



(RESEARCH ARTICLE)



Apex printing company limited employees' appraisal

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Abstract

Apex Printing Company Ltd. (APC) performed appraisal on their employee to strategically achieve their organizational goals through staff enhancement. Performance appraisal evaluates personal traits and development for organizational benefits. Questionnaire administration and personal interview were the methodology adopted in this research. APC is made up of 1800 staff, comprising 1450 junior employees, 350 members of management and senior staff. APC performance appraisal system is unproductive in evaluating accurate performance of its staff, because of human prejudice in assessment. From the research, we therefore conclude that performance appraisal in APC is affected by prejudices while performance appraisal machinery in APC is ineffective in evaluating employee performance. Management of APC is recommended to embark on reviewing of the total appraisal system of the company design to achieve the goals of performance appraisal of employees.

Keywords; Performance Appraisal; Company's Goal; Human Prejudice; Personal Traits.

1. Introduction

The United States Office of personnel management in 1980 defined performance appraisal as “all periodic written assessment of job performance measured against responsibilities, goals or tasks. Specific duties assigned and agreed to, as well as identification of strengths and weakness demonstrated by the employee's potential and training or development need”. By this definition, performance appraisal is seen as a result and continuous activity by which the quantity, quality and styles of performance and its determinants are assessed and evaluated. It also involves the evaluation that will assist organization in not only taking positive actions but ensure evaluation of the growth potential of an employee with the aim of obtaining information that will assist organization in not only taking positive action but ensure that individuals are provided with necessary feedback for performance improvement. It is therefore an attempt to think clearly about a person's or the organization's performance with regard to future opportunities and threats in work situation. Development and administering an appraisal plan is usually the exclusive function of the personnel department. A systematic performance appraisal plan helps supervisors thoroughly to review the performance of their employees. Line managers are supposed to participate and formulate appraisal plans from the start. In addition, the human resources manager should help managers in taking the following steps to develop and administer an appraisal plan,

This research evaluates human prejudice affecting performance appraisal system in Apex Printing Company Limited (APC).

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1.1. Objective of the Study

This paper aims at emphasizing some flaws of performance appraisal systems in APC, and ways of reducing them. The study shows employees views regarding performance appraisal system in the company, ironically management in most organization do not care about them. Employee's prejudices can be tactically minimized, which will improve productivity in the organization. The objectives of performing appraisal in APC is to improve work performance, by assisting management in minimizing employee's prejudice that will lead to achieving organizational goals.

1.2. Significance of the Study

Over the years there has been declining productivity in the company through lateness, absenteeism, low morale, high labor turnover, poor job performance etc. These variables plague the entire fabrics of our various organizations and this has led to so much loss of man hour, and huge financial losses both to the individual and to the organization at large. This study is relevant as it aims at diagnosing the problems associated with the impact of performance appraisal on efficiency. It therefore brings these problems to management awareness and hopes that the issues raised will be addressed to ensure improved job performance of the individual and better returns to the organization. Evaluating the impact of performance appraisal on efficiency in an organization will go a long way in giving insight into some key management problems in organizations with particular emphasis on APC. The benefits of the evaluation will lead to:

- Improved performance as a result of improved efficiency on the part of the employee
- Improved overview of tasks performed by staff.
- Training and development needs identified more clearly.
- A new culture of continually improving can be built in the organization.

1.3. Research Questions

The general research questions are as follows:

- Should all participants in an APC take performance appraisal seriously.
- How effective is the exercise in accessing performance and for building efficiency.
- To what extent do human prejudices affect the appraisal system.

1.4. Scope and Limitation of the Study

This research work deals with the impact of performance appraisal on staff efficiency-an employee's assessment. The scope covered by the study is the work environment APC limited, a specialized prints outfit. The study will be limited to the provision of answers to the above listed research questions as broadly obtained via results obtained from administered questionnaires. The problems that militated against this study include;

- Insufficient availability of current texts and journals in the area of study.
- Caution and restraint on the path of respondents owing to the security nature of the organization under study.
- Time and resources available would not permit a more exhaustive research on the topic.

