

# The Impact of Lecturers Perception of Performance Appraisal System on Their Work Outcome: Evidence From Kumasi And Accra Technical University, Ghana.

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**Abstract:** This study evaluates lecturer's perception of performance appraisal system and its impact on their work outcome. The study derived its evidence from Kumasi and Accra technical university in Ghana. The study population used were all lecturers in both institution. Eighty (80) lecturers were selected from each institution as the sample for the study. The primary instrument used to collect data for the study was closed-ended questionnaire. Quantitative technique was employed to analyze the data. A regression model was also used to analyze the impact of lecturer's perception of performance appraisal system on their work outcome. The result indicated that the lecturers in Kumasi Technical University have a low level of perception, and that of Accra Technical University is moderate. While the study showed a moderate level of affective organizational commitment in both institutions, moderate level of work performance was recorded in Kumasi Technical University and high level of work performance in Accra Technical University. The regression result revealed a positive and significant relationship between lecturers' perceptions of performance appraisal system and their level of affective organizational commitment and their level of work performance.

This study is of relevance to both management, individuals, policy makers, human resource departments, technical universities in Ghana as several recommendations that could be adopted to enhance the performance appraisal system were elaborated.

**Keywords:** Performance Appraisal, Work Outcome, Productivity, Affective Organizational Commitment.

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## I. Introduction

In a broader context; three major purposes can be derived from performance appraisal within an organization, which are administrative purposes, Developmental purposes and Communication purposes (Butler & Ferris, 1991). Staffing, promotion, compensation, reward and punishment are viewed as administrative purposes. Identification of effectiveness, and efficiencies towards the attainment of the organizational goals and objectives for future performance enhancement, in a way of personally developing oneself, are viewed as developmental purposes. Lastly, Communication which seeks to supply both employees and stakeholders' feedback on the current position of the organization in the business world.

Highlighting how good or bad they performed, emphasis on what the employees did wrongly, what they did correctly and contributed positively towards their position in the business world, so as the stakeholders. After which measures are put in place to ensure that the organization move steps higher than the current position in the business world, by capitalizing on their strength and improving on it; thus if they were able to meet the organizational goals, again steps to ensure the organization picks up to meet the organizational goals, should the result be that, they couldn't meet the organizational goals and objectives (Julnes, 2008).

Appraising employee's performance is essential for the effectiveness and evaluation of staffs by management. Among the importance are individual or personal development, improvement of organizational performance, and diving into business planning. In most cases, formal appraisals are conducted generally annually, which all staffs in the organization are appraised. Line managers appraise each staff. Chief Executive Officers (CEO) appraise directors, whilst the Chief Executive Officer (CEO) is appraised by the chairman or the owner of the company, which is subjected to the organizational structure. Conducting annual performance appraisal helps management in the monitoring of standards, agreeing expectations and objectives, delegation of responsibilities and tasks.

Over the years, performance appraisal has become a crucial part of human resource management activities in every organization. It benefits to these organizations cannot be overemphasized. According to Fletcher, (2001) it is viewed as a broad and generic concept that covers a variety of activities through which most organizations seek to assess their employees and develop their competence, enhance performance and

distribute rewards.

This study will therefore aim at evaluating lecturer's perception of the performance appraisal system, and then assess the impact of lecturer's perception of performance appraisal system on their work outcome.

Comparing the various advantages derived from the implementation of performance appraisal system as indicated in research, numerous scholars have highlighted that, performance appraisal practice generally suffer from numerous challenges in relationship to the subjective nature of the performance appraisal criteria, the unnecessary criteria used to appraise the performance of employees. Problems such as: shortage of skills, and knowledge of the raters, the subjectivity, favoritism and bias nature of the raters, lack of continuous documentation and inability to provide on time feedback are some of the problems most employees face, due to these challenges, employee's perception towards the performance appraisal system is adversely affected and expression of dissatisfaction about the implementation of PA practice are likely to come.

These situations then significantly influence the work commitment of employees' and decrease the expected work performance (productivity). It is in relation to this that the study seeks to evaluate lecturers perception of the performance appraisal system in both institutions, then assess the impact of lecturers perception on their work outcome, to know if there is a relationship between lecturers perception of performance appraisal system and their level of productivity and affective organizational commitment. Again, most studies have established the relationship between performance appraisal and employees in profit making organization.

