

PERFORMANCE APPRAISAL AND EMPLOYEE JOB SATISFACTION IN HARTLAND NIG. LTD, EDO STATE, NIGERIA

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Abstract

Performance appraisal remains a critical human resource practice for assessing employee contributions, identifying strengths and weaknesses, and enhancing organizational efficiency. However, in many Nigerian organizations, performance appraisal is often viewed as a mere administrative routine rather than a strategic tool to improve employee satisfaction and productivity. This paper examines the relationship between performance appraisal and employee job satisfaction in Hartland Nig. Ltd, Edo State. Using both conceptual and empirical insights, the study reveals that fair, transparent, and participatory appraisal systems positively influence job satisfaction. The paper concludes that appraisal systems tailored to organizational realities and employee expectations significantly enhance motivation, morale, and retention.

Introduction

The human element remains the most valuable asset in modern organizations. While capital and technology are vital for business survival, the productivity of employees largely determines the overall success of firms. To harness this potential, organizations adopt performance appraisal systems to evaluate employee output, reward efficiency, and identify developmental gaps (Obisi, 2021). In Nigeria, performance appraisal has gained prominence as organizations grapple with issues of low employee morale, poor job satisfaction, and high turnover. Hartland Nig. Ltd, located in Edo State, represents a typical indigenous company where employee performance directly influences operational outcomes. However, anecdotal evidence suggests that many employees express dissatisfaction with the current appraisal processes, often citing bias, inconsistency, and lack of feedback. This study explores how performance appraisal influences employee job satisfaction within the company.

Statement of the Problem

Despite its significance, performance appraisal in Nigerian organizations is fraught with challenges such as subjectivity, favoritism, inadequate training of appraisers, and lack of clarity in performance metrics (Okolie & Omoyibo, 2022). Employees often perceive appraisal systems as punitive rather than developmental, resulting in reduced motivation and job dissatisfaction. In Hartland Nig. Ltd, complaints of inequitable appraisal outcomes and absence of follow-up training suggest a weak link between the appraisal system and employee satisfaction. If appraisal is not perceived as transparent, it undermines organizational trust and hinders productivity.

Objectives of the Study

The main objective of this study is to examine the relationship between performance appraisal and employee job satisfaction in Hartland Nig. Ltd, Edo State. The specific objectives are to:

- i. Assess the existing performance appraisal system in Hartland Nig. Ltd.
- ii. Determine the influence of appraisal feedback on employee satisfaction.
- iii. Examine the role of fairness and transparency in appraisal outcomes.
- iv. Identify the challenges of appraisal practices and their implications for job satisfaction.
- v. Suggest strategies for improving appraisal systems to enhance employee satisfaction.

Conceptual Framework

Performance Appraisal: Defined as a formal system of evaluating employee performance relative to organizational goals (Armstrong, 2022). Key dimensions include feedback, fairness, objectivity, participation, and developmental focus.

Employee Job Satisfaction: Defined as a positive emotional state resulting from job appraisal experiences (Robbins & Judge, 2021). It includes intrinsic factors (autonomy, recognition, career growth) and extrinsic factors (salary, benefits, work conditions). Effective appraisal leads to recognition, clearer expectations, and career development opportunities, which in turn improve job satisfaction. Conversely, biased or poorly implemented appraisals result in frustration and dissatisfaction.

Theoretical Review

Several theories provided insight into the relationship between performance appraisal and job satisfaction:

Equity Theory (Adams, 1965): Suggests that employees assess fairness in appraisal outcomes by comparing their input-output ratio with that of colleagues. Perceptions of inequity lead to dissatisfaction.

Herzberg's Two-Factor Theory (1959): Posits that job satisfaction is influenced by motivators (achievement, recognition, responsibility) and hygiene factors (salary, policies, supervision). A fair appraisal system contributes to motivators by recognizing performance.

Goal-Setting Theory (Locke & Latham, 1990): Emphasizes that specific and challenging goals, when combined with feedback, lead to higher performance and satisfaction. Appraisal helps in aligning goals with organizational vision.

Expectancy Theory (Vroom, 1964): Argues that employees' motivation depends on the belief that performance will lead to rewards. If appraisal outcomes are linked to promotions or incentives, satisfaction increases.

Related Empirical Review

Empirical studies have consistently linked appraisal systems with job satisfaction. In Nigeria, Okolie and Omoruyi (2022) found that fair and constructive appraisals significantly improved job

satisfaction in manufacturing firms. Similarly, Musa and Ajayi (2022) discovered that lack of transparency in appraisals was a major source of dissatisfaction among employees in the banking sector.

Internationally, Al-Mashaqbeh (2021) reported that appraisal feedback improved employee morale and performance in Jordanian firms. In South Africa, Dlamini and Nkosi (2023) showed that participatory appraisal systems enhanced satisfaction and reduced turnover.

However, literature also reveals challenges. Obisi (2020) noted that in many Nigerian organizations, appraisal exercises are conducted merely as annual rituals without developmental follow-up, undermining their effectiveness. A study by Agu and Ezenwakwelu (2021) stressed the importance of training supervisors on unbiased evaluation to strengthen the credibility of appraisal outcomes.

Findings

From both empirical reviews and organizational observations, several findings emerge:

- i. Employees in Hartland Nig. Ltd perceive the current appraisal system as inconsistent and biased.
- ii. Lack of timely and constructive feedback reduces employee motivation and trust.
- iii. Fairness and transparency in appraisal significantly improve employee morale.
- iv. Linking appraisal outcomes to career growth and rewards enhances satisfaction.
- v. Training appraisers on objectivity and communication improves appraisal credibility.

Conclusion

Performance appraisal is a vital human resource tool with profound implications for employee satisfaction. In Hartland Nig. Ltd, appraisal practices are currently undermined by subjectivity and weak feedback mechanisms, leading to job dissatisfaction. The study concludes that transparent, fair, and developmental appraisal systems directly contribute to higher motivation, morale, and retention.

Recommendations

- i. Hartland Nig. Ltd should develop clear appraisal guidelines communicated to all staff.
- ii. Appraisers should provide constructive, timely, and specific feedback.
- iii. Capacity-building programs should equip appraisers with objectivity and evaluation skills.
- iv. Promotions, bonuses, and recognition should be tied to appraisal outcomes.
- v. Employees should be involved in setting performance goals to improve ownership.

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