Factors Influencing Employee Performance in an Organization

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ABSTRACT

Performance appraisal is one of the most popular and widely studied areas in human resource management, industrial relations and organizational psychology. However, most research in this area has been conducted in the USA, UK, Asian countries like China and reflects a Western context. Some studies on performance appraisal in Nigerian organizations have been carried out, but, they are limited. In recent years, Nigerian companies have started to reform their performance appraisal system, by adopting Western style performance appraisal systems. The aim of the study was to determine the effects of performance appraisal on employee performance in Nigerian Aviation Handling Company (NAHCO) plc. From the multiple regression it was deduced that the variables; management by objectives, performance based pay, and employee training had the greatest effect on the employee performance while the variables competence, assessment and development also had an effect on the employee performance though the effect could not be compared to the other three performance appraisal systems (i.e. management by objectives, performance based pay, and employee training) which had quite high effect to employee performance. This study recommends that; NACHO should take initiative to give proper training to all its employees in order to improve the performance in organization and in all the departments. In order to improve efficiency in the NACHO, there is need to adopt the system of Performance based pay on all its employees. The management of NACHO should also take proper consideration of competence, assessment and development of the employees that are working within and out of the organization.

Keywords: Employee performance, Performance, Appraisal, NAHCO

INTRODUCTION

Background of the Study

Organizations are established to perform certain tasks and use different cadre of staff to achieve their objectives. To maintain standards and anticipated outputs organizations have to keep abreast with both new knowledge and technological advances. This fast growing challenge requires that organisations engage or update their staff so that they can cope with the rate of generation of new changes in these areas. Some of the coping mechanisms applied by organizations are recruitment of trainable staff, reproofing of present staff, in service training in certain disciplines and on the job training including exchange programmes. A performance appraisal system is a good instrument that can be used to improve the quality of an organization’s work force performance of which it is considered as an important aspect in human resources management and as part of the control process in administration (Kavussi Shal, 1999). In any organizational level, the performance appraisal system impacts other HR systems as well as organizational strategy. The effectiveness of an organization's performance appraisal system is a prerequisite for ensuring the success of its selection, training, and employee motivation practices. At a strategic level, the need for rapid and effective organizational change in today's dynamic social, economic, and political environment requires that employees continually re-align their performance with the evolving goals and objectives of the organization. The need to continually re-align performance characterizes many organizational departments which continue to struggle with getting their members to embrace the philosophy and practices that are geared at enhancing performance. None of these local and international studies has focused on the effectiveness of performance appraisal systems in the Kenyan context.

Performance appraisal has been noted as one of the most problematic components of human resource (HR) management (Allen and Mayfield,
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1983). The parties involved in performance appraisal are supervisors, employees, and HR administrators. Smith et al. (1996) noted that the parties are dissatisfied with their organization's performance appraisal system and viewed the appraisal process as either a futile bureaucratic exercise or, worse, a destructive influence on the employee-supervisor relationship (Momoyer, 1986). This is certainly true of most organizations, at least in the USA, wherein surveys typically reveal widespread dissatisfaction with the appraisal process (Huber, 1983; Walsh, 1986). Despite these indictments, managers are reluctant to abandon performance appraisal which they still regard as an essential tool of HR management (Meyer, 1991).

According to Smith (2000), appraisal involves the identification of cause and effect relationships on which employment and labour policies are based or can be based and are a routine process that organizations use to evaluate their employees. It is a systematic assessment that is as objective as possible of an ongoing programme or policy, its design, implementation and results. Its aim is to appraise the relevance and fulfilment of objectives, efficiency, effectiveness, impact and sustainability. Omboi (2011) opined that although performance appraisal itself is often a process that involves documentation and communication, the tendency in recent years has been to formalize the appraisal process, whereas in years past, an informal approach with very little record keeping sufficed, now more documentation is required.

Performance management is actually a broad term that was initially used in the 1970s to depict a technology-science entrenched in application methods basically intended to assist the institutional managements to manage both results and behavior, which are the two vital aspects of what is commonly identified as performance (Homayounizadpanah and Baqerrkord, 2012). The effect of performance management practices on organizational performance and employee productivity is an important topic in the fields of human resource management and industrial relations. There is an increasing body of work that argues that the use of performance management practices that take into account comprehensive employee recruitment and selection procedures, employee involvement and training, can improve the knowledge, skills and abilities of an organizations employees while at the same time increase their motivation, reduce malingering and enhance the retention of quality employees as well as their productivity.