However, little has been done in establishing the impact of lecturer's perception of performance appraisal on their work outcome in the education sector across the world. Looking at the existence of technical universities in Ghana from September 2016, there has not been any research aimed at assessing the impact of performance appraisal system on work outcome of lecturers in technical universities In Ghana. This study therefore is carried out to fill this gap. The findings in this study will be useful to management in Kumasi and Accra technical university since it will help them know how lecturers perceive the appraisal system and the effect it has on their level of work productivity and their affective organizational commitment. Again the study will help other technical universities to know the level at which lecturer's perception of performance appraisal system can affect the institutions and the development of the students, in order to put measures in place to avoid negative implications of lecturer's perception of the appraisal system.

The study then answers these questions: First, how do lecturers perceive the performance appraisal in both institutions? Secondly, what is the impact of lecturer's perception of performance appraisal system on their level of work productivity? Finally, what is the impact of lecturer's perception of performance appraisal system on their level of affective organisational commitment?

The remaining part of the study includes: literature review, the methodology, presentation and discussion of results, summary conclusion and policy implications.

## **II. Literature Review**

### **2.1 Definition and concept of Performance appraisal.**

In a broader context; three major purposes can be derived from performance appraisal within an organization, which are administrative purposes, Developmental purposes and Communication purposes (Butler & Ferris, 1991). Staffing, promotion, compensation, reward and punishment are viewed as Administrative purposes. Identification of effectiveness, and efficiencies towards the attainment of the organizational goals and objectives for future performance enhancement, in a way of personally developing oneself, are viewed as developmental purposes. Lastly, Communication which seeks to supply both employees and stakeholders; feedback on the current position of the organization in the business world.

Highlighting how good or bad they performed, emphasis on what the employees did wrongly, what they did correctly and contributed positively towards their position in the business world, so as the stakeholders. After which measures are put in place to ensure that the organization moves steps higher than the current position in the business world, by capitalizing on their strength and improving on it; thus if they were able to meet the organizational goals, again steps to ensure the organization picks up to meet the organizational goals, should the result be that, they couldn't meet the organizational goals and objectives (Julnes, 2008).

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## **2.2 Employee Perceptions of Performance Appraisal**

In this study performance appraisal is measured by surveying the views of the lecturers on how they perceived the appraisal system. That is to say the perception of the lecturers about the appraisal system was used as a measure for the independent variable-performance appraisal. This variable for measuring performance appraisal was adopted from the work of (Bekele & Shigutu, 2014). When employees perceived the appraisal system to be good, it was a positive influence on their performance but when their perception about it is bad, then they it affects their performance negatively.

According to investigation done by Newell, (2000) it is believed that performance management system is influence by subjectivity, therefore employees have a negative perception for it. The involvement of employees in formulating criteria, agreeing performance standards and objectives when designing performance appraisal systems is very low, due to the perception employees have on performance management system. Management selects few top representatives to develop the appraisal system in the absence of staff, and this makes staffs feel left out in the appraisal process, and as a result left such perception.

According to Oanda, (2014) a study conducted out on employee perceptions of performance management, the employees in the hotel industry believed that they carried out their duties diligently, and as a result performed excellently, but there was no significant relationship between their individual performance and the perception they had of the initiatives that the hotel had put across for performance management. The study therefore concluded that employee perception on performance management was not necessarily influencing individual performance in the hotel industry.

## **2.3 Employees' Perception of Performance Appraisal and their Work Outcome**

In this study, employees' work outcome is measured with two variable; namely, work performance and effective organizational commitment adopted from the work of (Bekele & Shigutu, 2014) and (Kuvaas, 2010). They asked series of questions in a structured questionnaire which measured the work outcome of employees. These questions were adopted and modified to suit this study. According to Kuvaas, (2010) while evaluating the performance of employees, the relationship between employee and manager is to enhance the exchange of ideas. The effectiveness of performance appraisal is known to have a positive relationship with work performance and organizational commitment. Furtherly, employees' perception about the politics of performance appraisal are negatively related to job performance.

## **2.4 Impact of Performance Appraisal on Employees Performance**

Brown, Hyatt, & Benson, (2010) analyzed the relationship between PA quality measured by clarity, communication, trust, and fairness of the PA process and job satisfaction and commitment based on a sample of more than 2,300 Australian non-managerial employees of a large public sector organization and found that employees who report a low PA quality (lowest levels of trust in supervisor, poor communication, lack of clarity about expectations, perception of a less fair PA process) also report lower levels of job satisfaction and commitment.

