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THE RELEVANCE OF PERFORMANCE APPRAISAL ON EMPLOYEE PRODUCTIVITY: A STUDY OF LEADWAY ASSURANCE

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Abstract

This project evaluated the relevance of performance appraisal on employee productivity. A study of Leadway Assurance. Various books and journals were used which helped in formulating various objectives which include determining the perception of employees towards the performance appraisal system at Leadway Assurance; examine the relationship between performance appraisal and the Leadway Assurance employee's perceived job satisfaction; determine the relevance of performance appraisal on the Leadway Assurance employee's perceived job motivation; investigate the relationship betweenperformance appraisal and the Leadway Assurance employee's self-report productivity. To achieve the stated objectives, research design was a cross sectional survey whiles the population consists of employees' of Leadway Assurance Lagos. Structured questionnaires were used to get the data out of which 120

were completed and returned, while data were analyzed using frequency tables and percentages, Chi-Square were used to test the hypotheses. The findings include: There is a significant relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance. The study reveals a noteworthy correlation between performance appraisal and the perceived job motivation of employees at Leadway Assurance. The work recommends that Leadway Assurance should prioritize the implementation of regular performance feedback sessions between managers and employees. To improve employee productivity and job performance, Leadway Assurance should invest in enhancing training and development opportunities based on the findings of performance appraisals.

Keywords: Performance Appraisal; **Employee Productivity**; **Job Satisfaction**; **Job Motivation**; **Training and Development**

Introduction

In the fiercely competitive and quickly evolving business world of today, organisations are constantly searching for long-term means of gaining a competitive edge. Human resources are an organisation's most significant asset in this dynamic economy. An efficient system for evaluating employee performance becomes essential for coordinating work output with strategic objectives and pointing the way toward the success of the company. According to Mahapatro (2021), in every business, human resources are essential because they are the main factor behind an organization's success. They continue to be unmatched in their capacity to organise and utilise every available resource to accomplish organisational goals. Given that Nigerian insurance institutions play a major role in driving profitability and shareholder value, this is particularly pertinent to them. The overall efficacy of the organisation can be increased or decreased depending on the efforts and dedication of each employee. Although employees can be replaced physically, their specialised knowledge and abilities cannot be replaced (Schwarzmüller,Brosi, Duman&Welpe, 2018). Each employee contributes value to the company and possesses a unique set of competencies. As a result, it is essential to put in place a strong system for performance reviews that aims to bring out the best in each employee.

Evaluating an employee's performance entails analysing and debating their general job performance and responsibilities. Instead of emphasising character attributes, it focuses on assessing the results employees achieve in their respective prositions. Because they assess employee performance and foster development, performance evaluations are an essential component of human resource management. Through the facilitation of goal clarity, employee progress assessment, and general organisational growth, performance appraisal become a key

managerial activity that raises the possibility of accomplishing organisational goals (Ezenwakwelu&Etukokwu, 2021).

An employee's future potential within the organisation as well as their current job performance are carefully and routinely assessed during a performance review (Ugoani,2020). Employee performance outputs are monitored and assessed, with a focus on strengths-based development and opportunities for improvement to facilitate ongoing progress. For a business to manage its staff effectively, an evaluation system must be in place. Organisational performance depends on a strong evaluation system because it makes it possible to quickly identify and promote high performers (Hongal&Kinange, 2020).Employees must be aware of the assessment system, believe it to be fair, and participate in creating goals for it to be effective (Okolie&Orhero, 2020). Enhancing employee comprehension and involvement in the system can be achieved by asking for their feedback during its creation and offering them performance review training. In businesses, the main goal of performance reviews is to increase worker productivity (Omotunde&Alegbeleye, 2021). As a result, performance assessments encourage goal-setting among staff members and offer informative feedback about the significance of their work (Ebegbetale, Enwezor&Showemimo, 2023). Employee performance rises as a result of these initiatives, raising overall productivity.

Though implementation issues with performance evaluation processes are common with insurance operations and transactions, the Nigerian insurance sector's performance appraisal system has been characterized with significant flaws (Kaydos, 2020; Umar &Dikko, 2018).Thesedeficiencies include a lack of employee involvement in setting organisational goals that define expectations and poor feedback about appraisal outcomes. However, according to Omoregie andKelikume(2019), Leadway Assurance's performance appraisal system has been a painstakingly crafted procedure that includes three essential components: insurance, customer, and process measures. The goal of this all-encompassing strategy is to evaluate employees' contributions and effects on the overall performance of the business. Insurance indicators are the foundation of Leadway Assurance's appraisal system; they measure how well personnel propel the company's insuranceperformance. These include metrics like net revenue and fee generation, risk asset portfolio management, growth in low-cost insurance, and overall customer-based

growth. These insurance metrics show how well an employee manages risk and produces income from a variety of insurance products and services (Odunayo, 2022).

