

PERFORMANCE APPRAISALS AND PRODUCTIVITY: INSIGHTS FROM EMPLOYEE PERSPECTIVES

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ABSTRACT: This research explores the perceived impact of performance appraisal systems on employee performance in the Caraga Region, examining the effectiveness of the existing performance appraisal system and its impact on employee productivity. The study employed a descriptive survey method using a questionnaire created by the researcher, which included 269 participants. The statistical methods used were weighted mean; this approach assigned numerical values to the Likert-scale responses and generated an overall mean score for each factor and Pearson correlation to assess the significance of the relationship. The results indicate that employees generally perceived the appraisal system to have a positive influence on their performance, as evidenced by indicators such as achieving performance targets, improving work quality, enhancing productivity, and increasing motivation to perform better.

Keywords: Performance appraisal system, productivity, employee performance, appraisal, motivation

1. INTRODUCTION

In today's competitive organizational landscape, employee performance remains a central determinant of long-term success and sustainability. Among the many tools used by human resource practitioners to ensure high performance, the performance appraisal system (PAS) stands as one of the most commonly implemented mechanisms. Performance appraisal systems (PAS) are vital tools used by organizations to assess, guide, and enhance employee performance. Traditionally designed to evaluate achievements, identify developmental needs, and inform decisions such as promotions and rewards. PAS has become deeply integrated into human resource management frameworks [1]. Yet, their effectiveness is highly dependent on how they are perceived by the employees themselves. Perceptions of fairness, clarity, and usefulness play a critical role in determining whether these systems actually lead to improved employee performance [2].

Several studies have emphasized that when employees view appraisal systems as objective, transparent, and linked to meaningful feedback, they are more likely to be motivated and committed to improving their work [3; 4]. In contrast, negative perceptions such as biases in evaluation, lack of follow-up, or inadequate feedback can lead to decreased job satisfaction, low morale, and even resistance to organizational goals [5]. As such, the perceived impact of performance appraisal systems is not merely a byproduct of policy but a determinant of employee engagement and productivity.

This study seeks to explore the effectiveness of existing performance appraisal systems and the perceived impact of performance appraisal systems on employee productivity, focusing on the subjective responses of employees across different organizational contexts. By investigating the relationship between employee perception and performance outcomes, this research aims to contribute to a more nuanced understanding of appraisal effectiveness, highlighting the importance of perception-based reforms in performance management systems. Findings from this study can serve as a basis for organizational leaders and HR professionals to design appraisal systems that not only measure performance but also inspire it.

2. MATERIAL AND METHODS

A descriptive survey method was used in the study. The researcher-made questionnaire was utilized as the foremost tool for data gathering using the Likert-scale responses. To check the instrument's validity and reliability, a panel of specialists presented and validated it, including one from a Bank Human Resource Head, two State Universities and Colleges Human resource professors, and two from a private companies Human Resource Head. The validators reviewed the instruments content and face validity, ensuring that the questions were relevant, easy to understand, and accurately measured the desired constructs. The validators also utilized the following criteria: clarity of direction and items, presentation/organization of items, suitability of items, adequateness of items per category, attainment of the purpose, objectivity and scale and evaluation in rating system. Consultations were also conducted to answer clarifications, authenticate the responses of the respondents, and provide supplementary facts.

The researcher also had a pretest and post-test to make sure that the instrument of the study had significance to answer the gap. There was a highly significant difference between the pretest and post test scores. The computed t-value is 8.416 and the p-value is 0.000, which is much lower than the standard significance level of 0.05. As a result, the null hypothesis is rejected, indicating that the observed difference is not due to chance. This suggests that the intervention or treatment applied between the pretest and post-test was effective, and the instrument or method used was reliable.

Statistical Methods:

- a. Significant Relationship—Pearson Correlation
- b. Weighted Mean—to come up with the perceived impact of the performance appraisal system on employee performance

Participants: The respondents are the permanent faculty of the four universities in the Caraga region with 3 or more years of service.

3. RESULTS AND DISCUSSION

The Effectiveness of the current appraisal system

To evaluate the effectiveness of the existing appraisal system, there are four indicators: fairness and objectivity of evaluation, timeliness of feedback, consistency of execution,

and clarity of appraisal.

Employees clearly grasp the criteria and objectives of the appraisal process, as evidenced by the highest-rated indicator, clarity of appraisal, which achieved a mean score of 4.101. This clarity promotes confidence and transparency, both of which are necessary for an impartial and successful evaluation system.