Vignaswaran, (2005) conducted a study in Peninsular Malaysia on the relationship between performance appraisal satisfaction and employee outcomes. A total of 900 questionnaires were distributed, of which 311 returned and used for data analysis (representing 33% of response rate). The descriptive finding of the study indicates that the level of employees' satisfaction with performance appraisal is low, the level of work performance is higher, the level of affective organizational commitment is low and the level of turn over intention is also low. The correlation analysis also shows that performance appraisal satisfaction is positive yet weakly correlated with work performance, highly correlated with affective organizational commitment whereas, negatively correlated with turnover intention. The regression analysis also indicates that performance appraisal positively influenced work performance and affective organizational commitment, whereas negatively influence turn over intention.

Ahmed et al., (2011) conducted an empirical study on Performance appraisal impact on attitudinal outcomes and organizational performance. The sample consisted of 250 of which 123 returned. The finding of the study indicates that there is statistically negative and significant relationship indicating a clear correlation between the respondents perception of performance appraisal satisfaction and employee turnover intention.

Fakharyan, Dini, & Dehafarin, (2012) examined the effect of performance appraisal satisfaction on employees' outcomes employing the moderating role of motivation in work place of Tehran, Iran. The finding of the study indicates that there is relationship between performance appraisal satisfaction and work performance

of employees. There is also a positive and meaningful relation between perception of performance evaluation and affective organizational commitment, whereas performance appraisal satisfaction and turn over intention has been significant. So, there is a negative and meaningful relationship between performance appraisal and quitting of job position. However, the regression analysis result show that performance appraisal satisfaction has a direct but little impact on work performance, impact on affective organizational commitment and turn over intentions respectively.

Saeed & Shahbaz, (2011) conducted a study on employees' perceptions about the effectiveness of performance appraisal in the case of Pakistan. The finding of the study indicates that employees' perception about the effectiveness of performance appraisal is high and the level of work performance and affective organizational commitment is also high, whereas, turnover intention is low. This finding shows that the sampled employees are satisfied with the existing performance appraisal system; in turn, work performance and affective organizational commitment is increased, whereas, turnover intention is minimized.

A scan of significant literature suggests that only few studies have been done to investigate the relationship between performance appraisal and employees performance in Ghana, even though some researchers have established the relationship between the two around the world.

Nevertheless, these studies were done in public libraries and state-owned enterprises without taking note of the private sector organizations. Therefore, there is a visible gap in the study of knowledge which the present researchers have endeavored to fill in.

Some relevant studies conducted earlier in Ghana include Lam & Lee, (2012) on Performance Appraisal as an Effective Management Tool in the State owned University in Ghana. In particular, explains the concept of performance appraisal, methods used in appraising employees the study finds a positive correlation between performance appraisal and employees performance, even though it concluded that, the method used in the appraisal process was ineffective. Again, the work of Aforo & Antwi, (2012) academic libraries, indicates that, performance appraisal system is comprised of setting goals, communicating feedback, participation and incentives for employee's performance. Evaluating performance in the KNUST and GIMPA libraries in Ghana and giving of recommendations on system improvement is what the study aimed at. The study however revealed that there is a positive relationship between performance appraisal and employees in public libraries.

Ashirifia, (2014) explored the effect of performance appraisal system on staff performance in Ghanaian academic libraries". This study adopted the survey approach to gather data from library staff located in the University of Cape Coast Library. Using the descriptive statistics, it was revealed that library staff (76.8%) affirmed the existence of a performance appraisal system in the library. From the participants view, performance appraisal system was necessary to assist in determining the input of staff, motivating to employees and ensuring effective work performance by the staff. Majority of the library staff (70.2%) emphasized that their immediate boss was responsible for appraising their work output in the UCC library.

## **2.5 Level of Work Performance**

Work performance can be termed in two ways. First, work performance as a result or consequences of action. In this context work performance can be termed as the fulfilment of an assigned tasks. According to Aquinis, (2007), performance is about employee's particular behavior. This means performance is something which an employee does and has nothing to do with what employees produce or the outcomes of their work.