Nonetheless, Leadway Assurance's evaluation methodology's customer metrics component highlights the business's dedication to client(GillblomNeij&Dovrén, 2023). The importance of customer satisfaction and acquisition methods for insurance firms in evaluating staff performance is demonstrated by metrics such as the Net Promoter Score (NPS), customer acquisition of new clients, and pension obligations (Jindal, 2016). Furthermore, monitoring monthly inflows from e-collection platforms and gradually onboarding new users emphasizes the importance of employees in customer interaction and digital transformation. The process and other parameters emphasises regulatory compliance and adherence to internal procedures. One important indicator that makes sure workers follow the company's policies and legal obligations is the Risk and Compliance (R&C) index (Mbonu&Amahalu, 2022). This dimension guarantees that workers perform well in their positions and work within an environment that upholds the company's ethics and risk-reduction tactics.

That being said, this evaluation approach is not without flaws that could affect how employees view the assessment criteria, even with its comprehensiveness. Concerns exist, for instance, over the possible overemphasis on quantitative insurance indicators, which could unintentionally ignore qualitative elements like creativity and collaboration. On the other hand, one could argue that insurance measures are inherently linked to the long-term viability and profitability of the business. Similar to this, it appears that nuanced customers experiences are overlooked if just quantitative customer measurements, like NPS, are the focus (Viitanen, 2021). But it is important to remember that NPS is a concrete indicator of general customer sentiment, which is still crucial for the company's development and reputation. It is conceivable that a balance between compliance and innovation can be struck to eventually improve the company's competitive position, even while rigorous adherence to process and compliance measures may give rise to worries about stifling employee creativity and agility.

This shows that the presentLeadway Assurance's performance appraisal practices can evoke both favourable and unfavourable opinions from employees andthe way employees perceived the appraisal system can reflect in the way they execute their individual day-to-day assigned

tasksthus influencing the organisation performance. Hence, this present study seeks to examine the relevance of performance appraisal on employee productivity in Leadway Assurance.

STATEMENT OF PROBLEM

Performance appraisal is an essential component of human resource management, serving to assess worker performance, offer constructive criticism, and match personal ambitions with company goals. Prior studies, however, suggest that shortcomings in the planning and execution of performance reviews may compromise their efficacy and adversely affect employee views, motivation, and output.Studies have specifically shown shortcomings in the performance evaluation procedures within the Nigerian insurance sector, including insufficient employee involvement in goal-setting and subpar feedback channels (Kaydos, 2020; Umar &Dikko, 2018). These problems may limit staff members' comprehension of performance standards and their capacity to apply constructive criticism. Particularly, at Leadway Assurance, the appraisal system appears to be prone to an overemphasis on quantitative factors that may overlook qualitative dimensions such as innovation and collaboration, despite being comprehensive in metrics across financial, customer, and process parameters. This may cause workers to feel that something is unfair. Despite this, no known study has been dedicated to researching how the organisation employees feel about the performance system and how it has been influencing them to give their best towards achieving better performance for the organisation. Hence, this present study will examine the relevance of performance appraisal on employee productivity in Leadway Assurance.

AIM AND OBJECTIVE OF THE STUDY

This study aims to examine the relevance of performance appraisal on employee productivity in Leadway Assurance.The specific objectives of this study are to:

1. determine the perception of employees towards the performance appraisal system at Leadway Assurance.
2. examinethe relationship between performance appraisal andthe Leadway Assurance employee'sperceived job satisfaction.
3. determinethe relevance of performance appraisal on the Leadway Assurance employee's perceived job motivation.

4. investigatethe relationship betweenperformance appraisal andthe Leadway Assurance employee's self-report productivity.

RESEARCH QUESTIONS

This study will answer the following questions:

1. What are the perceptions of employees towards the performance appraisal system at Leadway Assurance?
2. What is the relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance?
3. What is the relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance?
4. What is the relationship between performance appraisal on the self-reported productivity of employees at Leadway Assurance?

RESEARCH HYPOTHESES

The following five null hypotheses will be tested in this study:

Hypothesis One

H_o1: There is no significant difference in the perceptions of employees towards the performance appraisal system at Leadway Assurance by experience.

Hypothesis Two

H_o2: There is no significant relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance.

Hypothesis Three

H_o3: There is no significant relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance.