Performance management therefore needs to be tested in any particular setting taking into consideration how individuals in any particular organization are motivated and the extent to which they are most effective for a particular organization. Thus it is on this basis that the study aims to determine the effect of performance management practices on employee productivity with a focus on Nigerian Aviation Handling Company Plc (NACHO aviance). NACHO is the leading ground handling company in Nigeria with 1700 Nigerian and expatriate employees and it is headquartered in Lagos, Nigeria. It is a Nigerian diversified enterprise with interests in aviation cargo, aircraft handling, passenger facilitation, crew transportation, fuelling services and aviation training. It is located at the Murtala Muhammed International Airport, (MMIA) Ikeja-Lagos. As a result of globalization, liberalization and completion, NACHO redefined its vision and mission statements.

For an appraisal system to be effective, employees must believe that they have an opportunity for meaningful input into the appraisal process (Weick, 2001). Such input may range from having the opportunity to challenge or rebut the evaluation one receives to judging one's own performance through self appraisal. Regardless of the nature of employee input, it is clear that giving employees a voice in their own appraisals enhances the perceived fairness of the appraisal process, which, in turn, increases the likelihood that employees will accept the appraisal system as a legitimate and constructive means of gauging their performance contributions. Organizations usually formalize part of the process by using a standard form. Currently, many organisations are implementing or planning to implement, reward and/or recognition programmes believing that these will help bring about the desired cultural change. In some organisations, large amounts of money are being invested in these types of activities and some managers are required specifically to set aside a certain amount from their budgets for this purpose (Denning, 2001). This rationale is based on the assumption that these types of incentives will encourage employee loyalty, foster teamwork and ultimately facilitate the development of the desired culture that encourages and supports knowledge sharing. Others maintain that to encourage knowledge-sharing organisations should design reward and recognition systems that stimulate sharing of all kinds: goals, tasks, vision as well as knowledge (Wright, 2004).
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The study aimed at investigating the effect of performance appraisal systems on employee performance in Nigerian Aviation Handling Company (NAHCO) plc.

The specific objectives are to:

- investigate the effect of competence assessment and development on the employees' performance in Nigerian Aviation Handling Company (NAHCO) plc;
- determine the influence of performance appraisals on employees’ perceptions of justice, affective reactions toward performance appraisals and behavioural outcomes;

LITERATURE REVIEW

Management by Objective

Management by objectives (MBO) is a management system designed to achieve organizational effectiveness by steering each employee's behavior toward the organization's mission. MBO is often used in place of traditional performance appraisals. The MBO process includes goal setting, planning, and evaluation. Goal setting starts at the top of the organization with the establishment of the organization's mission statement and strategic goals. The goal-setting process then cascades down through the organizational hierarchy to the level of the individual employee. An individual's goals should represent outcomes that, if achieved, would most contribute to the attainment of the organization's strategic goals. In most instances, individual goals are mutually set by employees and their supervisors, at which time they also set specific performance standards and determine how goal attainment will be measured (Lindsey, 2005).

As they plan, employees and supervisors work together to identify potential obstacles to reaching goals and devise strategies to overcome these obstacles. The two parties periodically meet to discuss the employee's progress to date and to identify any changes in goals necessitated by organizational circumstances. In the evaluation phase, the employee's success at meeting goals is evaluated against the agreed-on performance standards. The final evaluation, occurring annually in most cases, serves as a measure of the employee's performance effectiveness (Hannabuss, 1991).

METHODOLOGY

In order to obtain a thorough understanding of the design of performance appraisal systems in NACHO plc and the employees’ and managers’ reactions toward the appraisals, both qualitative and quantitative research methodologies were adopted to collect relevant data in the organization. Qualitative research was used to identify linkage of appraisal system with certain performance related factors. While quantitative research was then used for getting response of employees through structured questionnaire.