1.5. Hypothesis of the Study

Hypothesis 1 and hypothesis 2 shall be tested and used to answer the above research questions; vide the responses received from questionnaires administered.

- Hypothesis 1: The performance appraisal machinery in APC is ineffectiveness in evaluating employee performance.
- Hypothesis 2: Employees of the company do not appreciate the importance of performance appraisal exercise.

2. Literature review

According to Chruden (1996) the problem of evaluating the performance of an employee is usually not simple one and some jobs do not lead themselves readily to measurement leaving judgment alone to be exercised in these cases. He states further that there are three principal approaches to performance appraisal in most organizations.

Which are;

- Judging performance
- Measuring performance
- Multiple merit rating.

Performance appraisal is used not only for the above but as a means of observations, rating of employees pay, motivation, communication and promotion. Armstrong (1982) defines performance appraisal as “the process of revising an individual’s performance and progress in job and assessing his potential for future promotion.” He further states that performance appraisal is “a systematic method of obtaining, analyzing and recording information about a person that is needed for management to evaluate staff performances for better running of the business.” Rowland (1979) agreed with the views of Lawrence. A. Applebee of the American Management Association, in which he points out the common management saying, “people do what the boss expects”. He explains the two sentences thus: the two sentences really mean the same thing, for people identify what the boss expects by what he; inspects, comments on, seems pleased about, and by what makes him angry or perhaps merely cast a cold and fishy eye on subordinates whom he finds doing it”. Ogunbiyi (1993) analysis the aims of performance appraisal thus;

- To assess and generally review an individual’s performance
- Guide to job changes to aid decision making for promotions, transfer, lay-off and discharges where inadequate performance becomes apparent.
- To improve job performance.
- To agree new targets and standards of performance for the next review.
- To highlights and agree training development needs and develop action plan for implementing same. While Cocca (2010) studied a framework to assessing SMEs systems.

3. Research methodology

3.1. Introduction

This chapter shows the various processes used in obtaining and analyzing necessary information used for the study. The steps taken in carrying out this research project will be indicated, followed by a description of the population and sample size taken. The various sources of data as well as the procedure used in collecting them will be discussed. Finally, the tools used in the analysis of the data collected will be outlined.

3.2. Research Method

The following sources were employed for data collection for total of 1800 staff; 1450 junior staff, 350 senior staff and management.273 out of the population of 1,800 was used as sample.A number of approaches were adopted in the process of data collection for this project. They include Questionnaires, personal interviews and library research. These may be categorized into primary and secondary data.

3.3. Administration and Return of Questionnaire

The researcher administered a total of 295 questionnaires to the following categories of staff as shown in table i below.

Table 1 Questionnaires Distributed

	Not properly completed	Returned	Not returned
Top management	-	10	-
Middle management	-	49	1
Supervisors	3	90	2
Junior	12	124	4
Total	15	273	7

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3.4. Questionnaire Design

The first five questions (section A) are designed to obtain the bio data or personal particulars of the respondent. The other questions (section B) were designed to provide answers to the research questions. These will also be used to test the research hypothesis. The results will be summarized for a group of related questions as will be revealed in the analysis.

3.5. Method of Analysis of Data

Analyses of the responses from the questionnaires was done through chi-square method

Chi-square

The formula is written as:

$$\chi^2 = \sum_{i=1}^k \frac{(o - e)^2}{e}$$

Where e = expected outcome

o = observed frequency

χ^2 = Chi-square calculated

The next step is to square the difference between the observed and the expected frequencies and then divide the result by the expected frequency

The first statistics is closely approximated by the chi-square distribution and it has a degree of freedom K - 1.

