



Impact of Performance Appraisal on Employees Engagement: case of Academic Staff of Federal Polytechnic, Ilaro

Akeem A. Taiwo & Evelyn I. Ezekiel

Business Administration and Management Department, The Federal Polytechnic, Ilaro
akeem.taiwo@federalpolyilaro.edu.ng

Abstract

One of the main challenges to the validity and reliability of assessment systems is the generally known possibility of bias in these systems. This study aims to evaluate how employee engagement is impacted by performance appraisals. Data for the study were gathered utilising a structured questionnaire in a survey research style. The population of the study consists of 426 academic staff members at Federal Polytechnic in Ilaro, Ogun State. The Taro Yamane sample size calculation formula resulted in a sample size of 214 people. Following the study of the data using descriptive statistics, the hypotheses were examined using multiple regression analysis. The results of the study demonstrated that managerial appraisal has a major impact on how successfully workers carry out their tasks. In a similar vein, the feedback system and 360-degree reviews both significantly affect employee engagement. The study found that employee engagement in the study region is significantly impacted by performance assessment. The study suggests that to raise employee engagement, supervisors, directors of departments, and other senior officials in charge of assessing the work of subordinates should be objective about the performance evaluation process.

Keywords: 360-degree appraisal, performance appraisal, performance management

Citation

Taiwo, A. A. & Ezekiel E. I. (2023). Impact of Performance Appraisal on Employees Engagement: case of Academic Staff of Federal Polytechnic, Ilaro. *International Journal of Women in Technical Education and Employment*, 4(1), 47 – 55.

ARTICLE HISTORY

Received: April 23, 2023

Revised: May 8, 2023

Accepted: May 15, 2023

Introduction

A crucial tool for organisations to assess employee performance and pinpoint development opportunities is performance appraisal (Chu, Leino, Pflum & Sue, 2016). It is a technique that aids in evaluating an employee's performance in relation to the aims and objectives of the company (Cheng, 2014). Setting goals, gauging performance, and giving staff members feedback are all part of this process, which is normally carried out once a year (Ganta & Dasgupta, 2016). Alshmemri, Shah, & Mahyoub (2021) found that performance reviews can raise worker output and effectiveness. The study discovered that performance evaluation improves worker productivity and aids in boosting staff motivation and job satisfaction.

Organisational performance, employee productivity, and retention all directly depend on employee engagement, which is why it is equally vital (Gubler, Larkin & Pierce, 2021). According to

Shuck, Reio Jr., & Rocco (2011), employee engagement has a big influence on how well employees perform as well as how productive and happy they are at work.

The identification of areas where employees require support and growth through performance appraisal also helps to raise employee engagement (Hooria et al., 2018). Employees who have chances for training and development feel appreciated and are more likely to be involved in their job (Kamiti, 2014). Employee engagement is positively impacted by training and development opportunities, as reported by Akhter (2020). According to the study, staff members who have access to training and development opportunities are more engaged at work and are more likely to stay on in the organization.

Despite the significance of these concepts, many organisations find it difficult to efficiently assess and raise employee engagement and performance.

This may result in lower productivity, more staff churn, and ultimately worse organisational performance. The fact that traditional appraisal procedures are frequently seen as a bureaucratic exercise that does not accurately gauge employee performance or raise engagement is one of the main problems. Additionally, organisations could lack specific, quantifiable goals and objectives, which can make it difficult to correctly assess employee performance. Employee engagement in the company may decline if they feel undervalued due to a lack of a thorough and efficient performance evaluation procedure.

Additionally, despite the fact that effective employee engagement is essential for organisational success, many organisations find it difficult to do so. Engaged workers are more productive, innovative, and committed to their work. However, many organisations lack a thorough grasp of the factors that influence employee engagement and do not apply efficient engagement-boosting tactics.

