

The Obstacles to Using Performance Appraisal and Reward Systems as Tools for Improving Employee Performance

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ABSTRACT: *Performance appraisal and incentive systems are one of the fundamental tools utilised by succeeding businesses, both public and private, in increasing employee performance, as they serve to keep employees on their toes and motivated to work for the organization's betterment. Personal bias, recent effects, spillover, and a lack of clarity in the job description are some of the characteristics that militate against using performance appraisal as a strategy for improving employee performance, according to the findings. The study suggested, among other things, the creation of a clearly defined benchmark for rewarding employees who perform exceptionally well in their job delivery. This is to ensure transparency in the process of rewarding employees for a job well done, as this will encourage others to perform better. Finally, a performance appraisal should not only be based on an employee's recent performance or spill-over, personal bias but the employee's overall performance over the period under review.*

KEYWORDS: Performance appraisal, reward system, personal bias, recent effects, spillover

INTRODUCTION

In Nigeria's public sector, performance evaluation appears to be weighted toward promotion. As a result, the employee tends to be on his or her best behaviour for that period, knowing full well that he or she is being watched. Furthermore, some employees are evaluated and promoted based on non-performance variables such as godfatherism, ethnic affinity, quota systems, and top-level government officials' intervention. Godfatherism is a prevalent occurrence in Nigeria's appraisal and reward system, and it affects promotions, deployments, and postings. Many academics, including Okoro (2010), Chukwuemeka (2010), and Ude (2008), have defined godfatherism in the appraisal process as godfathers interfering in the promotion process to ensure that their godsons are promoted regardless of their qualifications. To a considerable extent, this has resulted in a rush of unqualified personnel entering the public sector. According to Ajadike (2010), using the godfatherism concept in promotions, staff conversion, and training is a terrible and ineffective administrative practice that has harmed Nigeria. Another aspect of the problem is the system in place for evaluating personnel. In Nigeria, several public sector

businesses evaluate their employees for promotion every 3-4 years, but this process is hampered by several anomalies such as meddling from high government officials, geographical spread, and triangular equilibrium. However, in Nigeria's public sector, a quota system or agreed-upon regional spread/triangular equilibrium is a common aspect of performance appraisal and reward. Favouritism and nepotism, according to Nwanolue and Victor (2012), are devious and evil elements that have a devastating impact on employee recruitment, job position placement, promotion, training selection, and dismissal. These characteristics are visible, if not overt, in the public sector under scrutiny. The issue of corruption has eaten so deep into the fabric of our society that it is now official. Another trend around performance appraisal and reward systems in increasing employee performance is the issue of corruption; it has eaten so deep into the fabric of our society that it is now official. Appointment letters, promotion letters, and redeployment letters are all expensive for civil servants. Some even pay to work their way up the ladder to 'delicious' ministries and agencies; however, the final straw is when some bribe their way up the ladder. Individuals and organisations 'in control' have embezzled millions and billions of naira allocated for staff development with no meaningful punishment taken.

The study's main goal

The goal of this study is to look into the roadblocks that prevent a seamless implementation of a performance appraisal and incentive system in improving employee performance.

AN EXAMINATION OF RELATED WORK

Factors that work against using a performance-based reward system

Performance-based staff appraisal is highly regarded in modern management, according to Chikeleze (2018:5); yet, it has its obstacles, which stem primarily from the fact that organisations are staffed and governed by humans, who have frailties, biases, and limits that surface during such exercises. Some of these issues with performance evaluation are discussed briefly below.

Favouritism

An officer's personal bias against the employees being evaluated may have nothing to do with the employees' real job performance. This bias may result in an employee's downgrading for no cause related to his or her work performance.

Recent repercussions

Because staff appraisals are a natural part of corporate life, some employees may adjust their behaviour for the better, becoming more polite and cooperative, and working harder as the appraisal date approaches. They resume their typical work attitude shortly after the activity ends, until the next appraisal. This recent favourable shift may obstruct the superior's perspective and tempt him/her to favours. A staff member who has previously done well may, on the other hand, experience a drop-in performance immediately before the review, lowering his or her rating.

