the strengths and weaknesses of employee performance. Finally, they gave the objective of appraising performance as the provision of a format that enables the supervisor to recommend a specific program designed to aid an employee improve performance and also to provide a basis for salary

recommendations. The last sentence of Sherman’s definition indicates the use of performance appraisal information for salary recommendation. The results indicate 58% of the employees are of the view that their performance appraisal information does not reflect directly in their salary, and 42 % are of the view that performance appraisal information affects their salary.

This result indicates the desire of employees to see their performance directly affect the reward for the efforts put in the work as opined the Expectancy theory used in this study.

As part of this objective, respondents were asked to indicate whether they perceive that performance appraisal information was used to design their training and development programs. The results are presented in figure three.

Responses on the use of PA or training programs

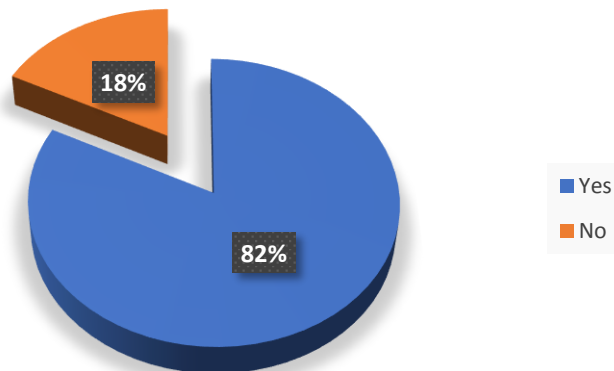


Figure 4: Use of PA information in designing training programs
Source: Field survey, Agyekum, (2019)

As posited by Ayers (2015), one importance derived from the use of performance appraisal information is that it gives the rare chance to superior and subordinate to recognize and agree upon individual training and developmental needs. We can adduce from the result that 82% of the respondents agree that their training programs are designed in line with their

performance appraisal information and only 18 percent perceive that their trainings do not reflect their performance appraisal information. It could be inferred from the results that, generally training programs designed by NIB, GCB Barclays and SG-SSB in Akim Oda directly reflect employees' performance appraisal information. Sari, 2009 points out that Performance appraisal helps in designing training and development programmes to teach the employees about the company's specifics, educate them on rules of the organization to give them technical knowledge which is considered important to complete tasks effectively and to eradicate the probable imperfections at work.

Finally, the perception of respondent about the use of performance appraisal information in promotion and demotion was assessed. The respondents were asked to respond yes or no to the question; Are issues of promotions and demotions done based on performance appraisal results? The result is shown in table 10

Table 8: Responses on the use of PA information in Promotion and Demotion

Response	Frequency	Percent
Yes	73	91.3
No	7	8.8
Total	80	100.0

Source: Field survey, Agyekum, (2019)

As evidenced in the result, majority of the respondents (91.3%) from all the banks are of the view performance appraisal information is a key determinant in their promotion or demotion. The rest 8.8% (7 respondents) are of the view that promotion and demotion is dependent on other things rather

than performance appraisal information, it could be organisational politics, informal groups or even favouritism. This is the key concept presented in Vroom's expectancy theory, the concept of instrumentality, the degree to which the employee believes that performance at a particular level will lead to attainment of desired reward. It is believed that if performance expectation is met, then the person will be rewarded by a pay increase, bonus, promotion or recognition. Instrumentality tends to increase when individuals think they have control over how, when reward will be distributed. So, promotion is perceived as a reward for performance.

CHAPTER FIVE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary of the main findings, conclusions drawn from the findings and recommendations for policy consideration and further research.

Summary of the Findings

The main objective of this study was to determine the extent that performance appraisal results affect employee performance. In order to achieve the main objective, the following research questions were asked to guide the study:

1. To identify the performance appraisal system in the study area.
2. To determine how performance appraisal affect employees' commitment.
3. To ascertain the effects of socio demographic and socio economic demographic factors on employee performance.
4. To evaluate employees' assessment of the effectiveness of appraisal systems and the use of performance appraisal information.