Hypothesis Four

H_o3: There is no significant relationship between performance appraisal and the self-reported productivity of employees at Leadway Assurance.

LITERATURE REVIEW

Concept of Performance Appraisal

Performance appraisal can be defined as the systematic process of documenting and evaluating an employee's performance, leading to informed decisions (Cook & Crossman, 2004). It involves analyzing an employee's recent achievements and failures, identifying their individual strengths and weaknesses, and assessing their suitability for promotions or further training. Additionally, it entails periodically evaluating an employee's performance in relation to job requirements or established standards (Mwema&Gachunga, 2014). Simply put, performance appraisal refers to the systematic assessment of an employee's productivity, taking into account factors such as initiative, job knowledge, supervision, leadership abilities, output quality and quantity, judgment, cooperation, adaptability, and overall well-being (Ramawickrama, Opatha&PushpaKumari, 2017).

Performance appraisal is a formal and structured interaction between a subordinate and supervisor, often conducted through periodic interviews, typically on an annual or semi-annual basis. During these discussions, the employee's work performance is thoroughly examined and analyzed, aiming to identify strengths, and weaknesses, as well as opportunities and challenges for skills development and improvement (Lee, 2020). Implementing a long-term process to evaluate employee performance serves the interests of both the individual and the organization, as it fosters growth and development on multiple levels.

Performance Appraisal Systems

Performance appraisal employs two main types of measures: objective measures, which are easily quantifiable, and subjective measures, which lack direct quantification. These measures serve as the foundation for assessing an employee's performance against predefined criteria or standards. Objective measures may include quantifiable data such as sales figures, production output, or error rates, while subjective measures often involve qualitative assessments of factors like teamwork, communication skills, or leadership abilities.

These appraisal methods fall under two broader categories: traditional methods and modern methods. Traditional methods include approaches such as the ranking method, where employees are ordered from best to worst based on their performance, and the rating scale method, which

assigns numerical or descriptive ratings to employees based on predefined criteria. Additionally, the paired comparison method involves comparing employees in pairs to determine relative performance, while the forced distribution method categorizes employees into predetermined performance groups. On the other hand, modern appraisal methods have emerged to address some of the limitations of traditional approaches. Management by Objectives (MBO) is one such method where employees and managers collaboratively set specific objectives, which serve as the basis for evaluation. The 360-degree feedback method gathers input from various sources, including supervisors, peers, subordinates, and customers, to provide a comprehensive assessment of an employee's performance. Behaviorally Anchored Rating Scales (BARS) and the Critical Incident Technique offer structured frameworks for evaluating performance based on specific behaviors or critical incidents.

These diverse appraisal methods offer organizations flexibility in assessing employee performance, catering to the unique needs and objectives of the organization. While traditional methods may offer simplicity and ease of implementation, modern methods provide opportunities for more comprehensive and nuanced evaluations. Ultimately, the choice of appraisal method depends on factors such as organizational culture, the nature of the job, and the desired level of objectivity and feedback in the performance evaluation process.

Rating Scales

The rating scale methodology is considered a well-structured approach to performance appraisal (Chakraborty, Ghosh, Sarker&Chakraborty, 2020). This method involves assessing employees' attributes on a performance continuum ranging from poor to outstanding, with criteria such as teamwork prowess, communication skills, and technical competency being evaluated (Bradley, 2021). The utilization of this scale is crucial for appraisers' duties (Shah, 2019). One of the key advantages of the rating scale technique is its ability to facilitate comparisons of employee performance across the entire workforce (Quesado, AibarGuzmán& Lima Rodrigues, 2018). This fosters fairness in evaluations and establishes uniform performance standards across all organizational domains (Payne, Burrack, Parkes&Wesolowski, 2019).

Check-List Method

The check-list approach involves creating a checklist containing "Statements of Traits" about personnel and questions with a YES/NO response format (Shah, 2019). While the HR department is tasked with conducting the actual evaluation, it is the rater's responsibility to report or verify pertinent responses. The completed checklist is then submitted to the HR department for further processing. While certain questions on the checklist may carry equal weight, others with more significant answers might be accorded greater importance (Chakraborty, et al., 2020). Subsequently, the HR department tallies the scores to determine the employee's rating.

The check-list approach offers several advantages, including its cost-effectiveness, simplicity of administration, and minimal training requirements due to standardization. However, this method also presents certain drawbacks. Rater biases may influence the evaluation process, and inadequate weighting practices by the HR department can make it challenging for raters to produce fair assessments (Dipboye, 2018).