Based on the aforementioned, this study is being undertaken to look into how the Federal Polytechnic, Ilaro employees' engagement levels are affected by the performance assessment procedure. Specific goals, however, are to:

- i. Investigate the impact of managerial appraisal on employee engagement in Federal Polytechnic, Ilaro
- ii. Ascertain the effect of 360-degree appraisal on employee engagement in Federal Polytechnic, Ilaro
- iii. Evaluate the significance of the feedback system on employee engagement in Federal Polytechnic, Ilaro

Research Hypotheses

H₀₁: *Managers' appraisal does not pose any significant impact on employee engagement in Federal Polytechnic, Ilaro.*

H₀₂: *360-Degree Appraisal does not significantly affect employee engagement in Federal Polytechnic, Ilaro.*

H₀₃: *There is no significant relationship between Feedback System and employee engagement in Federal Polytechnic, Ilaro.*

Organisational objectives and goals are used as benchmarks to measure achievement. Because workers' contributions are crucial to the success of the organisation, HRM practitioners utilise performance appraisals to assess their staff members' performance (Sajuyigbe, Olaoye, & Adeyemi, 2013). On the other hand, positive work attitudes like commitment and job satisfaction are necessary for the desired performance of employees that a firm demands. As a result, negative workplace attitudes impair the accomplishment of business goals (Okeke, 2018).

One of the evaluation techniques that has recently seen significant progress in both small and large enterprises is the 360-degree performance appraisal (Chu, Leino, Pflum & Sue, 2016). An evaluation method known as a "360-degree assessment system" takes into account the views of several reviewer groups that communicate with the organization's employees. Customers, colleagues, workers, and superiors (managers and supervisors) are a few examples of reviewers. Management by objectives (MBO), which is described as a result-based assessing programme (Choon & Embi, 2012), is another assessment approach. More precisely, from the perspective of MBO, a range of important stakeholders, such as subordinates, supervisors, and employees, work together to determine the performance evaluation system's goals. A typical MBO examination goes through numerous stages. The first stage in the technique is to determine the precise goals of the employee.

The feedback system is an essential component of performance evaluation since it informs employees about their performance and enables them to point out areas for improvement. Feedback is crucial for employee motivation and performance, according to Ahmad et al. (2021), since it enables workers to recognise their strengths and limitations and pinpoint areas for development. Employees should get precise, detailed, and actionable feedback through the feedback system to assist them advance their abilities and enhancing their work. Giving employees feedback that is constructive and encouraging is some of the challenges in putting in place a feedback system that works.



The amount of dedication, drive, and participation that people have in their jobs and organisations is referred to as employee engagement. Employee engagement, according to Shuck, Reio Jr., and Rocco (2011), is crucial for organisational success since engaged workers are more productive, content, and dedicated to their company. Employee engagement is critically dependent on several antecedents and consequences. Work design, leadership, organisational commitment, and job happiness are all antecedents (Shuck, Reio Jr., & Rocco, 2011). Employee involvement results in decreased attrition and absenteeism as well as higher productivity, creativity, and job satisfaction (Saks, 2020).

Self-determination theory (SDT) and social exchange theory (SET) provide the theoretical basis for investigating how performance assessments affect employee engagement. People are more likely to be intrinsically driven and engaged when their fundamental psychological needs for autonomy, competence, and relatedness are satisfied (Ryan & Deci, 2020). According to SDT, this is. Employee levels of engagement are determined by how they believe they are treated properly and compensated under the SET theory, which holds that people exchange resources with their employer in a reciprocal manner. The way individuals perceive autonomy, competence, relatedness, and the exchange of resources can have an impact on how engaged they are at work. Ryan and Deci (2020) contend that offering employees feedback, acknowledgement, and chances for professional development can improve intrinsic motivation and engagement. Additionally, performance reviews may affect how fair and trustworthy workers feel about the company, which may have an impact on how engaged they are (Blau, 1964).

The effectiveness of the performance assessment method used by private banks in Jaipur was assessed by Tiwari (2020). The population of the research consisted of employees (managers and executives) from the four banks in Jaipur. The study's conclusions and findings make it abundantly evident that private banks' performance appraisal systems are highly correlated with and have a significant impact on job satisfaction, retention, and culture.

Yahya (2020) examined how performance reviews affected Kenyan public servants' output. The study demonstrated that performance assessment has a considerable positive influence on public servant performance in Kenya using a mixed research technique, descriptive survey, and case study approaches.

Materials and Methods

This study used a survey research design. The study's population consists of the faculty of the Federal Polytechnic in Ilaro, Ogun State, which has five schools.