In this study work performance has to do with actions of employees, and not what they produce which is the result of employee's actions. The researcher illustrates that, a lecturer's work performance has to do with his or her positive teaching methods, punctuality at work, various contributions and participation in the organization, time consciousness etc. which generates work outcome on recipients of these actions taken by the lecturer.

Honiball, (2008) stated that work performance is the action or behavior which is essential to achieving organizational goals (what is actually done by employees) employees may have a sense of responsibility with regards to offer to the organization through high work performance, when they believe that the organization tries to supply their needs.

Identification of purpose and feedback have increasingly become one of the most essential purpose of employees' participation in activities. Performance appraisal satisfaction is therefore expected to have a positive relationship with work performance (Petti John et al., 2001 as cited in (Vignaswaran, 2005). Employees' commitment towards organization will be improved when they feel the organizational feedback is directed to support them. Categorizing employees who receive better feedback and poor feedback from the environment, there is more commitment on the side of those who receive feedback. The kind of recognition accorded to employees in conjunction with performance appraisal is of multiple effect of future positive performance extremely.

## 2.6 Organizational Commitment

Meyer & Allen, (1997) has explained organizational commitment as a partial degree of an individual's identification with the organization and his participation and involvement in the organization. According to the definition, for an individual to be committed in an organization, the person has to identify him or herself with the organization, and also be part in the organization's various activities.

Meyer & Allen, (1997) has formed organizational commitment into three dimensions

1. Attitudinal or affective commitment, which is derived from positive work experience,
2. Continuance commitment, which is generated from prior investment and possible cost of leaving the organization,
3. Normative commitment, which is basically loyalty, or sense of obligation to remain attached to the organization. Upon the above classification of organizational commitment by Meyer & Allen (1997) even though the three measurements of organizational commitment are important, in this study the researcher focuses on affective organizational commitment (AOC), whereby commitment is seen as an affective or emotional attachment to the organization and it is more linked with perception of employee.

Affective commitment is seemed as sense of attachment and belongingness to an organization and it is linked with personal characteristics, organizational structure, and work experience, for instance; supervision, role clarity, pay, and skill variety. Affective Organizational commitment is the most influential among all organizational commitments, since employees with high AOC sticks to an organization not because they have to, but rather they want to.

The researcher adds that employees with high AOC tends to stay in organization for long, than those with low AOC, since some employees no matter the increment in pay, role clarity and adequate appraisal process which is objective and not subjective, standard feedback communication processes, which focuses more on developmental purposes and not judgmental purposes, they will still turn their backs on the organization should they get better offers, or they will still refuse to work forcefully to help achieve the organizational goals.

Moreover performance appraisal is to increase employee's understanding on being valuable and seeing themselves as part of the organizational team, which can be a major understanding for being committed to an organization. Levy & Williams, (2004) highlighted that performance appraisal activities have the capability to enhance employee's perception of being valued by the organization, mental perception which is central to affective organizational commitment.

## III. Methodology

This study evaluated lecturer's perception of performance appraisal system, and assessed the impact of lecturer's perception of performance appraisal system on their work outcome. The study adopted one of the categories of descriptive research, which is cross-section survey approach to gather data from the respondents. This approach was opted for because it's result can be generalized for a huge population. Statistical Package for the Social Sciences (SPSS) version 21 was used to analyze the data collected for this research. The quantitative technique was used to analyze the result of this study. Johnson & Christensen, (2010) noted that quantitative survey is the most appropriate one to use if the purpose of an investigation is to describe the degree of relationship which exist between the variables. The source of data was primary, and a structured questionnaire was used to gather the data for the study. The questions were closed-ended in order to foster coding and quantitative analysis. The questions used in the questionnaire were standard and tested questions that have been employed by other researchers such as (Yücel, 2012; Vignaswaran, 2005; Warokka & Gallato, 2012). This was to ensure that the instrument is reliable and valid. The questions were then restructured to suit this study and to ensure a practical application of the instrument.