MBO (Appraisal by Results)

Peter Drucker, a management theorist, first popularized the use of management objectives, also known as MBO (management by objectives), in the 1950s. MBO performance evaluation techniques prioritize outcomes, assessing the degree to which previously specified job objectives have been achieved to measure employee success (Jumbo, 2021). These goals are typically collaboratively established by the subordinate and the supervisor. Once a goal is set, individuals are encouraged to self-evaluate and identify the skills required to achieve the objective, promoting personal accountability for growth and advancement rather than relying solely on external assessments (Brandt, 2020).

In the process of identifying and evaluating employee qualities essential for job performance, several obstacles must be addressed. MBO emphasizes tangible outcomes over inherent qualities. An individual demonstrates effective job performance by meeting or surpassing predetermined goals (Jumbo, 2021). Employees are evaluated based on their ability to deliver results, rather than on subjective assessments of their potential success or the opinions of others. The core principle of the MBO approach is that observable performance holds greater significance than personnel characteristics and attributes that are merely presumed or inferred (Prasanna, Reddy & Shankar, 2020).

The MBO method acknowledges the intricacy of employee performance and the challenges of dissecting all contributing factors. Advocates of MBO argue that employee performance cannot be segmented for analysis; instead, it manifests as a cohesive whole when all elements work in harmony (Were &Nyakwara, 2017). This perspective resonates closely with FCMB's approach, which emphasizes measurable criteria for evaluation. Both systems prioritize tangible achievements as indicators of employee success.

In MBO, predetermined job objectives are collaboratively established between employees and supervisors, fostering alignment between individual efforts and organizational goals. Similarly, FCMB's appraisal system integrates financial, customer, and process metrics that reflect predetermined targets for employee contributions. This joint goal-setting process encourages accountability and coherence in employee performance. The MBO approach promotes self-evaluation and ownership of progress toward established goals (Jumbo, 2021), reflecting FCMB's customer-centric parameters. Employees at FCMB are assessed based on their role in achieving quantifiable outcomes such as Net Promoter Score (NPS) and customer acquisition. In both systems, the emphasis on individual responsibility and goal-oriented growth is evident.

MBO's focus on observable outcomes rather than abstract qualities finds resonance in FCMB's financial measures. Similar to MBO, FCMB evaluates job performance based on whether predetermined goals have been met or exceeded (Brandt, 2020). Financial metrics at FCMB gauge employee success through measurable contributions to the bank's growth, deposit acquisition, and revenue generation.

Both MBO and FCMB's appraisal system recognize the complexity of employee performance. MBO proponents contend that employee performance is more than the sum of its parts and cannot be fragmented for analysis (Were &Nyakwara, 2017). Similarly, FCMB's appraisal system evaluates employees based on a holistic assessment of their contributions across financial, customer, and process dimensions, acknowledging the collective impact on the bank's success.

Concept of Employee Performance

The execution of assigned tasks by employees, also referred to as job performance, stands as the cornerstone of organizational productivity. Each individual in a specific role bears the responsibility of producing outputs that exhibit both quality and quantity. As highlighted by

Colquitt, Lepine, and Wesson (2014), job performance encompasses all employee behaviors that positively or negatively influence the achievement of organizational goals, serving as the fundamental basis upon which all company personnel and workers depend. A crucial relationship exists between job performance and the tasks essential for fulfilling job objectives, bridging the gap between individual endeavors and organizational aims.

Prasetya and Kato (2011) shed light on the essence of performance by integrating employees' actions with their inherent talents within specific situations. Employee performance, as defined by Pattanayak (2005), refers to observable and assessable behavior in the workplace. Performance remains the cornerstone of an individual's dedication to a company's mission and accomplishments—an undeniable fact underscored by Zairi (2012), who assert that job performance serves as the yardstick for evaluating healthcare workers' daily duties.

Delving deeper into the complexities of performance, Motowidlo, Borman and Schmit, (2014) delineate work performance into two critical aspects: task and contextual performance. According to Zairi (2012), job performance serves as the benchmark for evaluating how effectively healthcare workers carry out their routine responsibilities.