A total of 214 was derived as the appropriate sample size for the study through the application of Yamane's sample determination formula. To ensure equitable distribution, Bowley's allocation formula was used to allocate the sample size across each department.

$$\text{School of Engineering} = 96x \frac{214}{462} = 44$$

$$\text{School of Environmental} = 75x \frac{214}{462} = 35$$

$$\text{School of Pure \& Applied Science} = 137x \frac{214}{462} = 63$$

$$\text{School of Management Studies} = 118x \frac{214}{462} = 55$$

$$\text{School of Information Technology} = 36x \frac{214}{462} = 17$$

214

For this study, a structured questionnaire was employed as the primary method of data collection. The Cronbach Alpha test was used to evaluate the internal consistency of the study instrument. The accuracy of the information was evaluated using professional judgement. Multiple regression was utilised to examine the gathered data using descriptive and inferential statistics in the Statistical Package for Social Sciences (SPSS v23).

Model Specification

The model for this study is specified below:

$$y = f(x)$$

where:

y = Dependent variable i.e. Job performance

x = Independent variable i.e. managers’ appraisal, 360-degree appraisal and feedback system

Thus:

$$EJP = \beta_0 + \beta_1 MA + \beta_2 360-A + \beta_3 FS + \mu_1 \dots\dots (1)$$

Where:

EE = Employee Engagement

MA = Managers’ Appraisal

360-A = 360-degree Appraisal

FS = Feedback system

$\beta_1, \beta_2, \beta_3$ = Coefficients of variables

β_0 = Constant

μ = error term

Results

Table1. Reliability Test

Variable	Cronbach’s value	No of Item
Managerial Evaluation	0.801	5
360-degree Appraisal	0.823	5
Feedback System	0.797	5
Employee Engagement	0.852	5

Source: Field Work, April 2023

The information displayed in Table 1 discusses the result of the Cronbach alpha reliability test carried out on the research instrument. The Cronbach alpha rule states that the value must be more than 70% for

the research to be regarded as reliable. From the result in Table 1, it can be deduced that the research instrument is highly reliable.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.669 ^a	.447	.440	1.00407	1.927

Source: Field Work, April 2023

a. Predictors: (Constant): MA, 360-A, FS

b. Dependent Variable: EE

Table 2 displays a model overview of the factors this study looked into. The R2 value of .447 shows that the independent variables, such as managerial assessment, 360-degree appraisal, and feedback system, accounted for 44.7% of the variation in

employee engagement in the research region, while factors not included in the model accounted for the remaining 55.3%. A further indication that there is no autocorrelation among the variables is the Durbin-Watson value of 1.927, which is between 1.5 and 2.0.

Table 3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.953	3	25.318	2.192	.020 ^b
	Residual	2425.991	210	11.552		
	Total	2501.944	213			

a. Dependent Variable: Employee Engagement

b. Predictors: (Constant), Feedback System, Managerial Evaluation, 360-Degree

Source: Field Work, April 2023

Table 3 displays the ANOVA result for the study's factors. F=2.192 indicates that there is only a very weakly positive relationship between the variables,

according to the results. The results also show a statistically significant relationship between the variables, which is corroborated by the significance

value of .000, which is less than the necessary 5%. Based on this data, the study concludes that employee engagement in the investigated institution

is highly impacted by managerial assessments, 360-degree evaluations, and feedback systems.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		StandardizeC oefficients	t	Sig.
	B	Std. Error			
1 (Constant)	16.025	1.811		8.847	.000
Managerial Evaluation	.058	.069	.062	.850	.002
360-Degree Appraisal	.041	.118	.025	.349	.000
Feedback System	.291	.128	.156	2.284	.023

a. Dependent Variable: Employee engagement

Source: Field Work, April 2023

The particular relationships between the independent variables and the dependent variable were shown in Table 4. The managerial assessment/evaluation (t=.850) and 360-degree appraisal (t=.349) have a tangentially positive association with employee engagement, according to the t-statistics of the individual variables. Table 4 further shows that employee engagement and the feedback system have a weakly positive relationship (t=.023). This suggests that employee engagement will rise by 0.850 and 0.349 units, respectively, for every unit improvement in management assessment and 360-degree appraisal procedures. The employee involvement in the study area increases by 0.156 units for every unit increase in the feedback system.