A Likert scale was used for the questionnaire. It is considered symmetric or balanced because there are equal amounts of positive and negative positions. The scale consists of five items. Where 1=strongly agree, 2=agree, 3=neutral, 4=disagree and 5=strongly disagree. The responses were then coded into frequencies, percentages, mean, standard deviation and ranks. Simple regression analysis was also conducted to assess the extent of influence the independent variable has on the dependent variables. In this study lecturers perception of performance appraisal system was used as the independent variable and lecturer's level of productivity and affective organizational commitment were used as the dependent variables. The decision as to whether a variable has a low, moderate or high degree of impact on the performance appraisal system was based on the overall mean using the standards of (Bagheri & Zaidatol, 2014). They summarize the criteria of mean scores based on a five-point Likert scale as follows: see below Table 3-1

**Table 3-1** Mean interpretation for variables

| Mean                 | Interpretation |
|----------------------|----------------|
| Less than 3.39       | Low            |
| Between 3.4 and 3.79 | Moderate       |
| Greater than 3.8     | High           |

The perception of performance appraisal system consisted of 9 questions in an instrument adopted from the study of (Bekele & Shigutu, 2014). These items were rated on a 5-point Likert scale in order to suit the purpose of this study. Performance Appraisal was measured using the perception of lecturers on the appraisal system. This method has been used by research such as (Abdulkadir, 2012; Bekele & Shigutu, 2014; Vignaswaran, 2005; Yücel, 2012) to measure performance appraisal in their work. Similarly, the measure for work performance and organizational commitment were adopted from the work of (Bekele & Shigutu, 2014; Abdulkadir, 2012; Yücel, 2012; Meyer & Allen, 1997). An instrument containing 9 items and 8 items, each rated on a 5-point Likert for work performance and organizational commitment respectively was used as the benchmark. These items were however modified to fit this study. To ensure consistency and validity of the questionnaire, a pilot test was conducted using 10 respondents conveniently selected from each university to fill the questionnaire. The Cronbach's Coefficient Alpha was used to test the reliability of the instrument. The result is shown in Table 3.2 be below:

**Table 3- 2** Instrument Reliability Test - Cronbach's Coefficient Alpha

| Factors/Variables                   | No. of Items | Cronbach's Alpha |
|-------------------------------------|--------------|------------------|
| Perception of PAS                   | 9            | 0.849            |
| Work Performance                    | 9            | 0.771            |
| Affective Organizational commitment | 8            | 0.799            |

**Source:** authors own construct.

Furthermore, to ensure that the questionnaire accurately measured what it was intended for, a validity test was conducted. Factors such as hasty completion of questionnaire and misinterpretation of questions can affect the result of the study, therefore the need for validity test. Table 3.3 presents the result of the validity test by reporting the Eigen-value and factor loading matrix of the factors which were calculated using principal component analysis extraction procedure

**Table 3- 3** Validity Test

| Factors/Variables         | No. of Items | Eigen Value | Factor Loading |
|---------------------------|--------------|-------------|----------------|
| Perception of PAS         | 9            | 1.301       | 66.73%         |
| Work Performance          | 9            | 1.220       | 69.20          |
| Organizational commitment | 8            | 1.021       | 55.97          |

**Source:** authors own construct.

According to Straub, (1989) an instrument with Eigen-value greater than one and factor loading greater than 0.5 is valid. Table 3.3 shows that all the Eigen-values are greater than one and the factor loading of all variables exceed 0.5 therefore rendering the instrument valid.

A correlation analysis was done to assess the relationship between variables of the study. Inter-correlations coefficients (r) were calculated by using the Pearson's Product Moment. According to Warokka & Gallato, (2012), the correlation coefficient (r) ranging from 0.10 to 0.29 may be regarded as a low degree of correlation, r ranging from 0.30 to 0.49 may be considered as a moderate degree of correlation, and r ranging from 0.50 to 1.00 may be regarded as a high degree of correlation.

### Study Model

This study adopts a simple linear regression model. This model was adopted from the work of Abdulkadir, (2012) and was modified with this study's variables. The general model is shown in formula 4-1 below

$$y = \beta_0 + \beta_1x + \varepsilon \tag{4-1}$$

Where  $y$  is the dependent variable,  $\beta_0$ , represents the constant of the model,  $\beta_1$ , represents the coefficient of independent variables and  $\varepsilon$  represents the error term. In this study perception of performance appraisal system (PPAS) was used as the independent variable to explain the changes in the behavior of lectures work performance (LWP) and Affective organizational commitment (AOCM). Therefore two models has been developed based on the hypotheses of this study.

$$LWP = \beta_0 + \beta_1(PPAS) + \varepsilon \tag{4-2}$$

$$AOCM = \beta_0 + \beta_1(PPAS) + \varepsilon \tag{4-3}$$

In equation 4-2, the model depicts that lecturers work performance (LWP) is influenced by their perception of the performance appraisal system (PPAS). In equation 4-3, the models suggests that affective organizational commitment (AOCM) of lecturers is also influenced by their perception of the performance appraisal system (PPAS).