We reject H_0 for H_A if the calculated χ^2 is greater than the table value of χ^2 •

The two hypotheses will be tested at 95% significant level, and at K - 1 degree of freedom. Test

3.5.1. Hypothesis 1

H_0 : Performance appraisal machinery in APC is not ineffective in evaluating employee performance.

H_A : The performance appraisal machinery in APC is ineffective in evaluating employee performance

3.5.2. Hypothesis 2

H_0 : Employees of the company do appreciate the importance of performance appraisal exercise.

H_A : Employees of the company do not appreciate the importance of performance appraisal exercise.

4. Data presentation, analysis and discussion

4.1. Introduction

Top Management, Middle Management, Supervisors and Junior employees administered research questions and hypothesis was presented and analysed in this chapter.

4.2. Data Presentation and Analysis

Out of 295 questionnaires distributed, only 273 were duly completed and returned, during the time of this data analysis; meaning 92.5% response and 7.5% of uncompleted questionnaires. These are the percentage response which is true representation of the entire APC .

Table 2 Age Distribution of Respondents

Age (years)	Percentage (%)	Number of Respondents
Below 25	11	30
25 – 35	40.2	110
36-45	33	90
46 and Above	15	43
Total	100	273

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Table 3 Sex Distribution of Respondents

Sex	Number of Respondents	Percentage
Male	180	65.9%
Female	93	34.1 %
Total	273	100%

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From the above table, the highest responses came from the age bracket of 25 - 25 which has 40.2% and contributed 73.2%. This age bracket forms the most active employees of APC. The responses truly represent the generality of opinion of APC's staff

The table above shows that 34.1% were female and 65.9% of the respondents were Male.

Table 4 Status of Respondents

Status	Number Of Respondents	Percentage
Top Management	10	3.7%
Middle Management	49	17.9%
Supervisor	90	33%
Junior staff	124	45.4%
Total	273	100%

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Table 5 Qualification of Respondents

Qualification	Number Of Respondents	Percentage
School Cert. Equivalent	86	31.5%
OND/NCE	65	23.8%
Prof. Qualifications	68	24.9%
BA/BSC/HND	30	11%
Higher Degrees	19	7%
Others	5	1.8%
Total	273	100%

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The above table 6, shows that people of all intellectual ability were equally represented with school certificate. And professional qualifications topping the table.

The true representation of the highest response came from the junior staff category, which gave 45%.Table vii. Length of Service of Respondents

Table 6 Length of Service of Respondents

Length of Service	Number of Response	Percentage
Below 5 years	98	35.9 %
5-10 years	110	40.3%
11-20 years	50	18.3%
21 years and above	15	5.5%
Total	273	100%

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5. Results

The opinions of the respondents to the various questions in the questionnaire are presented in the table forms as follows:

Question 1. Accurate assessment of the subordinates performance is often made by the boss

Table 7 Assessment of the Subordinates Performance

Option	Number of Respondents	Percentage
Strongly Agree	3	1.1%
Agree	63	23.1%
undecided	19	7.0%
Disagree	118	43.2%
Strongly disagree	70	25.6%
Total	273	100

Majority of the respondents here strongly agree(43%) that regular feedback on performance improves individual efficiency

Question 2: The boss often uses appraisal as weapon for settling personal scores and malice

Table 8 Boss Uses Appraisal as Weapon for Score Settlements

Option	Number or Respondents	Percentage
Strongly agree	70	25.6
Agree	130	47.6
Undecided	8	2.9
Disagree	55	20.1
Strongly Disagree	10	3.7
Total	273	100

Majority(47.6%) agrees that the boss often uses appraisal as weapon for settling personal scores and malice

Question 3 Most appraisals in the company are partial, unduly favoring certain persons an victimizing others

Table 9 Appraisal Showing Undue Favoritism

Option	Number Respondents	or Percentage
Strongly agree	78	28.6
Agree	120	44.0
Undecided	9	3.3
Disagree	54	19.8
Strongly Disagree	12	4.4
Total	273	100

Majority (44%) agrees that most appraisals in the company are partial, unduly favoring certain persons and victimizing others.