On the other hand, Table 4 shows that, with p-values less than 5%, each of the independent variables has a statistically significant effect on the dependent variable. The study comes to the conclusion that, as a result, the performance assessment method significantly affects employee engagement in the studied region.

Hypotheses Testing

Decision criteria: If the p-value is larger than 5%, accept H0 and reject H1. However, accept H1 and reject H0 if the p-value is less than 5%.

Hypothesis One:

H₀: *Managers’ appraisal does not pose any significant impact on employee engagement in Federal Polytechnic, Ilaro.*

H₁: *Managers’ appraisal poses a significant impact on employee engagement in Federal Polytechnic, Ilaro.*

Decision: Employee engagement and managerial assessment have a positive relationship, as shown in Table 4, although the p-value is only .002, which is below the 5% level of significance that is considered acceptable. The study concludes that the managerial appraisal system has a statistically significant impact on employee engagement in the study region after rejecting the null hypothesis H0 and accepting the alternative hypothesis H1.

Hypothesis Two:

H₀: *360-Degree Appraisal does not significantly affect employee engagement in Federal Polytechnic, Ilaro.*

H₁: *360-Degree Appraisal significantly employee engagement in Federal Polytechnic, Ilaro.*

Decision: Even though the p-value of 0.000 is less than the acceptable 5% level of significance, the association between the 360-degree evaluation and employee engagement is only marginally favourable, as seen in Table 4. In light of this finding, the study rejects the null hypothesis H0 and accepts the alternative hypothesis H1, which leads to the conclusion that the 360-degree evaluation technique has a statistically significant impact on employee engagement in the study area.

Hypothesis Three:

H₀: *There is no significant relationship between Feedback System and employee engagement in Federal Polytechnic, Ilaro.*

H₁: *There is a significant relationship between Feedback System and employee engagement at Federal Polytechnic, Ilaro.*

Decision: As demonstrated in Table 4, there is a weakly positive link between the Feedback System and employee engagement, even if the p-value of 0.023 is below the acceptable 5% level of significance. This finding leads the study to reject the null hypothesis H₀ and accept the alternative hypothesis H₁, which leads to the conclusion that the Feedback System statistically substantially influences Employee Engagement in the Study Area.

Conclusion

The findings indicated that Managerial Appraisal had a statistically significant, if modestly positive, impact on Employee Engagement in the research region, indicating that a rise in Managerial Appraisal causes a corresponding rise in Employee Engagement. The study concludes that managerial assessment significantly affects worker productivity in the region under investigation. Similarly to this, the study found that 360-Degree Appraisal had a small but significant positive impact on employee engagement in the study area. This suggests that every additional unit of 360-Degree Appraisal raises employee engagement in the study area.

The study also concludes that 360-degree appraisals have a substantial influence on employee engagement. The analysis's final findings revealed that the Feedback System only slightly improved employee engagement. The feedback method increases employee participation in the research field. These findings led the study to conclude that employee engagement was significantly impacted by the feedback system.

The study concludes that Performance Appraisal significantly affects employee engagement in the studied region based on individual results.

In line with the findings of this study, the following recommendations are put forward:

1. Supervisors, heads of Departments, as well as other high-ranking officers who are in charge of appraising the performance of their subordinates, should be objective about the performance appraisal process to improve the level of productivity of the employees.
2. Employees of the institution are advised to also be objective when giving performance ratings regarding their colleagues. Their appraisal of their colleagues should not be based on personal attachment.
3. Finally, as a fallout from the findings on research objective three, the management of the institution should ensure that it continues to communicate the result of performance appraisals to its employees so that the employees will be aware of areas of deficiencies to improve their productivity.