#### IV. Analysis of Findings

In this section of the study, the author presents the result of the data collected and make inferences based on the empirical result. The section begins by presenting the level of perception, work performance and affective organizational commitment of the lecturers in both institutions. It followed by a correlation and regression analysis of the empirical model.

**Table 4-1** Perception, Work Performance and Commitment Levels

| Variables  | Kumasi Tech. Univ. |              | Accra Tech Univ. |              |
|--|--------------------|--------------|------------------|--------------|
|  | Mean               | sd.          | Mean             | sd.          |
| Lecturers Perception of the Performance Appraisal System | <b>3.34</b>        | <b>0.887</b> | <b>3.51</b>      | <b>0.878</b> |
| Level of work performance of lecturers                   | <b>3.67</b>        | <b>0.924</b> | <b>3.83</b>      | <b>0.975</b> |
| Level of Organizational Commitment of Lecturers          | <b>3.47</b>        | <b>0.935</b> | <b>3.53</b>      | <b>0.941</b> |

Source: Field survey, 2017.

**Table 4-1** presents the perception of the lecturers on the overall performance appraisal system in the institution. The responses of the lecturers to standard Likert scales of 5 items were summarized into mean and standard deviation. This was done because previous research has established the standards for measuring perception level. This will then help to compare the result of this study to established standards in order to assess the perception level of the respondents.

The average mean of the perception of respondents in Kumasi Technical University on the performance appraisal system was found to be 3.34 and sd. of 0.887 (see Table 4-1). This indicates that the lecturers in Kumasi Technical University have a low level of perception of the performance appraisal system. In Accra technical University the overall mean and sd. were 3.51 and 0.878 respectively. This indicates that there is moderate level of perception on the performance appraisal system among the lecturers in Accra Technical University. Peterson, (2000)has argued that some major problems facing the appraisal system includes lack of agreement in appropriate appraisal criteria, employees concern of how valid and reliable the appraisal method is and negative perception of employees towards the appraisal system. With regards to empirical finding on perception of employees' on appraisal system, Saeed & Shahbaz, (2011) established that employees' perception is high with a mean of 4.02 and sd. of 0.515. Similarly, Sreedhara, (2010) and Warokka & Gallato, (2012) established a moderate level of perception when mean =3.5 and 3.49 and sd. = 1.141 and 0.76. Low levels of perception were established by Alwadaei, (2010) and Vignaswaran, (2005) with means of 3.35 and 2.66 respectively and standard deviation of 0.69 and 1.14 respectively.

Again, from Table 4-1, it can be realized that the overall mean for the work performance variables was 3.67 for Kumasi Technical University and 3.83 for Accra Technical University. Therefore, comparing to the established standard, it can be concluded that lecturers in Kumasi Technical University has moderate level of work performance while that of Accra Technical University have a high level of work performance. This study is similar to that of Saeed & Shahbaz, (2011) who uncovered that the work performance of employees in furniture manufacturing industry in Pakistan is high with a mean of 4.2 and sd. of 0.846. Furthermore, Warokka & Gallato, (2012) also found that moderate level of work performance of employees of large and established firms with mean =3.70 and sd. = 0.46.

With regards to affective organizational commitment, Table 4-1 indicates that Kumasi Technical University recorded overall mean of 3.47 and sd. =0.935 and Accra Technical University recorded overall mean of 3.53 and sd. = 0.941. This shows that in both institutions, lecturers have moderate level of commitment to the organization. This means some lecturers are likely to leave if they find an offer better than what they are currently enjoying or find another offer they think meets their expectations. The result of this study is opposite that of Vignaswaran, (2005) who found low organizational commitment level among employees with a mean of 3.11 and sd. of 0.61, and again the findings of (Saeed & Shahbaz, 2011) who find performance level to be high with mean of 4.36 and sd. of 0.791.