The carefully designed employee survey was distributed in NAHCO to test the employees’ attitudes toward appraisal. The sample consisted of a total of 300 employees, with 115 management staff and 185 non-management staff. Among the variables in the survey, two scales, including impact appraisals on appraisal outcome and impact of appraisals on communication, are used to examine how NAHCO’s performance appraisal influences employees’ subsequent performance. Moreover, two scales ‘employees’ satisfaction with performance ratings’ and ‘employees’ perceptions of distributive justice’ were adopted to examine the how employees perceive the distribution of outcomes in appraisals.

In order to explore the employees’ attitudes toward the design and the whole procedures of the system itself, two scales - 'employees’ satisfaction with appraisal system’ and ‘employees’ perceptions of procedural justice’ - were also included in the survey. Finally, two scales ‘employees’ satisfaction with supervisors in appraisal’ and ‘employees’ perceptions of interactional justice’ were also included to test what employees thought about the supervisors’ behaviour in appraisal.

Besides the employee survey, information about the performance appraisal practices in NAHCO was collected by the interviews with Human Resource (HR) staff members. Moreover, in order to explore what factors influence the employees’ reactions to appraisals in terms of competence assessment, training and performance development, the interviews with selected employees and managers were also conducted, with a sample of different supervisors and the employees in different sections (departments). The interview questions were specially designed to test employees’ and supervisors’ attitudes to the impact and efficiency of performance appraisal.

The total population comprised of 300 NACHO employees in Lagos Nigeria, out of 1700 NACHO employees in the entire Nigeria. This population of interest had the potential of providing the relevant information regarding the effects of performance management practices on employee performance.
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Table 3.1. Total Population Distribution

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Staff</td>
<td>115</td>
</tr>
<tr>
<td>Non-Management Staff</td>
<td>185</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
</tr>
</tbody>
</table>

Source: Authors’ Work

In this study, the sampling frame constituted of employees NACHO plc. The list of employees was obtained from the Human Resource Department head office. Stratified sampling was used to divide the population into two strata as shown in table 3.1 above. This was done to enable the researcher to draw inferences about both sub groups. This method also leads to more efficient statistical estimates. Both management and non management staff, the respondents were randomly chosen from different sections. The researcher ensured that all the cadres of employees were represented.

The total number of respondents who were sampled with questionnaires was believed to be large enough for the study given the purpose and goals of the research. The representation from each sub group was shown in the table below.

Table 3.2. Sample Size Distribution

<table>
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The total number of respondents who were sampled with questionnaires was believed to be large enough for the study given the purpose and goals of the research. The representation from each sub group was shown in the table below.

The questionnaire focused on evaluating the effectiveness of different appraisal systems by measuring perceptions of managerial and non-managerial employees.

A content analysis and descriptive analysis was employed. The content analysis was used to analyze the respondents’ views about the effect of performance appraisal. Data was grouped into frequency distribution to indicate variable values and number of occurrences in terms of frequency. Frequency distribution table was an informative to summarize the data from respondents. The organized data was interpreted on account of concurrence and standard deviation to objectives using a computer package SPSS version 15.0.

In addition, correlation analysis and a multiple regression analysis were used so as to determine the relationship between Employee Performance (E.P) (dependent variable) and the variables (which were the performance appraisal systems), namely; Competence, assessment and development, management by objectives, performance based pay and employee training (which were the independent variables) in the companies. The multiple regression was:

\[ E.P = a_0 + a_1 x_1 + b x_2 + c x_3 + d x_4 + e \]

Where \( a_0 \) = constant

\( a, b, c \) and \( d \)= Regression coefficients

\( x_1 \)= Competence, assessment, and development

\( x_2 \)= Management by objectives

\( x_3 \)= Performance based pay

\( x_4 \)= Employee training

\( e \)= Error term

RESULTS AND FINDINGS

General Information

The general information for the study comprised of the gender of the respondents, their age bracket, work experience and education level of the respondents.

Gender of Respondents

The researcher intended to identify the gender of the study respondents. The findings presented in table 4.1 showed that 66% of the respondents were males as compared to 34% females. Thus, the findings indicate that most of the respondents were male.

Age Bracket of Respondents

The researcher intended to identify the age bracket of the study respondents. The findings presented in table 4.1 below showed that 19% of the respondents were between the ages of 20 to 30 years, 55% were aged between 31 to 45 years, 23% were aged between 46 to 55 years and 3% were above 56 years old. Thus, the findings indicate that most of the respondents were more than 31 years old.

