

## **Evaluation of the Use of the Performance Appraisal and Reward System in Improving Employee Performance: A Survey of Selected Public Sector Organizations**

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**ABSTRACT:** *To fulfil their fundamental obligations, public sector organisations are required to offer the population high-quality services. To carry out these duties, these organisations must have a qualified workforce (personnel). As a result, the workforce of the organisation needs to be sufficiently motivated to maintain pace with the organisational goal. This is accomplished through performance evaluation, which assesses the performance to ensure that employees are keeping up with their tasks and the reward system, which serves to maintain employee motivation. This study's main goal is to investigate how performance evaluation and reward systems are used to improve employee performance. Using both primary and secondary sources, data were collected. The findings indicate that organisations under evaluation use performance appraisal and reward systems before, during, and after staff transfers and deployments both inside and outside of MDAs. This management tool is one of the key determining variables in such transfers and deployments. When workers stray from their job descriptions, the company uses it as a deterrent. The outcome also shows that one of the challenges in implementing performance evaluation and reward systems is politics. The report recommends that the performance evaluation and reward system be based on merit and free of politics in its conclusion.*

**KEYWORDS:** employee, performance, evaluation, public sector, and reward system.

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## **INTRODUCTION**

The desire to inspire employees to perform to their highest potential stems from the necessity to maximise employee performance. The demands that need to be met are what motivates employees to work. Such people dedicate themselves to careers they believe may allow them to meet their demands through the compensation they will obtain for their efforts. The nature of the reward, which might include remuneration, recognition, and trust among other things, substantially influences the sort of motivation.

Remuneration is one of the variables, according to Bayon (2013), that can enhance both individual and organisational performance by boosting productivity, quality of performance, and encouraging positive work attitudes from employees to be in line with the organization's goal. By establishing goals for the work that is delivered, rewards can be utilised to increase performance. Research has shown, according to Perry et al. (2006), that people prefer to perform better when they are acknowledged and commended. Rewards come in two flavours: intrinsic and extrinsic. Employees that receive intrinsic benefits feel more a part of the company, and they also frequently experience increased levels of personal fulfilment. Information, criticism, acknowledgement, trust, and empowerment are a few examples. Extrinsic rewards, on the other hand, concentrate on providing an employee with apparent, physical rewards for accomplishing something. Examples include promotions, gifts, pay increases, and bonuses. It is crucial to remember that the incentive must reflect the input and demands of the employee. Ajila (1997) asserts that intrinsically motivated people will only be dedicated to their work after they realise that it involves tasks that will provide them with intrinsic rewards. In the same vein, people who are driven by external rewards will put forth more effort if they stand to gain from it. In light of this, the goal of this study is to investigate how performance evaluation and incentive systems can improve employee performance.

### **Empirical Analysis**

The relationship between the independent variable (performance evaluation) and the dependent variable will be clarified in this section (reward system). It is crucial to recognise this relationship to protect those in charge of designing a performance evaluation and reward system that will meet the needs, desires, and expectations of employees now and in the future while also achieving organisational goals and objectives through high performance. To support the argument, the following research studies that are pertinent to this study were chosen:

Gebayaw (2019) did a study to find out how a reward management system affected the administrative personnel at DebireBirhan University in Ethiopia. The study's sample size included 280 administrative workers from various departments. The data were processed using SPSS, a statistical tool for social science, and both descriptive and inferential statistics were used to examine the results. The findings show that there was an association between employee happiness and reward system transparency that was moderately significant ( $r=0.582$ ,  $p<0.00$ ). Rosa and Forrest (2019) conducted a study titled "Performance Appraisal: A Supervision or Leadership Tool?" The report offers a thorough examination of 108 colleges and universities as a whole. The absence of leadership support, the failure to hold supervisors accountable for timely completion of evaluations, and the dearth of training offered to supervisors for conducting effective performance appraisals all contributed to the lack of satisfaction with the appraisal process. According to Joycelyn, Bless, and Mawutor (2018), a reward system is in place with the express purpose of encouraging people to work toward achieving critical goals that are established by organisations. The study provides more insight into the relationship between organisational effectiveness and reward schemes. They noted in their conclusion that the compensation system is crucial in encouraging employees to work creatively.