**Table 4-2** Correlation Matrix of Perception of Performance Appraisal System, Performance and Commitment

| Variables                      |                       | Perception of Appraisal system | Level of work performance | Affective Organizational Commitment |
|--------------------------------|-----------------------|--------------------------------|---------------------------|-------------------------------------|
| Perception of Appraisal system | Pearson Correlation   | 1                              | 0.5981                    | 0.4321                              |
| Level of Work performance      | Pearson Correlation   | <b>**0.5981</b>                | 1                         |                                     |
| Organization Commitment        | Pearson Correlation   | <b>**0.4321</b>                | 0.2450                    | 1                                   |
|                                | Level of Significance | <b>0.000</b>                   | 0.0521                    | 0.001                               |

Correlation is significant at 0.01 level of significance.

Table 4-2 shows the correlation between performance appraisal and work performance of lecturers. The result shows a correlation coefficient  $r = 0.5981$  and a  $p$ -value = 0.000. Although, the result does not show a very

strong relationship, the coefficient of correlations shows there is a substantial positive and significant association between performance appraisal and productivity. This is also an indication that when lecturers' perception about the appraisal system is positive, then they are likely to work hard. The result is supported by the study of Fakharyan et al., (2012) who reported a positive and significant association between appraisal satisfaction and work performance of employees.

In Table 4-2 the result of the association between performance appraisal and organizational commitment of lecturers indicates a Pearson correlation coefficient of 0.4321 with a p-value of 0.000. The coefficients shows that there is a positive association between performance appraisal and organizational commitment. However, this association is moderate but significant. The result suggests that when lecturers are satisfied with the appraisal system, there is a moderate chance that they will commit positively to their current organization. This result is supported by the study of Abdulkadir, (2012) who found a positive and significant relationship between perception of performance appraisal and effective organization commitment.

**Table 4-3** Regression Result of Perception of Performance Appraisal System and Work performance.

| Model summary                    |                |                |                         |         |        |
|----------------------------------|----------------|----------------|-------------------------|---------|--------|
| Model 1                          | R              | R <sup>2</sup> | Adjusted R <sup>2</sup> | F       | Sig.   |
|                                  | 0.6981         | 0.5844         | 0.5191                  | 25.2142 | 0.0000 |
| Beta Coefficients                |                |                |                         |         |        |
|                                  | Un-standardize |                | Standardize             | T       | Sig.   |
| Model 2                          | Beta           | Std. Err       | Beat                    |         |        |
| (constant)                       | 3.2451         | 0.1989         |                         | 15.2514 | 0.0000 |
| Lecturers' perception on PA sys. | 0.4651         | 0.0743         | 0.3981                  | 5.5412  | 0.0000 |

Source: Field survey, 2017

In order to assess the extent of the impact of lecturers' perception of performance appraisal on their work performance, a regression analysis was carried out. From Table 4-3, the R-square=0.5844, the adjusted R-square=0.5191 and the F value was 25.2142. The model was significant with a p value=0.000 which means  $p < 0.01$  at the two-tailed test. The R-square of 0.5844 indicated that 58.44% of the lecturers' work performance in both institutions is accounted for by their perception of the performance appraisal system. Again, the standardize beta coefficient was found to be 0.3981 which is significant with  $p = 0.000$ . This means that with 1% increase in lecturers' perception of the appraisal system, their work performance will increase by 39.81%. This is an indication that the work performance of lecturers is positively influence by their perception of the appraisal system. This study is supported by that of Wanjala & Kimutai, (2015) who revealed a positive relationship between performance appraisal and employees performance. They further expounded that; performance appraisal policy can be effective tool in measuring performance if employees perceived it to be fair and objective. The involvement of employees in the performance appraisal system leads to improved performance. Again, the study of Onyije, (2015) found that there's a strong and positive relationship between performance appraisal and work performance of employees in Nigeria University, and that an effective appraisal system could boost the morale of employees when they are rated adequately.