Work Experience of Respondents

The researcher intended to investigate the work experience of the study respondents. The findings presented in table 4.1 below showed that 18% of the respondents had worked for less than 1 year, 48% had worked between 2 to 5 years, 21% had worked between 6 to 10 years, 9% had worked between 11 to 15 years and 4% had worked between 16 to 20 years. Thus, the findings indicate that most of the respondents were more than 5 years old.

Education Level of Respondents

The researcher sought to find out the education level of the respondents who participated in the
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study. The findings in Table 4.1 below established that 6% of the respondents had secondary school education, 24% had college level of education and 70% had university level of education. Thus, the findings indicate that majority of the respondents were significantly educated.

Table 4.1. Descriptive analysis of respondent surveyed

<table>
<thead>
<tr>
<th>Variables</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>34</td>
</tr>
<tr>
<td>Male</td>
<td>66 (100)</td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
<tr>
<td>20 to 30 years</td>
<td>19</td>
</tr>
<tr>
<td>31 to 45 years</td>
<td>54</td>
</tr>
<tr>
<td>46 to 55 years</td>
<td>19</td>
</tr>
<tr>
<td>above 56 years</td>
<td>8 (100)</td>
</tr>
<tr>
<td>Work Experience</td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>18</td>
</tr>
<tr>
<td>Between 2 to 5 years</td>
<td>48</td>
</tr>
<tr>
<td>Between 6 to 10 years</td>
<td>21</td>
</tr>
<tr>
<td>Between 11 to 15 years</td>
<td>9</td>
</tr>
<tr>
<td>Between 16 to 20 years</td>
<td>4 (100)</td>
</tr>
<tr>
<td>Education Level</td>
<td></td>
</tr>
<tr>
<td>Secondary School Level</td>
<td>6</td>
</tr>
<tr>
<td>College Level of Education</td>
<td>24</td>
</tr>
<tr>
<td>University Level of Education</td>
<td>70 (100)</td>
</tr>
</tbody>
</table>

Source: Authors’ Survey

Effect of Competence, Assessment and Development on Employee Performance in NAHCO

The entire study targeted at evaluating the effect of performance appraisal systems on employees performance in NAHCO plc. The research revealed that competence, assessment and development affected employee performance to a moderate extent as indicated by 65.7% of the respondents. There were also a number of number of statements on competence, assessment and development that enhanced employee performance as indicated by the respondents. The main statements were; Competence assessment and development is seen, by both staff and management, as a mechanism for identifying people with promotion potential and Competence assessment and development at the firm emphasizes on integrating individuals’ aspirations and abilities with organizational goals.

Development was captured with management by objectives and performance based pay. Regarding the effect of management by objectives on employee’s performance, the study revealed that management by objectives enhanced the performance of the NACHO to a great extent with an indication of 76.8% of the respondents. The researcher also sought to know the extent to which a number of factors of management by objectives affected performance. These factors included; a climate of achievement is generated by mutual trust and goal setting between the employee and his immediate manager at the organization. A successful program with the communication necessary to achieve desired results requires commitment and dedication.

One of the major contributions of management by objectives is that it enables the firm to substitute management by self-control for management by domination. The MBO approach overcomes some of the problems that arise as a result of assuming that the employee traits needed for job success can be reliably identified and measured, Instead of assuming traits, the MBO method concentrates on actual outcomes, If the employee meets or exceeds the set objectives, then he or she has demonstrated an acceptable level of job performance. Employees are judged according to real outcomes, and not on their potential for success, or on someone’s subjective opinion of their abilities.

The guiding principle of the MBO approach is that direct results can be observed, whereas the traits and attributes of employees (which may or may not contribute to performance) must be guessed at or inferred, The MBO method recognizes the fact that it is difficult to neatly dissect all the complex and varied elements that go to make up employee performance and MBO advocates claim that the performance of employees cannot be broken up into so many constituent parts as one might take apart an engine to study it. The research revealed that, the statements on the major contributions of management by objectives is that it enables the firm to substitute management by self-control for management by domination, and was the main effects of management by objectives on the performance of the employees.