Effects of spillover

In contrast, an employee's current performance may be judged based on distant previous performance that has conditioned the superior's mind. Based on the spill-over impact, there could be either positive or negative assessments. The true image of employee performance is not portrayed in either case.

Change aversion

The Nigerian public sector has long been known for a tough and time-consuming process of disciplining or sanctioning erring employees for poor performance. This is exacerbated by kinship links, social, political, and religious biases, and political interferences that ensure employee progress and promotion regardless of performance. Again, promotion is based on due years rather than performance; people who are due for promotion in the same year are denied promotion, which has a detrimental impact on appraisal outcomes.

Inconsistency in the job description

Evidence abounds that many public-sector employees' job descriptions are unclear. This makes it difficult to define responsibilities in terms of clear, measurable criteria that can be evaluated using a performance-based evaluation system. Worse, political favouritism and the spoils system have increased the employment of individuals who are unable to specify their job tasks and are thus not held accountable for their performance. Bue and Byars (2005:394) found various flaws in the performance appraisal method. Leniency, central tendency, recency, and the halo effect are all examples of these mistakes. Personal prejudice and rating manipulation are two further issues raised by Mondy et al (2003).

Bue and Byars (2005:394) define leniency as the clustering of positive ratings towards the top of a performance scale rather than dispersing them across the scale. Leniency can make it difficult to see flaws that need to be addressed, and an environment that openly tolerates mediocrity can demoralise high-performing staff.

DATA PRESENTATION AND METHODOLOGY

Methodology

Primary and secondary data sources are used in this study. A structured questionnaire was administered at the Enugu State Ministry of Labour Productivity to collect primary data. Secondary information was gathered from textbooks, journal papers, government documents, reports, and the internet. A frequency table and percentages were used to analyse the data obtained.

Data analysis**Table 1: To what extent do the following reasons make it difficult for your organisation to use performance appraisal as a tool for improving employee performance?**

Options	Frequency	Per cent
Very low	5	5%
Low	24	24%
Don't know	8	8%
High	18	18%
Very High	45	45%
Total	100	100%

field investigation (2021)

Personal bias has a significant impact on the application of performance appraisal, according to 45 per cent of respondents. These biases include age, race, sex, ethnicity, political and cultural affiliation, and supervisors may prefer to give higher ratings to people for whom they have a soft spot during the assessment process, whereas an officer may penalise an employee for no reason relating to his or her job. This ugliness also manifests itself when an employee is promoted, with some members of society or ethnic groups being promoted to sweet' positions at the expense of others. Personal bias can also take the form of godfatherism and political meddling, in which the political elite strive to sway the process by ensuring that their political godson is well-received, regardless of whether he or she is fulfilling his or her work responsibilities. Personal bias impacts the seamless application of performance appraisal as a tool for improving employee performance, according to 8% of the respondents. Personal bias has a low and very low impact on using performance appraisal methods to improve employee performance, according to 24 per cent and 5% of respondents, respectively.

Table 2. Recent effect

Options	Frequency	Per cent
Very low	4	4%
Low	20	20%
Don't know	14	14%
High	21	21%
Very High	41	41%
Total	100	100%

field investigation (2021)

According to 41% of the respondents,' the impact of the recent effect is very high. Because employee appraisal is a regular, daily, weekly, monthly, quarterly, or annual exercise carried out by an organisation from time to time, some employees may be more cooperative, courteous, creative, and innovative as the appraisal approaches and they are fully aware of the practice.

The employee's actions during the appraisal process may cause the superior's view to be blurred.

Also, due to illness, sadness, and other factors, an employee who has previously done well may not be at his or her best during the appraisal. These factors may have a detrimental impact on his or her score. The use of performance appraisal as a strategy for improving employee performance is also influenced by the recent effect, according to 21% of respondents. When the assessor bases his or her decision on a recent task completed by the employee before the evaluation exercise, this occurs.

Table 3. Spillover

Options	Frequency	Per cent
Very low	5	5%
Low	19	19%
Don't know	7	7%
High	22	22%
Very High	47	47%
Total	100	100%

field investigation (2021)

The spillover effect is not a real reflection of the employee's performance, the assessor may evaluate the employee positively or adversely based on it. When it comes to using performance review to improve employee performance, 22 per cent of respondents believe spillover is a significant barrier. 7per cent of respondents are unsure whether spillover hinders the use of performance appraisal to improve employee performance, 1per cent believes spillover is a barrier, and 5% believe spillover has a very low influence.