2.3 Conceptual Framework

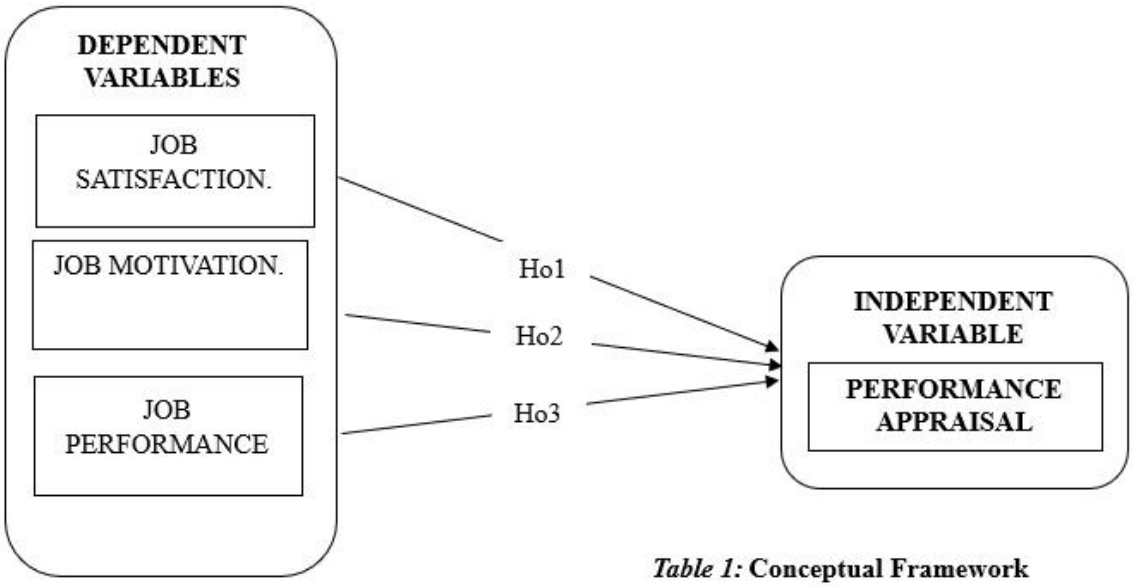


Table 1: **Conceptual Framework**

Source: **Researcher's Design**

Theoretical Framework

Social Exchange Theory

The 1960-born Social Exchange Theory describes how people evaluate the best possible social relationships in order to understand social behaviours (Cook, Cheshire, Rice & Nakagawa, 2013). It suggests that people are drawn to social situations that maximise advantages and minimise disadvantages (Eisenberger, Rockstuhl, Shoss, Wen &Dulebohn, 2019). People weigh the benefits and downsides and choose to engage in encounters that result in positive outcomes (Headley, Wright & Meier, 2021). This notion is applicable in the context of organisations, as interactions that are not productive can lead to employee unhappiness. Thus, it is crucial to make sure that workers are happy with their workplace.

This theory holds that people have an internal balance sheet where the total outcome is equal to the rewards less the expenses (Barker, Lennard, Penman & Teixeira, 2022). Businesses ought to work to achieve this goal as much as possible. Employees often go for a work environment with the fewest expenses when social rewards are inadequate. Ignoring this factor might cause work arrangements to collapse, as theoretically illustrated in figure 1 below.

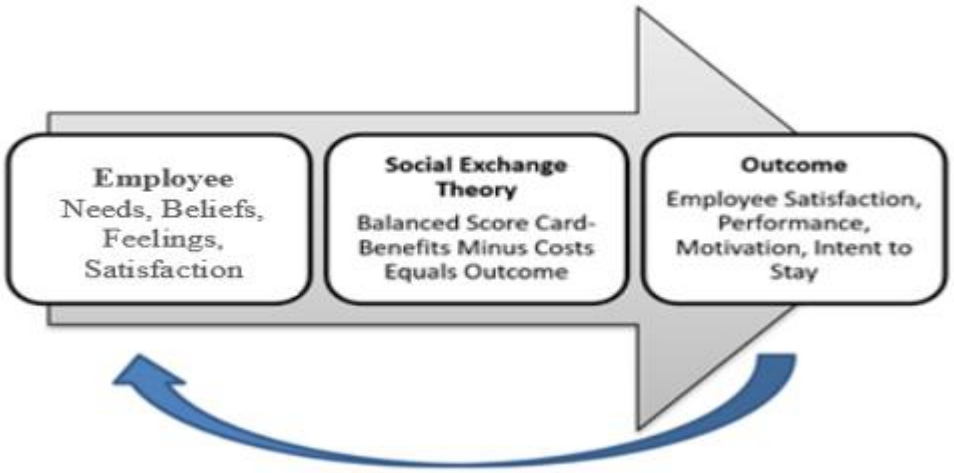


***Figure 1: Social Exchange Theory (*Even, 2020)**

According to the principle, each employee has unique wants, beliefs, and feelings. It is possible that workers might perceive the organization's activities as a sign of concern for their welfare.

They can think they're in a good situation where their work is appreciated and well rewarded as a result of this impression. Their individual evaluation frameworks take these affective factors into account. This dynamic represents a social exchange where employees give the organisation their all. Positive results from this reciprocity can be seen at work, such as improved performance, more motivation, higher job satisfaction, and a deeper sense of corporate kinship.