Nnaji-Ihedinmah and Egbunike (2015) aimed to ascertain whether there is a connection between employee performance and the reward system. Employees of commercial banks in the city of Awka were given a questionnaire in the Likert scale format. The empirical findings showed a connection between incentives and work performance as well as a significant

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distinction between the effects of intrinsic and extrinsic rewards on worker performance. Salah (2016) conducted a similar study to determine how several incentive types—extrinsic, intrinsic, social, and rewards mix—affect workers' performance. 318 employees, out of a total target population of 513, represented 60% of the Southern Jordanian mining industry's consolidated mining businesses. A statistically significant association between the different types of rewards and employee performance was found using 250 questionnaires. According to the study's findings, management must be deeply committed to the subject of employee rewards if performance levels are to be raised.

Similar research was done by Shine, Swati, Jasmine, and Veer Singh (2015) to determine the primary drivers of employee motivation and the connection between rewards, recognition, and motivation at work. 130 completed useable surveys were delivered along with 150 self-administered questionnaires for a response rate of 86.67 per cent. According to the findings of the statistical research, there is a strong relationship between reward and recognition and several aspects of employee motivation and job satisfaction. An incentive system satisfies employees' demands, which enhances contact between the individual and the firm, according to Mokhtar and Nasser (2015). They also noted that when an employer pays a worker well, acknowledges his effort, and uses other aspects of the incentive system, whether they were extrinsic or intrinsic rewards, the employee feels valued. In support of the aforementioned conclusions, Muhammad and Owais (2015) used 100 questionnaires in their study to examine how rewards affect employee performance in private schools. The results revealed a positive relationship between rewards (both intrinsic and extrinsic) and employees' job performance, as most organisations use a rewards system to improve job performance.

Khalil (2015) researched an employee evaluation. The goal of the study was to pinpoint the staff performance appraisal abilities that school administrators possessed. It also intended to discover the flaws that distorted staff performance evaluations and to identify the predominant method (traditional or modern) for doing so. 316 Beirut, Lebanon-based teachers make up the sample size. The study's findings point out the flaws in school staff members' performance evaluations assumption that the conventional staff performance appraisal method predominates in educational institutions. A performance appraisal system is required to help determine the input of staff, motivate employees, and ensure successful work by the workforce, according to a different study by Owusu-Ansah and GoGo (2014). According to the study, 33.3% of the respondents thought performance reviews were ineffective. According to the respondents, performance reviews were a time waster and an annual routine because the majority of department heads were dishonest about the ratings.

### **Research Techniques**

With the aid of a descriptive research methodology and a purposive sampling technique, 100 respondents who were thought to know pertinent to the topic under investigation were purposefully chosen for the study. The respondents were chosen from the Office of the Head of Service in Enugu, the Enugu State Ministry of Labor and Productivity, the Enugu State Ministry of Finance and Economic Development, and the Enugu State Civil Service Commission.

Utilizing a questionnaire and the Likert scale approach, data were collected. While secondary data came from government, newspapers, journals, textbooks, and other publications. The collected data were examined using SPSS.

### Data evaluation

Statistical Package for the Social Sciences (SPSS) software is used for data analysis, and the Likert scale is used to reflect the respondents' responses in a frequency table that follows the questionnaire. The frequency table displays all the replies' frequencies broken down by variable:

**Frequency Table 1: To what extent does your organization apply performance appraisal and reward systems as tools for enhancing employee performance?**

Options	Frequency	Per cent
Very low	6	6%
Low	13	13%
Don't know	6	6%
High	33	33%
Very High	42	42%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: field survey (2021)

The study's findings show that the public organisations under examination are fully aware of the performance appraisal tool and how it may be used to improve employee performance. They responded very highly (42 per cent), high (33 per cent), don't know (6 per cent), low (13 per cent), and very low to its use as a management tool to improve employee performance (6 per cent). The outcome demonstrates that performance appraisal is used by organisations before, during, and after promotion exercises, as well as during staff transfers and deployments inside and outside of MDAs. This management tool is one of the deciding elements during such exercises. When workers stray from their job descriptions, the company uses it as a deterrent.