Regarding the effect of performance based pay on the employee performance in NACHO, the study also revealed that performance based pay affected employee performance to a great extent with a 57.2% of the respondents’ indication. The researcher was interested by the extent to which a number of factors of performance based pay enhanced the performance of the NACHO. The researcher put several factors to test which included; Satisfaction of employees and supervisor/organization, Appraisal process, Evaluation of employees for reward purposes, Frank communication of appraisals and Wage and salary reviews.
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Of these factors, the factors; wage and salary reviews, Evaluation of employees for reward purposes and appraisal process were the main factors of performance based pay that enhanced the performance of the tea estate as revealed by the research. In addition the statements; The appraisal process in this organization is directly linked to rewards, Performance based pay increases employee motivation in the organization, and Merit rises and bonuses are decided arbitrarily by supervisors and managers were the main factors of performance based pay that influenced the effectiveness of performance appraisal systems in the organizations as revealed by the research.

Effect of Employee Training on the Employee Performance in NACHO

The study revealed that employee training enhanced the performance of the organization to a great extent with a 54.7% of the respondents’ indication. The study sought to established the extent to which the factors; Training programs, Frequency of training, Effectiveness of training methods, Form of training methods/approaches and Required knowledge/objectives affected the effectiveness of the performance appraisal in the organizations. The research revealed that all these factors influenced the effectiveness of the performance appraisal in the organizations to a moderate extent.

Correlation and Regression Analysis

The study wanted to find out the relationship between the employee performance (EP) which was the dependent variable and the independent variables which were; competence, assessment and development, management by objectives, performance based pay, and employee training. The researchers also sought to know the effect of the independent variables (performance appraisal systems) namely; competence, assessment and development, management by objectives, performance based pay, and employee training on the dependent variable; employee performance (EP) by using the multiple regression analysis.

Correlation Analysis

Table 4.4.1, shows the correlation coefficients that gave the measure of the relationship between the dependent variable (Employee performance (E.P)) and the independent variables, which were; Competence, Assessment, and Development (X_1), Management by objectives (X_2), Performance based pay (X_3), Employee training (X_4). From table 4.7 there was a low positive correlation between employee performance and Competence, Assessment, and Development (X_1) with a correlation coefficient of 0.398. The relationship between employee performance and Management by objectives (X_2) high, with a correlation coefficient of 0.731; the correlation between employee performance and Performance based pay (X_3) was also high with a correlation coefficient of 0.608.

There was also a high positive correlation between employee performance and employee training with a correlation coefficient of 0.742. From the study, it was deduced that the variables management by objectives, performance based pay, and employee training were the main variables that affected employee performance.

<table>
<thead>
<tr>
<th>Competence, Assessment and Development (X_1)</th>
<th>Management by Objectives (X_2)</th>
<th>Performance based pay (X_3)</th>
<th>Employee Training (X_4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Performance (EP)</td>
<td>0.398</td>
<td>0.731</td>
<td>0.608</td>
</tr>
</tbody>
</table>

Source: Authors’ Work

Regression analysis

The multiple regression equation was:

\[
E.P = a_o + a_{x_1} + b_{x_2} + c_{x_3} + d_{x_4} + e
\]

where \( a_o \) = constant

\( a, b, c \) and \( d \) = Regression coefficients

\( x_1 \) = Competence, assessment, and development

\( x_2 \) = Management by objectives

\( x_3 \) = Performance based pay

\( x_4 \) = Employee training

\( e \) = Error term

The estimate multiple regression model is given by: \( E.P = a_o + a_{x_1} + b_{x_2} + c_{x_3} + d_{x_4} + e \)

The coefficients of the model were obtained using SPSS version 15 and they are as follows; \( a_o = 0.274 \), \( a = 0.042 \), \( b = 0.734 \), \( c = 0.681 \), and \( d = 0.748 \). Thus, the estimated multiple regression equation is; \( E.P = 0.274 + 0.042X_1 + 0.734X_2 + 0.681X_3 + 0.748X_4 \)

From the multiple regression equation it was deduced that the variables; management by objectives, performance based pay, and employee training had the greatest effect on the
employee performance while the variables competence, assessment and development also had an effect on the employee performance though the effect could not be compared to the other three performance appraisal systems (i.e. management by objectives, performance based pay, and employee training) which had quite high effect to employee performance.