Indicators	Mean	Adjectival Rating
Clarity of Appraisal	4.101	Agree
Consistency of implementation	3.816	Agree
Timeliness of Feedback	3.565	Agree
Fairness and Objectivity of Evaluation	3.981	Agree
Over-all Mean	3.866	Agree

According to research by Adeniyi [6], this conclusion is supported by the fact that clear goal-setting and efficient communication within assessment systems greatly improve employee motivation and performance. Employees are more likely to participate positively in the process and boost productivity and happiness when they have a clear understanding of how their work is evaluated. The organization's appraisal system is therefore clearly disclosed, which contributes to a transparent atmosphere that fosters trust and propels overall organizational performance, as indicated by the high ranking.

However, while being the lowest-rated criteria, timeliness of feedback still falls within the "Agree" category with a mean score of 3.565. This implies that even while feedback is typically given, there might be lags or irregularities in time. Employees may quickly modify their performance and match with company objectives when they receive timely feedback. According to Yusoff [7], postponed feedback can compromise the efficacy of performance reviews and have a detrimental influence on staff morale and development. Therefore, in order to optimize the benefits of appraisals and improve overall performance, organizations should concentrate on increasing the promptness of feedback delivery.

Perceived impact of the appraisal system on employee performance

The perceived impact of the appraisal system on employee performance is based on several key indicators. Specifically, it summarizes respondents' levels of agreement regarding how the appraisal system influences achievement of performance targets, improvement in work quality, enhancement of productivity, and motivation to perform better.

Indicators	Mean	Adjectival Rating
Achievement of performance targets	3.895	Agree
Improvement in the work quality	3.964	Agree
Enhancement of productivity	3.916	Agree
Motivation to perform better	3.976	Agree
Over-all Mean	3.938	Agree

Motivation to Perform Better

This indicator received the highest mean score of 3.976, demonstrating that employees believe the appraisal system effectively motivates them to enhance their performance. This supports research by Ali and Anwar [8], who found that appraisal systems with clear criteria and constructive feedback significantly increase employee motivation by helping them identify strengths and development areas.

Improvement in Work Quality

With a mean score of 3.964, employees perceive the appraisal system as positively impacting the quality of their work. This aligns with Garcia and Tomas [9], who highlighted that structured and periodic evaluations improve work quality by setting clear goals and providing consistent feedback.

Enhancement of Productivity

This indicator achieved a mean score of 3.916, reflecting that employees feel the appraisal system helps increase their productivity. Zhou and Ahmad [10] similarly concluded that transparent and fair appraisal practices promote higher and more consistent performance levels.

Achievement of Performance Targets

Although still positive, this received the lowest mean score of 3.895. It indicates that employees do not strongly associate the appraisal system directly with achieving performance goals. According to Sadiyawati and Hasanati [11], appraisal systems lead to increased work motivation, which then contributes to better work quality and productivity, implying that goal achievement may be more indirectly influenced by appraisal. **significant relationship between the current appraisal system and its perceived impact to the employee performance**

The findings reveal a highly significant relationship between the current appraisal system and its perceived impact on employee performance, confirming that well-structured performance reviews strongly influence employee development and motivation. Research by Ahmad *et al.* [12] and Lopez and Chen [13] supports the view that clarity, consistency, timeliness, and fairness in appraisals are critical factors driving employee achievement and engagement. Similarly, Kumar and Singh [14] emphasize that transparent and objective feedback promotes trust and encourages continuous improvement. These results imply that organizations must prioritize these appraisal attributes to foster a culture of growth and accountability. By ensuring that performance evaluations are clear, consistent, timely, and fair, organizations can enhance employees' perceptions of the appraisal process, thereby increasing motivation and alignment with organizational goals. This underscores the importance for leaders and HR professionals to regularly review and improve their appraisal systems in line with evolving best practices [15, 16]), ultimately supporting sustainable employee and organizational success.

The strongest relationship was observed between Fairness and Objectivity and Achievement ($r = 0.779$). According to Hamidi [17], making sure that the performance appraisal process is fair becomes a crucial aspect that impacts satisfaction. An increase in satisfaction leads to an increase in

productivity, allowing faculty members to increase their achievements. Moreover, when faculty members believe that the process is fair and accurate, they will be more inclined to accept the appraiser's criticism and be open to change. However, if faculty members perceive subjectivity or bias in the evaluation process, it can result in discontent and decreased motivation and affect employee work performance and organizational productivity [18, 19], as cited in Siddiqi *et al.*, (2024). This finding suggests that universities must prioritize transparency and impartiality in appraisals to ensure their effectiveness.