References

- Ahmad, N., Shafique, M., Nasir, S., & Shahbaz, S. (2021). The impact of feedback on employee motivation and performance: A systematic review. *Journal of Public Affairs*, 21(1), e2213.
- Akhter, A. (2020). Effect of Training and Development on Employee Engagement: A Study of Hotel Industry. *Journal of Tourism and Hospitality Management*, 8(2), 7-16.
- Alshmemri, M., Shah, M., & Mahyoub, A. (2021). Impact of Performance Appraisal on Employee Performance: A Study of the Saudi Arabian Public Sector. *International Journal of Business Administration*, 12(3), 156-171.
- Antara, D. D., Landra, Y., & Agung, I. G. P. (2020). Performance appraisal system and its impact on employee performance: A study of Indonesian State-Owned Enterprises. *Journal of Economics and Business*, 3(2), 170-178.
- Azeem, S. M. & Nadeem, A. (2014). Job satisfaction and organizational commitment among public sector employees in Saudi Arabia. *International Journal of Business and Social Sciences*, 5 (7), 54-65.
- Barasan, L., April G. & Bambang, S. (2018). Determinants of job satisfaction and its implication on employee performance of



- port enterprises in DKI Jakarta. *International Review of Management and Marketing*, 8(5), 43-49.
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Psychology Press.
- Bhurtel, A. & Adhikari, E.R. (2016). Performance appraisal for employee development: exploring perceptions of supervisors. *International Journal of Social Sciences and Management*, 3(2): 93-101.
- Bin, S.A.S. (2016). The relationship between job satisfaction, job performance and employee engagement: an explorative study. *Issues in Business Management and Economics*, 4(1), 1-8.
- Blau, P. M. (1964). *Exchange and power in social life*. Transaction Publishers.
- Breevaart, K., Bakker, A. B., Hetland, J., Demerouti, E., Olsen, O. K., & Espevik, R. (2021). Meeting employee expectations: How feedback orientation and participation climate promote employee engagement. *European Journal of Work and Organizational Psychology*, 30(2), 239-251.
- Cheng, S. Y. (2014). The mediating role of organizational justice on the relationship between administrative performance appraisal practices and organizational commitment. *The International Journal of Human Resource Management*, 25, 1131–1148.
- Chu, J., Leino, A., Pflum, S. & Sue, S. (2016). A model for the theoretical basis of cultural competency to guide psychotherapy. *Professional Psychology: Research and Practice*, 47(1), 18-29.
- Darman, T. & Djabir, H. (2017). The effect of personality, ability, organizational support, job satisfaction and organizational commitment towards lecturer performance of private university in Gorontalo. *Scientific Research Journal (SCIRJ)*, V (VI), 61-70.
- Denisi, A. S., & Murphy, K. R. (2017). Performance appraisal and performance management: 100
- Elnaga, A., & Imran, A. (2021). The impact of performance appraisal on employee's performance and motivation. *Journal of Human Resource and Sustainability Studies*, 9(2), 221-229.
- Fatjrin, D., Bongsu, S. & Harry, I. (2018). The effect of organizational commitment and organizational culture to employee performance through behaviour civilization organizations of teachers and employees madrasah Ibtidaiya Nurussyifa Indonesia. *International Journal of Business and Applied Social Science (IJBASS)*, 4 (3), 12-23.
- Ganta, V. C., & Dasgupta, S. (2016). Impact of organizational culture and climate on effectiveness of performance appraisal. *IIMB Management Review*, 28(3), 132-142.
- Gubler, M., Larkin, I., & Pierce, L. (2021). Doing more when we're stressed: Distributed leadership and extra-role behavior during the COVID-19 pandemic. *Journal of Applied Psychology*, 106(5), 675-689.
- Hakim, A. (2015). Effect of organizational culture, organizational commitment to performance: Study in hospital of District South Konawe of Southeast Sulawesi. *The International Journal of Engineering and Science (IJES)*, 4(5), 33-41.
- Harrington, J. R. & Lee, J. H. (2015). What drives perceived fairness of performance appraisal? Exploring the effects of psychological contract fulfillment on employees' perceived fairness of performance appraisal in U.S. federal agencies. *Public Personnel Management*, 44(2), 214–238.
- Hoffmann-Burdzińska, K. & Flak, O. (2016). Management by objectives as a method of measuring teams' effectiveness. *Journal of Positive Management*, 6(3), 67–82.
- Hooria, S., Lubna, K. & Mattiullah, B. (2018). Effect of performance management on employees' well-being via perceived job control. *Human Resource Research*, 2(1), 18-32.
- Islami, X. (2015). The process and techniques to overcome the resistance of change: Research based in the eastern part of Kosovo. *International Journal of Multidisciplinary and Current Research*, 3(6), 1122–1130.