The quantitative research method and the survey design were employed in the study.

A structured survey questionnaire was the sole research instrument used in gathering primary data for the study. A total of 80 questionnaires were returned and used for analysis. The primary data from the questionnaire were put on an interval scale and analysed using descriptive statistics such as frequencies and percentages. The presentation of the results was done mainly

by the use of tables and charts with the figures in percentages. The results were presented in chapter four but the main findings are summarized below:

1. There was an overwhelming agreement on the existence of performance appraisal systems in the banks indicated by the appraisal systems that address employees' strengths and weaknesses, mean = 3.65, Standard Deviation (SD) = 0.677. Followed by the statement; The bank has a well-defined policy on appraisal of employees, with mean = 3.46, SD= .810. Indicating that there are well established performance appraisal systems in the banks. Another statement that indicate respondents' perception of the existence of a performance appraisal system is; The performance appraisal exercise is conducted on regular basis, mean= 3.45, SD = .710. This underscored consistency in performance appraisal activities among the banks.
2. The Pearson product-moment correlation coefficient [$r = .409$], showed that there was a significant positive relationship between performance appraisal and employee commitment.
3. Findings suggest several positive correlates of performance appraisal. First, respondents who are "divorce/widowed" are more likely to report a higher performance appraisal score than individuals who are "single, which is the reference group. Also, there is statistically significant difference in performance appraisal score between those who are "married" and the reference group. Second, age has a strong positive effect on performance appraisal, with respondents aged "51+" more likely to report a higher level of performance appraisal as compared to the reference group (i.e., age 18-28). Third, salary level also has a

positive effect on performance appraisal, with individuals reporting a monthly salary GH¢ 3000 and above having a higher performance appraisal than individuals whose monthly salary is Gh¢ 1000 and below (the reference group). Fourth, years of employment were associated with performance appraisal. Respondents with “20+ years of employment” had a higher performance appraisal than those who “1-5 years of employment” (the reference group). Neither education nor gender was statistically significant in predicting performance appraisal scores.

4. A total of 58% of the respondents were of the view that their performance appraisal information does not reflect directly in their salary, and 42 % were of the view that performance appraisal information affects their salary.

Conclusions

This study has provided an overview and relevant discussion on the existence of some performance appraisal systems in the banks surveyed, highlighting on the significant positive relationship between the performance appraisal systems and employee commitment. Thus, it is a good starting point for management to pay attention to the appraisal systems since they are means through which the weakness of employees is addressed and strengths improved or encouraged.

It was however surprising that majority of the respondents indicated that their performance appraisal information does not reflect directly in their salary, while only few believed and were of the view that performance appraisal information affects their salary. This is thus a strong signal to

management that expectations of employees are that, appraisal information should be used in such a way that it reflects in policies concerning employees benefits and must be employed as such and not just merely conducted as a routine ritual due to organizational requirements.

In general, it can be concluded that this study has effectively answered the research questions and can establish that there are performance appraisal systems in the banks surveyed, and that there exists a significant positive relationship between the performance appraisal systems and employee commitment.

Majority of the respondents surveyed agreed that they were highly satisfied with the level of performance appraisal system and further indicated that the performance appraisal helped improved their performance. This study has contributed significantly to academic discourse and literature on the subject and also contributed to a better understanding of the extent that performance appraisal factors affect employee performance among the 80 selected employees in the Municipality surveyed.

Recommendations

On the strength of the research findings and conclusions made, the following recommendations are hereby made for policy consideration:

1. It is recommended that management pays attention to the existing or established appraisal systems since they are the means through which the weakness of employees is addressed and strengths improved or encouraged.

2. It is again recommended that management have a critical look at the performance appraisal factors and address them appropriately as they help develop loyalty and commitment in employees.
3. Since among the respondents surveyed majority, agreed that they were highly satisfied with the level of performance appraisal system and further indicated that performance appraisal had helped improved their performance is also recommended that management should endeavour to keep up the good work it is already doing. Management must also pay attention to those factors that motivate employees to put in much effort in their work and apply them across all levels of the organisational hierarchy as the study has established.
4. Finally, is further recommended of management that, since it is the expectations of employees are that, appraisal information should be used in such a way that it reflects in policies concerning employees' benefits likes salaries and wages, the appraisal application should be streamlined and practically utilised as such and not just merely conducted as a routine ritual due to organizational requirements.