This theory provides insights into how employees' views of the organization's concern and the reciprocity of effort impact their perceived performance, making it very pertinent to the current study. Employee motivation, contentment, and performance dynamics inside the company may be better understood by looking at how Leadway Assurance's sales force interprets performance assessment results in the context of social interaction.

Empirical Review of Past Studies

Ahmed, Lashari and Shah, (2023) delved into the impact of Performance Appraisal and Employees Participation on Employees' Job Satisfaction within Non-Governmental Organizations (NGOs). Their findings revealed a positive and significant correlation between Performance Appraisal, employee participation, and job satisfaction. This study underscores the crucial role of effective performance appraisal processes and employee involvement in decision-making to bolster job satisfaction within NGOs. Similarly, Ramous Agyare, Mensah, Aidoo and Ansah, (2016) investigated the influence of performance appraisal on job satisfaction and organizational commitment in microfinance institutions in Ghana. Their research underscored the importance of fairness, clarity, and employee involvement in the appraisal process. The study highlighted that transparent and equitable appraisal systems, in alignment with other HR practices, enhance employees' job satisfaction and commitment.

Dasanayaka, Abeykoon, Ranaweera and Koswatte, (2021) concentrated on the impact of the performance appraisal process on the job satisfaction of academic staff in higher educational institutions in the UK. The study shed light on the dissatisfaction among academic staff due to an unbalanced appraisal process that prioritized research over teaching. Their research advocates for a more comprehensive approach that considers both teaching and research aspects and establishes a clear link between performance and rewards.Meanwhile, Kampkötter (2017) utilized a representative sample of German employees to investigate the connection between performance appraisals and job satisfaction. Their study highlighted the positive effect of

Performance Appraisals on job satisfaction, particularly when linked to monetary outcomes. The research underscored the significance of aligning appraisals with appropriate rewards to positively influence job satisfaction.

While these studies collectively underline the link between performance appraisal and job satisfaction, they diverge in contexts, methodologies, and key emphases. Ahmed et al. (2023) emphasized employee participation and its impact in NGOs, Ramous et al. (2016) underscored fairness and clarity in microfinance institutions, Dasanayaka et al. (2021) highlighted the need for a balanced approach in academic institutions, and Kampkötter (2017) stressed the importance of linking appraisals to tangible outcomes. Together, these studies provide a nuanced understanding of the intricate relationship between performance appraisal and job satisfaction in varied organizational settings.

The studies conducted by Sylqa and Neziraj (2022), Jauhar et al. (2021), Chahar (2020), Idowu (2017), and Ali, Mahdi, and Malihe (2012) collectively contribute to exploring the effects of performance appraisal systems on worker motivation and job performance. Despite their shared focus, differences in research designs, sample sizes, and findings offer distinct insights into the complex relationship between employee motivation and performance reviews.For instance, Sylqa and Neziraj (2022) adopted a quantitative approach to investigate the impact of performance evaluation and remuneration on employee motivation. Their findings revealed a connection between work experience, knowledge, abilities, and rewards, emphasizing the importance of recognizing employees' competencies when designing performance review procedures and incentives. In contrast, Jauhar et al. (2021) employed a case study methodology, discovering that performance reviews significantly enhance employee loyalty and motivation. Their emphasis on the value of timely, constructive, and clear feedback underscores the role of performance reviews in bolstering motivation and commitment. Similarly, Chahar (2020) conducted a cross-sectional study to understand the interplay of performance appraisal methods, employee motivation, and job performance. The study revealed the direct impact of the appraisal method on job performance, moderated by employee motivation. Their findings underscore the need for a stimulating work environment to optimize the results of performance appraisal systems.