**The Coefficient of Determination**

The coefficient of determination obtained was 0.742 (74.2%) which is commonly referred to as the value of R square (74.2%). This value of R square (74.2%) is the proportion of variation associated to the independent variables (performance appraisal systems). Thus from the value obtained from this it was deduced that the proportion of variation associated to the independent variables had a large effect since the value is greater than 50%.

The results generally reflected that performance appraisal have a positive influence on employee productivity. Performance reviews are focused on employee contributions to the organizational goals. Similarly, Derven, (2010) suggests that the outcomes of performance appraisal can lead to improvements in work performance and therefore overall business performance via, for example increased productivity or customer service. Malcolm and Jackson (2002) add that the benefits of performance appraisal are the identification of high performers and poor performers as well as the identification of strengths and development areas.

A significant proportion of the respondents agreed that the performance appraisal makes them understand what they should be doing. With performance appraisal, the employees’ can find what is expected from them and the consequences of their performance. Ideally they receive a fair and analytical feedback for their performance. Similarly, Derven (2010) explains that performance appraisal helps to rate the performance of the employees and evaluate their contribution towards the organizational goals as well as to align the individual performances with the organizational goals and also review employees’ performances. A large number of the respondents agreed that with performance appraisal they perform better than what can be expected without appraisal.

Similarly, Mullins (2009) suggests that performance appraisal takes into account the past performance of the employees and focuses on the improvement of the future performance of the employees. This means that performance appraisal is valuable to employee productivity in the organization. Mullins (2009) adds that performance appraisal can help to identify inefficient work practices or reveal potential problems, which are restricting the progress of the company. Derven (2010) and Mullins (2009) suggest that performance appraisal can help the organization to identify the talented employees and future leaders in the company. This can directly increase the profitability of the company. Majority of the respondents agreed that performance appraisal was used as a decision making tool for increasing employee performance. Decision making is separate but linked 50 to the appraisal system. A large number of the respondents agreed that they were satisfied with the current performance appraisal system in the organization.

This suggests that effective appraisal can positively impact on employee productivity in the organization. Similarly, Brown and Benson (2013) suggest that performance appraisal can be linked to performance improvement process and the decision to identify training needs and potential, agree on future objectives, support a career development plan and resolve existing problems.

Randell (2014) reports implicitly that when good performance is observed and then rewarded, the chances of it being repeated are increased, while poor performance is discouraged or even punished to decrease the chance of it happening again. However, a proportion of the respondents agreed that they don’t agree with performance appraisal score as there is an appeal process. This may mean that performance appraisal underscores the importance of employee involvement and participation in the ratings of the performance. An effective appraisal system can enhance the interest and performance of the employees leading to the completion of specified targets and attainment of specified performance goals. This means that the lack of a fair appraisal score may make the employees work at a normal pace or work below expectation due to how it is conducted.

**CONCLUSION AND RECOMMENDATIONS**

The study revealed that competence, assessment and development, management by objectives, performance based pay and employee training all affected employee performance in NACHO. However the factors, employee training,
performance based pay, and management by objectives were the key factors that influenced employee performance as indicated by the respondents whereby the rated the three to a great extent. However, the factor, competence, assessment and development could not be ignored since it was rated to a moderate extent by the employees and indication that it also contributed a lot to employee performance.

Also, from correlation analysis and the multiple regression analysis, the performance appraisal systems namely; management by objectives, performance based pay and employee training has the largest effect on employee performance. The factor; competence, assessment and development also had a positive effect on employee performance as indicated by the positive correlation coefficient of 0.574. The value of the coefficient of determination obtained which was 74.2% indicated that proportion of variation associated to the independent variables had a large effect since the value is greater than 50%. This was an indication that all the independent variables (competence, assessment and development, management by objectives, performance based pay and employee training) had a large effect on the dependent variable, which was the employee performance (E.P).

RECOMMENDATIONS

This study recommends that; NACHO should take initiative to give proper training to all its employees in order to improve the performance in organization and in all the departments. To improve efficiency in the NACHO, there is need to adopt the system of Performance based pay on all its employees. The management of NACHO should also take proper consideration of competence, assessment and development of the employees that are working within and out of the organization.

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Citation: Lilian Daramola, Adedeji Adebola Daramola, “Factors Influencing Employee Performance in an Organization”, International Journal of Emerging Engineering Research and Technology, 7(12), 2019, pp. 37-44

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