Question 4: Performance appraisal system in APC is very effective in estimating staff performance

Table 10 Performance Appraisal System Estimating Staff Performance

Option	Number or Respondents	Percentage
Strongly agree	17	6.2
Agree	53	19.4
Undecided	9	3.3
Disagree	115	42.1
Strongly Disagree	79	28.9
Total	273	100

Majority (42.1%) disagree that performance appraisal system in APC is very effective in estimating staff performance.

Question 5: Promotion in the Company is Based on Performance Appraisal Results.

Table 11 Promotion Based on Performance Appraisal Results.

Option	Number or Respondents	Percentage
Strongly agree	20	7.3
Agree	85	31.1
Undecided	40	14.7
Disagree	90	13.3
Strongly Disagree	38	13.9
Total	273	100

Majority (33%) disagrees that promotion in the company is based on performance appraisal results.

Question 6: Appraisal Interviews Usually Takes Place before the Appraisal Forms are completed

Table 12 Appraisal Interviews Usually before the Appraisal Forms are completed

Option	Number Respondents	or	Percentage
Strongly agree	20		0.0
Agree	85		12.8
Undecided	40		5.5
Disagree	90		67.8
Strongly Disagree	38		13.9
Total	273		100

Majority (67.8%) disagrees that Appraisal interviews usually take place before the appraisal forms are completed.

Question 7: A jointly agreed rating usually emerge from the appraisal interview

Table 13 Rating From the Appraisal Interview

Option	Number or Respondents	Percentage
Strongly agree	22	8.1
Agree	74	27.1
Undecided	69	25.3
Disagree	70	25.6
Strongly Disagree	38	13.9
Total	273	100

A total of 35.2% agree and strongly agree while a total of 39.5% disagree and strongly disagree with the statement that a jointly agreed rating usually emerge from the appraisal interview.

5.1. Data Analysis

The above data sourced from the staff of APC is further analyzed for hypothesis testing.

First the questions are grouped in order of their relatedness so that the various research questions can be answered.

Questions 1-3 seeks a relationship between Prejudices and present performance appraisal machinery in APC.

Questions 4-7 seeks to know if the current performance appraisal machinery in APC is effective in evaluating staff performance.

Hypothesis are used to shall be test each of these groups of questions and answers given.

Variables in the data collected are rearranged into secondary data. Agree and strongly agree simply regarded as agree, while disagree and strongly disagree are regarded as disagree.

5.1.1. Hypothesis Testing

HYPOTHESIS 1

Ho performance appraisal in APC is not affected by prejudice

HA performance appraisal in the APC is affected by prejudice

To test this we use question 1, 2 and 3

Table 14a Observed Frequency “O”

		Agree	Disagree	Total
1	Performance appraisals in APC is usually objective and unprejudiced	36	230	266
2	Accurate assessment of the subordinates performance is often made by the boss	66	188	254
3	The boss often uses appraisal as weapon for setting personal scores and malice	60	200	260
4	Most appraisals in APC are partial, unduly favouring certain person and victimize others			
	Total score			

The expected frequencies are calculated below;

Table 14b Expected Frequencies ‘e’

			Total
	e1 58	e5 208	266
	e2 55	e6 199	254
	e3 57	e7 203	260
	e4 58	e8 206	264
Total	228	861	1044

The chi-square test is thus:

Table 14c Chi-square

O	e	o-e	(o-e) ²	(o-e)/e
36	58	-22	484	8.332
66	55	11	121	2.181
60	57	3	9	0.159
66	58	8	64	1.110
230	208	22	484	2.328
188	199	-11	121	0.609
200	203	-3	9	0.044
198	206	-8	64	0.310
Total (x ²)				15.073

From the above, chi-square calculated is 15.073. From the chi-square table, the critical value at 0.05 level of significance (and $k= 4-1$) is 7.815 which is lower than the calculated value.