One of the respondents complained in an interview that the civil service's system for evaluating employees' performance is ineffective because politics dominates the process. For instance, if a civil servant takes a study leave, whether domestically or abroad, by his or her job description, neither the head of the service nor the civil service commission will use the certificate they obtain as part of the evaluation for promotion. Another respondent agreed that there is some political activity but added that the federal character principle is used by the civil service during the appraisal process since no one will persuade the commission to deviate from it. The commission stabilises it by evaluating those who are qualified for appraisal and promoting the best through a competitive promotional examination, regardless of the zone, ethnicity, or political affiliation, he continued, explaining that sometimes those in positions of authority in the society will insist on their candidates being given preference. The seniority of individuals who pass the exam also plays a role in who gets promoted. Because seniority in the public service is highly revered, if a junior staff member scored higher than his senior, the senior would be promoted if he scored over average, while the young staff member would have to wait for the next promotion exercise.

The following can be inferred regarding how an employee's performance is evaluated based on the answers provided above:

The employee can use the feedback to identify areas where they can improve in their performance of their tasks. Second, it provides information about an employee's performance at the moment by highlighting areas of strength and weakness that serve as the foundation for that employee's promotion. It also acts as a testing ground for new training and programme initiatives to strengthen identified weak points. Thirdly, because the employee is aware that they will be evaluated at the end of the day, performance appraisal motivates them to perform at their best. Fourthly, performance evaluation highlights systemic elements that either hinder or promote effective performance. This answer is consistent with research on performance evaluation from Muhammad (2013) and Chikeleze (2018).

**Frequency table 2: To what extent does your organization apply a reward system as a tool for enhancing employee performance?**

Options	Frequency	Per cent
Very low	17	17%
Low	17	17%
Don't know	3	3%
High	27	27%
Very High	36	36%
<b>Total</b>	<b>100</b>	<b>100%</b>

Source: field survey (2021)

According to the results of the frequency table above, the organisations under consideration use a reward system as a management technique to improve employee performance. This indicates the percentages of 36 per cent very high, 27 per cent high, 3 per cent don't know, 17 per cent low, and 17 per cent extremely low. The incentive, which may take the form of a prize, accolade, promotion, or cash benefit, encourages the employee to give his or her all in carrying out their job. The "Best staff of the month award" was instituted by the Office of the Head of Service in the area of recognition. This award honours the best staff member for the given month. The staff member's picture is enlarged and displayed at the reception desk of the Head of Service's office for visitors and other staff members to see. This has inspired staff members to work harder as they compete to be named the best staff member for the given month. As they organise reward criteria for MDAs to adhere to, Ministries, Departments, and Agencies (MDAs) are coordinated by the Office of the Head of the Service. As a result, reward systems boost productivity in a business, which has a favourable impact on employee performance.

### Summary of the results

The findings are summarised as follows:

The outcome demonstrates that performance appraisal is used by organisations before, during, and after promotion exercises, as well as during staff transfers and deployments inside and outside of MDAs. This management tool is one of the deciding elements during such exercises. When workers stray from their job descriptions, the company uses it as a deterrent.

The outcome also shows that one of the challenges in implementing performance evaluation and reward systems is politics.

Reward systems are used by the firms under study as a management tool to improve employee performance. The incentive, which may take the form of a prize, accolade, promotion, or cash benefit, encourages the employee to give his or her all in carrying out their job.

## CONCLUSION

Organizations work hard to achieve their overarching goals and objectives while motivating their employees to connect their aims with the organization's overall goal. Utilizing performance evaluation and incentive systems is one method through which corporations have accomplished this over time. Although there are obstacles to its use, such as politics, ethnicity obscuring the evaluation process and reward system, among others. According to the report, the performance evaluation and reward system should be based only on merit and independent of politics.

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