Research Methodology

A research design is a methodical strategy that directs researchers while they carry out their investigation. It describes the methods and approaches for gathering and evaluating data (Creswell, 2014). There are several types of study designs, including exploratory, descriptive, correlational, and experimental. The study will employ a descriptive research design. The purpose of this design is to depict a condition or event as it is right now (Babbie, 2010). The population of the study comprises the employees of the Leadway Assurance in Lagos State Branch. The Lagos State Branch has a total of 331 employees as of December 2023 (Leadway Assurance, 2024). The study utilized a non-probability sampling technique since it is not feasible to access the entire population through a probability-based approach. Specifically, the accidental sampling method were employed. This method is commonly used when obtaining a representative sample is challenging or when time and resource constraints prevent the researcher from employing a more rigorous sampling technique, as noted by Saunders et al. (2009). The sample size were 120, which has been determined using the sample size determination table developed by Krejcie and Morgan (1970) Primary data was used for the study, which wereobtained using a self-constructed questionnaire titled Performance Appraisal and Employee Productivity Questionnaire (PAEPQ). The questionnaire were administered online through the use of LinkedIn which is a professional network social media app. The survey instrument will first be loaded on a survey platform called Qualtrics and then the link generated will be sent to 250 Leadway Assurance staff with the hope that a minimum of 120 well-completed surveys will be obtained. The descriptive statistics of frequency count and percentage were used to present the demographic description of the respondents. The research questions were answered using descriptive statistics of frequency count, percentage and mean while the postulated hypothesestested using Chi-Square, at a 0.05 level of significance. All analysesweredone with the use of the Statistical Package for Social Science (SPSS, Version 25.0).

DATA PRESENTATION AND ANALYSIS

Test of Research Hypotheses

HYPTHESIS 1: There is no significant difference in the perceptions of employees towards the performance appraisal system at Leadway Assurance by experience.

Table1: Table of observed and expected Frequencies for perceptions of employees towards the performance appraisal system at Leadway Assurance by experience

	Observed Frequency	Expected Frequency
1	1	24.0
Agree	55	24.0
Disagree	2	24.0
Neutral	9	24.0
Strongly Agree	53	24.0
Total	120	

The first hypothesis was tested with question 1: "The organization uses productivity to measure employee performance". As indicated in the table above, most of the workers either agreed or strongly agreed to this statement. The chi square table will reveal if the differences between the observed and expected frequencies are significant for one to conclude that the organization uses productivity to measure employee performance. The result is presented in the table below:

Table 2: Chi Square table for employee performance

Test Statistics

	QUE8
Chi-Square	126.667[a]
df	4
Asymp. Sig.	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 24.0.

The chi square table above shows that workersindicates that the organization uses productivity to measure employee performance is significant x^2 (4, 118) = 126.676, $p < .05$. As a result, I reject the null hypothesis which states that there is no significant difference in the perceptions of employees towards the performance appraisal system at Leadway Assurance by experience. Hence, the study concludes that theorganization uses productivity to measure employee performance.

HYPOTHESIS 2: There is no significant relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance.

Table3: Table of observed and expected Frequencies for the relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance.

	Observed Frequency	Expected Frequency
1	2	30.0
Agree	33	30.0
Neutral	6	30.0
Strongly Agree	79	30.0
Total	120	

The above hypothesis was tested with question 8: "Supervisor rates me based on my job skills and expertise". The above table shows that most of the workers either agreed or strongly agreed to this statement. The chi square table will further reveal if the differences between the observed and expected frequencies are significant for one to conclude that supervisor rates employee based on their job skills and expertise. The result is presented in the table below:

Table 4: Chi Square table for the relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance.

Test Statistics

	QUE13
Chi-Square	125.667[a]
df	3
Asymp. Sig.	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 30.0.

The chi square table indicates that there is a significant relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance.

x^2 (4, 118) = 125.67, $p < .05$. As a result, I reject the null hypothesis which states that there is no significant relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance. Hence, the study concludes that there is a significant

relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance.

HYPOTHESIS 3: There is no significant relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance

Table 5: **Table of observed and expected Frequencies for the relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance**

	Observed Frequency	Expected Frequency
1	4	24.0
Agree	49	24.0
Disagree	1	24.0
Neutral	5	24.0
Strongly Agree	61	24.0
Total	120	

Table 5 above shows the observed and expected frequency table for question 1, section C "The performance appraisal measures align with my intrinsic enjoyment of this work, enhancing my job motivation" which was used to test the 3rd hypothesis. The table shows that most of the workers either agreed or strongly agreed to this statement. Furthermore, chi square table will reveal if the differences between the observed and expected frequencies are significant for one to conclude that significant relationship exists between performance appraisal and the perceived job motivation of employees at Leadway Assurance. The result is presented in the table below:

Table 6: Chi Square table for the relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance

	QUE23
Chi-Square	136.833[a]
df	4
Asymp. Sig.	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 24.0.

Tas depicted in table 6 above, the chi square table indicates that there is a significant relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurancex^2 (4, 118) = 136.83, $p < .05$. As a result, I reject the null hypothesis which states is norelationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance. Hence, the study concludes that there is a significant relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance.