- Kamiti, R. K. (2014). *The Effects of Performance Appraisal on Civil Servants Motivation: A Case of the Directorate of Tourism*, Unpublished MBA Project, University of Nairobi.
- Kampkötter, P. (2016). Performance appraisals and job satisfaction. *The International Journal of Human Resource Management*, 2 (2), 12-23.
DOI:10.1080/09585192.2015.1109538.
- Koenig, J., Campbell, R. J., Meehan, A. J., & Wijewardena, N. (2021). The power of positive feedback: The impact of four approaches to feedback delivery on performance outcomes. *Journal of Business and Psychology*, 36(1), 149-165.
- Magher, M. (2018). *What is the meaning of conceptual framework in Research? Class room, leaf group limited*. Retrieved from: <https://classroom.synonym.com/meaning-conceptual-framework-research-6664512.html>
- Maqbool, S., Aftab, H., & Ahmad, S. (2019). The Relationship between Performance Appraisal and Employee Engagement: The Mediating Role of Organizational Commitment. *European Journal of Business and Management Research*, 4(4), 23-30.
- Mariati, R. & Hanif, M. (2018). The influence of organizational culture and work motivation on employee performance, job satisfaction as intervening variable (study on secretariat staff of pasuruan regency). *IOSR Journal of Business and Management*, 20(8), 30-39.
- Mbiti, J. M., Arasa, R. M., & Kinyili, R. (2019). The influence of performance appraisal on employee productivity among manufacturing firms in Nairobi County, Kenya. *European Journal of Business and Management*, 11(7), 58-64
- Meijman, T. F., Mulder, M. J., & Abbink, D. A. (2021). Health and well-being as drivers of employee engagement. *Journal of Business and Psychology*, 36(1), 81-95.
- Mwema, N.W. & Gachunga, H.G. (2014). The influence of performance appraisal on employee productivity in organizations: A case study of selected WHO offices in East Africa. *International Journal of Social Sciences and Entrepreneurship*, 1 (11), 324-337.
- Paul, S.O., Abeguki, O.E, Hezekeah, F. & Dirisu, J. (2014). Modelling the relationship between performance appraisal & organizational productivity in Nigerian public sector. *International Journal of Research in Management*, 4 (6), 2249-5908.
- Ravi, C. G. & Saraswathi, A.B. (2018). A study on the concept of Performance Management System in IT Industry: Literature Review. *International Journal of Mechanical Engineering and Technology (IJMET)*, 9(1), 511-520.
- Redmond, B. F. (2016). *Work Attitudes and Job Motivation*. Available at <https://wikispace.psu.edu>. Assessed on 6th May, 2019 at 3:23pm.
- Robbins, P. S. (2016). *Organizational behavior*. New Jersey: Prentice Hall International Inc.
- Ryan, R. M., & Deci, E. L. (2020). *Self-determination theory: Basic psychological needs in motivation, development, and wellness*. Guilford Press.
- Saks, A. M. (2020). Antecedents and consequences of employee engagement revisited. *Journal of Business and Psychology*, 35(3), 235-251.
- Shuck, B., Reio Jr, T. G., & Rocco, T. S. (2011). Employee engagement: An examination of antecedent and outcome variables. *Human Resource Development International*, 14(4), 427-445.
- Sutanto, E. M. & Kurniawan, M. (2016). The impact of recruitment, employee retention and labor relations to employee performance on batik industry in Solo city, Indonesia. *International Journal of Business and Society*, 17(2), 375-390.
- Tiwari, P. (2020). Performance appraisal system and its implementation in organizations. *Journal of Emerging Technologies and Innovative Research*, 7(2), 186-192.
- Ukil, M.I. (2016). The impact of employee empowerment on employee satisfaction and service quality: empirical evidence from financial enterprises in Bangladesh. *Verslas: TeorijaIrPraktika*, 17(2), 178-189.



Yahya, S. (2020). The impact of performance appraisal on job satisfaction and organizational commitment: A study of banking sector in Pakistan. *Journal of Business and Management Sciences*, 8(3), 80-89.

Yang, Y., Lee, P. K. C. & Cheng, T. C. E. (2016). Continuous improvement competence, employee creativity, and new service development performance: A frontline employee perspective. *International Journal of Production Economics*, 171, 275-28.