Table 4. Lack of clarity in the job description

Options	Frequency	Per cent
Very low	3	3%
Low	12	12%
Don't know	4	4%
High	33	33%
Very High	48	48%
Total	100	100%

field investigation (2021)

Lack of clarity in job descriptions has a very significant impact on performance appraisal usage, according to 48% of respondents. A large proportion of personnel in the public sector, according to evidence, have unclear job descriptions. This makes it harder to hold individual employees liable for misbehaviour or negligence while on the job. In the hiring and advancement of personnel who are unable to specify their job assignment, let alone be held

accountable for their performance, political patronage (godfatherism) and ethnic politics are the order of the day. Lack of clarity in job descriptions has a significant impact on performance appraisal usage, according to 33% of respondents. 4 per cent of respondents stated they don't know if a lack of clarity in the job description has an impact on the use of performance appraisals. Lack of clarity in the job description has a very low influence on 12 per cent of respondents, and it has a very low effect on per cent of respondent

Table 5: To what extent do the following factors pose a challenge to the use of a reward system as a tool for enhancing employee performance in your organization?

personal bias

Options	Frequency	Per cent
Very low	3	3%
Low	19	19%
Don't know	6	6%
High	25	25%
Very High	47	47%
Total	100	100%

field investigation (2021)

Personal bias, according to 47% of respondents, is a major barrier to using a compensation system to improve employee performance. The majority of awards are chosen based on personal, religious, political, cultural, and social affiliations, making the reward selection process rife with inconsistencies. The adoption of the reward system as a tool for improving employee performance is a significant hurdle due to the 25% personal bias observed. Personal bias is a difficulty in the use of the reward system as a tool for improving employee performance, according to 6% of respondents. Personal prejudices cause few obstacles to 19% of respondents, whereas personal bias has a very minimal impact on 3% of respondents.

Table 6. Missing appraisal system

Options	Frequency	Per cent
Very low	4	4%
Low	16	16%
Don't know	7	7%
High	30	30%
Very High	43	43%
Total	100	100%

field investigation (2021)

Because assessment determines to a significant extent the type of reward an employee is entitled to, 43 per cent of respondents said a missing appraisal system has a very high impact on the implementation of a reward system in a company. The impact of the absent appraisal

system is considered high by 29% of respondents. 7per cent said they were unsure, and 16 per cent and 4 per cent stated the influence of the missing appraisal system component on the reward system is minimal and extremely low, respectively.

Table 7. Unclear standards.

Options	Frequency	Per cent
Very low	3	3%
Low	22	22%
Don't know	7	7%
High	25	25%
Very High	43	43%
Total	100	100%

field investigation (2021)

Uncertain standards have a significant impact on the use of reward systems to improve employee performance, according to 43% of the respondents. When the reward criteria aren't clearly defined, it can lead to an unfair payout or no award at all. Uncertain standards have a high impact, according to 25% of the respondents. Only 7% of those polled stated they were unsure. The impact is modest for 22% of respondents, while it is very low for 3% of respondents.

FINDINGS SUMMARY

Personal bias, spillover, a lack of clarity in the job description, a lack of an appraisal system, and unclear criteria all provide problems to organisations' use of performance rating and reward systems. The findings also show that discouragement of personal bias during appraisal and reward, a clearly defined job description, and appraisal/reward should not be based on recent effects and spillover are some of the ways to overcome the challenges associated with using performance appraisal and reward systems as a tool for improving employee performance.

CONCLUSION

The importance of appraisal and reward systems cannot be overemphasis as they are integral to the success of any organization. But they are often limited by some obstacles such as spillover, personal bias, and recent effects amongst others.

Recommendations

Following are some of the recommendations made by the study:

A clearly defined benchmark for rewarding employees who have performed exceptionally well in their workload delivery is required. This is to ensure that the process of rewarding employees for a job well done is transparent since this will encourage others to work harder.

Personal bias should be protected by the assessor or superior during the appraisal or award process, and merit should be rewarded.

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