**Table 4-4** Regression Result of Perception of Performance Appraisal System and Affective Organizational Commitment.

| Model summary                    |                |                |                         |         |        |
|----------------------------------|----------------|----------------|-------------------------|---------|--------|
| Model 1                          | R              | R <sup>2</sup> | Adjusted R <sup>2</sup> | F       | Sig.   |
|                                  | 0.5419         | 0.4980         | 0.4519                  | 30.4120 | 0.0000 |
| Beta Coefficients                |                |                |                         |         |        |
|                                  | Un-standardize |                | Standardize             | T       | Sig.   |
| Model 2                          | Beta           | Std. Err       | Beat                    |         |        |
| (constant)                       | 2.5421         | 0.0785         |                         | 12.4722 | 0.0000 |
| Lecturers' perception on PA sys. | 0.4452         | 0.1045         | 0.4785                  | 4.5475  | 0.0000 |

Source: Field survey, 2017

Table 4-4 shows the regression result for lecturers' perception of performance appraisal system and their affective organizational commitment. This model recorded R-square of 0.4980 and adjusted R-square of 0.4519. This shows that 48.80% of the changes in organizational commitment of lecturers is explained by their perception of the performance appraisal system. The model was found to be significant at  $p = 0.0000$ , thus the  $p < 0.01$ . The beta was found to be 0.4785. This shows that lecturers' organizational commitment is increased by 47.85% with a 1 percentage increase their perception of the appraisal system. Thus, when the perception of lecturers concerning the appraisal system is good, their affective commitment to the organization is enhanced. Moreover performance appraisal is to increase employee's understanding on being valuable and seeing

themselves as part of the organizational team, which can be a major understanding for being committed to an organization. Levy & Williams, (2004) highlighted that performance appraisal activities have the capability to enhance employee's perception of being valued by the organization, mental perception which is central to affective organizational commitment. A similar study by Fakharyan et al., (2012) showed that employees' satisfaction with the performance appraisal has a positive impact on affective organizational performance. Again, Vignaswaran, (2005) indicated that the commitment of employees to work is also positively influenced by the performance appraisal system.

## **V. Conclusion, Policy Implication And Recommendation**

### **5.1 Conclusion**

This study evaluated lecturers perception of performance appraisal system, and again assessed impact of lecturer's perception on their work outcome. The result of the study asserted that lecturers in Kumasi technical university have a low perception level of the performance appraisal system, and moderate level of perception was found in Accra technical university. The model result for the measurement of the impact of lecturer's perception of performance appraisal system and their level of work productivity indicated a positive and significant relationship with p- value of 0.000. Again the result for lecturer's perception of performance appraisal system on their affective organizational commitment indicated a significant and positive relationship at a p-value of 0.000. From the study, it has been proven that lecturer's perception of performance appraisal system influence the work performance and organizational commitment of lecturers. Thus, for lecturers in technical universities, a sound system of performance appraisal must be implemented to exert their maximum effort towards achieving the goals and objectives of the institution. In situations where lecturers lose confidence in the appraisal system, it is difficult to expect them to put up better performance or commitment to the organization. Therefore, the appraisal systems in technical universities are expected to be designed in a way that will enhance the perception of lecturers. This means the system should be effective, free from biases and reduction in the rate of subjectivity in the appraisal process. The result of the study has serious management implications in order to create a good impression of the performance appraisal system in the mind of the lecturers. If management is adamant in curbing these challenges, lecturers will probably lose confidence in the appraisal system. It was therefore not surprising; majority of the lecturers asserted that they see the appraisal system just as a formality.

### **2.2 Recommendations**

The following recommendations based on the study results can be adopted by management in both institutions to improve the performance appraisal system:

Firstly it is very important for the appraisers to have a full understanding of the appraisal system. This is very important since students can be highly biased in terms of rating the lecturers they like or dislike. Secondly Management should ensure that the appraisal tools are updated regularly to meet current situations and are also linked to the goals and objectives of the institution.

Thirdly Management is advised to link the appraisal system to rewards such as salary increment and bonuses. Fourthly the appraisees (lecturers) should be involved in the whole process and should be enlightened on the content of the appraisal system. Fifthly. Management should develop a more objective-based appraisal system devoid of students' subjective judgment. Lastly the feedback from the appraisal system should be communicated to the appraisees in time and actions should be taken based on the result of the appraisal. If this is done, appraisees will view the system as playing an important role in their work performance and not as a mere formality.

### **5.3 Suggestion for Further Research**

The study population only involved two technical universities, remaining four other technical universities, therefore further studies can be conducted considering these four universities. Again, the study coverage is limited to perception of respondents on the appraisal system, and impact of respondent's perception on their work outcome. Again, the respondents considered were only lecturers; therefore further research can be conducted considering other employees in the institutions.

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