Suggestions for Further Research

This study was limited to only employees of the four Banks selected for the survey, hence a further research can be extended to cover or include other banks in the Municipality from which larger sample can be picked based on the larger population that will be obtained in order to make more accurate inferences from the results.

Furthermore, it is suggested that the research can also be replicated in other Municipalities using either similar or even larger sample sizes for comparison purposes to determine if findings will be similar to the results obtained from the Akim Oda Municipality.

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APPENDICES

APPENDIX A

UNIVERSITY OF CAPE COAST

COLLEGE OF HUMANITIES AND LEGAL STUDIES

SCHOOL OF BUSINESS

QUESTIONNAIRE FOR RESPONDENTS

I am a student of University of Cape Coast, Faculty of Business. As part of the requirement for my Degree in the Master of Business Administration, I am conducting a study and for that matter this questionnaire to obtain information on 'the effect of performance appraisal on employees' performance in Ghana Commercial Bank, Barclays bank, National Investment bank, and Social Security bank in Akim Oda. It would be very much appreciated if you could provide answers to the questions below. The information is solely for academic purposes and the information provided will be treated confidential.

PLEASE TICK (✓) WHERE APPROPRIATE

SECTION A: BACKGROUND INFORMATION

1. Name of bank
2. Sex: (a) Male [] (b) Female []
3. Age:
4. Marital status: (a) Single [] (b) Married [] (c) Divorced []
(d) Widowed []
5. Level of education: (a) Senior high school [] (b) Polytechnic []
(c) First degree [] (d) Master's degree [] (e) Ph.D.
6. How long have you been an employee of this bank: (a) 1-5 years []
(b) 6-10 years [] (c) 11-15 years [] (d) 16-20 years []

(e) 20 years+ []

7. What category of employees do you belong?

(a) Top level [] (b) Middle level [] (c) Lower level []

8. What is your salary level: (a) GH¢1000 and below [] (b)

GH¢1001GH¢2000 [] (c) GH¢2001-GH¢3000 [] (d) GH¢3001

and above []

SECTION B

Check the answer that best describes your level of agreement and disagreement of the commitment level of employees with each statement below

1-Strongly Disagree (SD), 2- Disagree (D), 3- Neutral (N), 4- Agree (A),

5- Strongly Agree (SA)

Statement:	1	2	3	4	5
9.1. I am willing to put in a great deal of effort beyond which is normally expected in order to help this bank be successful					
9.2. I feel very loyal to this bank					
9.3. I would accept almost any type of work assignment in order to keep working for this bank					
9.4 I would not like to work in a different bank as well as they are similar					
9.5 The bank really inspires me in the way of job performance					
9.6 There is a lot to gain by sticking to this bank indefinitely.					
9.7 I don't regret deciding to work for this bank					

SECTION C:

APPRAISAL SYSTEMS OF THE BANKS	1	2	3	4	5
10.1 There is a well-defined policy on appraisal of employees					
10.2 The appraisal systems of this bank is fair					
10.3 The performance appraisal exercise is conducted on regular basis					
10.4 There are appraisal systems that address employees' strengths and weaknesses					

11. The performance appraisal system of this bank has helped improve my performance.

(a) Yes [] (b) No []

(a) Yes [] (b) No []

SECTION D: THE USE OF PERFORMANCE APPRAISAL INFORMATION

13. Does performance appraisal results affect your salary?

(a) Yes [] (b) No []

14. Does management use performance appraisal results in designing training programmes to address identified weaknesses of employees?

a. (a) Yes [] (b) No []

15. Are issues of promotions and demotions done based on performance appraisal results?

b. (a) Yes [] (b) No []

16. Are opportunities for career development provided based on performance appraisal results?

(a) Yes []

(b) No []

I am grateful for your timeThank you!