5.2. Decision rule

Reject the null hypothesis (Ho) for the swap hypothesis (HA) if $\chi^2 >$ critical value,- else accept the null hypothesis.

5.2.1. Decision

Since the calculated χ^2 (**15.073**) is greater than the critical χ^2 (7.815) we reject the null hypothesis and accept the alternate hypothesis as correct. We therefore conclude that performance appraisal in APC is affected by prejudices; it does not impact on efficiency of APC employee.

5.2.2. HYPOTHESIS 2

Ho the performance appraisal machinery in APC is not ineffective in evaluating employee performance

HA the performance appraisal machinery in APC is ineffective in evaluating employee performance,

Question 4, 5, 6 and 7 are used to test the above hypothesis

Table 15a Observed Frequencies

	Questions	Agree	Disagree	Total
1	Performance appraisal system in APC is very effective in estimating staff performance	70	194	264
2	Promotion in the company is based on performance appraisal results	105	128	233
3	A jointly agreed rating usually emerge from the appraisal interview	96	108	204
4	The criteria for assistance are usually in line with the staff’s critical function.	96	108	204
	Total	367	538	905

The expected frequencies are calculated and shown in the table below

The result is represented in a table below

Table 15b Expected Frequencies ‘e’

			Total
	107	157	264
	94	139	233
	83	121	204
	83	121	204
Total	367	538	906

The chi-square (χ^2) is calculated below. The chi-square test is thus:

Table 5c Chi-square

o	e	o-e	(o-e) ²	(o-e) ² /e
70	107	-37	1373	12.828
105	94	11	111	1.170

96	83	13	176	2.130
96	157	13	176	2.130
194	139	37	1373	8.751
128	121	-11	111	0.798
108	121	-13	176	1.453
108	121	-13	176	1,453
Total (χ^2)				30.711

From the above, chi-square calculated is 30.711

From the chi-square table, the critical value at 0.05 level of significance (and $K = 4-1$) is 7.815 which is lower than the calculated value.

5.3. Decision rule

Reject the null hypothesis (H_0) for the alternate hypothesis (H_A) if $\chi^2 >$ critical value,- else accept the null hypothesis.

5.3.1. Decision

Since the calculated χ^2 (**30.711**) is greater than the critical χ^2 (7.815) we reject the null hypothesis and accept the alternate hypothesis as correct. We conclude that performance appraisal machinery in APC is ineffective in evaluating employee performance.

The reason that may be deduced from this result, shows that performance appraisal allows for prejudices. This is capable of rendering the entire exercise ineffective.

6. Conclusion

6.1. Summary of Study

Performance appraisal posed a great difficulty to behavioral scientists, especially in trying to reduce the element of human prejudice in the conduct of the exercise. Some level of success has however been achieved from the studies over the years as the exercise now attempts to focus on the job elements rather than personality traits.

6.2. Summary of Findings

In attempting to answer the above research questions, two hypotheses were tested and result of the test shows that;

- Human prejudice play major role in the performance appraisal exercise because superiors used it to abuse subordinates, of the company.
- The machinery employed in the performance appraisal exercise was found to be deficient in the relevant ingredients capable of eliciting actual performance of employees. The exercise is therefore not effective in evaluating true performance of the employee.
- The employees of the company do not appreciate the need for a performance appraisal exercise

Recommendations/Conclusion

Performance appraisal exercise in APC from the results obtained from this research can be improved to obtain organizational goal. Suggested recommendation are as follows;

- Employees should be appraised using proper appraisal techniques by way of regularly organized training and in-house workshops.
- The services of external consultants may be employed for the purpose of proper appraisal.
- Management should ensure that the element of prejudices in the performance appraisal exercise is brought to a minimum if not eradicated.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

Statement of informed consent

Informed consent was obtained from all individual participants included in the study.

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