Findings

The study shows that organization uses productivity to measure employee performance. The majority of the respondents think that the organization uses quality of work to measure employee performance. In supporting these claims further Ramawickrama, Opatha & Pushpa Kumari (2017) stated that performance appraisal assesses employee's productivity, taking into account factors such as initiative, job knowledge, supervision, leadership abilities, output quality and quantity, judgment, cooperation, adaptability, and overall well-being, which enhances employee performance.

There is a significant relationship between performance appraisal and the perceived job satisfaction of employees at Leadway Assurance. Respondents agree that supervisor rates them based on achieving goals set for the review period. The study indicated on table 7.8.9, item 10 that supervisor rates employee based on the initiative they take at work. This is in line with Ahmed, Lashari and Shah, (2023), who delved into the impact of Performance Appraisal and Employees Participation on Employees' Job Satisfaction within Non-Governmental Organizations (NGOs). Their findings revealed a positive and significant correlation between Performance Appraisal, employee participation, and job satisfaction. This study underscores the crucial role of effective performance appraisal processes and employee involvement in decision-making to bolster job satisfaction within NGOs.

There is a significant relationship between performance appraisal and the perceived job motivation of employees at Leadway Assurance. Majority of the respondents agree that the performance appraisal measures align with their intrinsic enjoyment of this work, enhancing their job motivation. The study indicated that the performance appraisal measures contribute to employee sense of having fun while doing their job, enhancing their job motivation. This correlate with the work of Sylqa and Neziraj (2022), who adopted a quantitative approach to investigate the impact of performance evaluation and remuneration on employee motivation. Their findings revealed a connection between work experience, knowledge, abilities, and rewards, emphasizing the importance of recognizing employees' competencies when designing performance review procedures and incentives.

CONCLUSIONS

In conclusion, the relevance of performance appraisal on employee productivity, as exemplified by the case study of Leadway Assurance, underscores the pivotal role that systematic evaluation and feedback mechanisms play in driving organizational success. Through performance appraisal, companies like Leadway Assurance can assess employee performance, identify areas for improvement, and recognize high performers, thus fostering a culture of accountability, continuous improvement, and meritocracy. Providing employees with clear expectations and regular feedback, performance appraisal serves as a catalyst for enhancing individual and team performance, ultimately contributing to the achievement of organizational goals and objectives.

Moreover, performance appraisal serves as a valuable tool for talent management and employee development. Evaluating employee strengths and weaknesses, organizations can tailor training and development initiatives to address skill gaps and nurture talent, thereby enhancing employee engagement, job satisfaction, and retention. In the case of Leadway Assurance, performance appraisal likely contributes to talent retention by providing employees with opportunities for growth and advancement based on their performance and potential, thus bolstering organizational stability and competitiveness in the dynamic insurance industry.

Furthermore, performance appraisal facilitates effective communication and alignment between employees and management regarding performance expectations, goals, and objectives. Through regular performance discussions and feedback sessions, employees gain clarity on their roles and

responsibilities, as well as a deeper understanding of how their contributions contribute to the organization's overall success. This transparent communication fosters trust, engagement, and a sense of ownership among employees, leading to higher levels of motivation, commitment, and productivity. At Leadway Assurance, performance appraisal likely plays a vital role in fostering a culture of transparency, communication, and collaboration, which are essential for driving organizational performance and innovation.

The case study of Leadway Assurance highlights the significance of performance appraisal as a strategic tool for enhancing employee productivity, talent management, and organizational effectiveness. Implementing a comprehensive performance appraisal system, organizations can assess employee performance, provide targeted feedback and development opportunities, and foster a culture of accountability and continuous improvement. Ultimately, performance appraisal serves as a cornerstone of effective human resource management, enabling organizations to leverage their most valuable asset—their people—to achieve sustainable growth and competitive advantage in today's dynamic business environment.

Recommendations

1. Leadway Assurance should prioritize the implementation of regular performance feedback sessions between managers and employees. These sessions should occur at least quarterly, if not more frequently, to provide timely feedback on employee performance, discuss progress towards goals, and identify areas for improvement.
2. To improve employee productivity and job performance, Leadway Assurance should invest in enhancing training and development opportunities based on the findings of performance appraisals.
3. Clear goal alignment is essential for ensuring that employees understand how their individual performance contributes to organizational success. Leadway Assurance should prioritize setting SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals for each employee and regularly revisiting these goals during performance appraisal discussions.

4. Leadway Assurance should prioritize fairness and transparency in the performance evaluation process. This involves ensuring that appraisal criteria are objective, relevant, and consistently applied across all employees.
5. The organization should provide opportunities for employees to provide feedback on the appraisal process, address any concerns or grievances transparently, and ensure that decisions regarding performance ratings, promotions, or rewards are communicated clearly and equitably.

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