Although the lowest correlation among the data presented was found between Consistency of Implementation and Improvement ($r = 0.609$). While still significant, this suggests that simply applying appraisal processes uniformly does not guarantee that respondents will feel they are improving. Consistent implementation of performance appraisal must be accompanied by meaningful, developmental feedback to support actual performance growth. Employees benefit more when feedback is not just routine but tailored to their goals and competencies [20].

Variables Tested		Computed r	P-value	Decision	Conclusion
Clarity of Appraisal	Achievement	0.747	0.000	Reject H_0	Highly Significant
	Improvement	0.661	0.000	Reject H_0	Highly Significant
	Enhancement	0.695	0.000	Reject H_0	Highly Significant
	Motivation	0.647	0.000	Reject H_0	Highly Significant
Consistency of Implementation	Achievement	0.716	0.000	Reject H_0	Highly Significant
	Improvement	0.609	0.000	Reject H_0	Highly Significant
	Enhancement	0.716	0.000	Reject H_0	Highly Significant
	Motivation	0.668	0.000	Reject H_0	Highly Significant
Timeliness of Feedback	Achievement	0.711	0.000	Reject H_0	Highly Significant
	Improvement	0.663	0.000	Reject H_0	Highly Significant
	Enhancement	0.657	0.000	Reject H_0	Highly Significant
	Motivation	0.660	0.000	Reject H_0	Highly Significant
Fairness & Objectivity	Achievement	0.779	0.000	Reject H_0	Highly Significant
	Improvement	0.707	0.000	Reject H_0	Highly Significant
	Enhancement	0.680	0.000	Reject H_0	Highly Significant
	Motivation	0.647	0.000	Reject H_0	Highly Significant

6. CONCLUSION

The current appraisal system is effective and is strongly associated with positive employee outcomes. The system's greatest strength lies in its clarity of appraisal, which ensures employees understand the criteria and objectives, promoting confidence and transparency. While all effectiveness indicators were rated positively, the primary area for improvement is the timeliness of feedback, which, despite being the lowest score, still falls within the "Agree" range. Employees perceive the system as a significant motivator, with motivation to perform better receiving the highest impact score, followed closely by improvement in work quality. Most notably, a highly significant relationship exists between the appraisal system and its perceived impact, with fairness and objectivity showing the strongest correlation with the achievement of performance targets. This indicates that organizations must prioritize transparency and impartiality to maximize the system's effectiveness, as fair processes are the most critical factor driving employee acceptance and subsequent performance increases.

7. REFERENCE

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APPENDIX

Survey questionnaire

Achievement of performance targets
I have successfully met or exceeded my performance targets in the past evaluation periods.
I regularly receive feedback on my progress toward meeting my performance targets.
I feel adequately supported in my efforts to achieve my performance targets.
I feel that my achievements in meeting or exceeding performance targets are adequately recognized and rewarded.
I have the necessary resources and tools to meet my performance targets.
The evaluation process accurately reflects my achievement of the established performance targets.
The performance targets are realistic and attainable based on my job responsibilities.
I am motivated to achieve my performance targets, as they are meaningful and relevant to my work.
The performance targets aligned well with the overall goals of the organization.
I am satisfied with the clarity and relevance of the performance targets set for me.
I clearly understand the performance targets set for my role.
Improvement in Work Quality
I have noticed a significant improvement in my work quality over the past evaluation period.
The feedback I received during appraisals helps me enhance the quality of my work.
My supervisor provides constructive feedback that contributes to my understanding of how to improve work quality.
The collaboration with my team has positively impacted the quality of our work.
I have access to the necessary training and resources to improve the quality of my work.
I am motivated to seek out opportunities for improvement in my work quality based on appraisal feedback.
I regularly reflect on my performance and identify areas for improvement in the quality of my work.
I feel that my performance targets are effective in driving improvements in my work quality.
I feel that working with other departments helps improve the quality of my work.
The appraisal process encourages me to focus on high-quality outcomes in my work.
I am satisfied with the progress I have made in improving the quality of my work as a result of the appraisal system.
Enhancement of productivity
I have experienced an increase in my productivity as a result of the feedback received during appraisals.
The feedback I received during appraisals is actionable and helps me enhance my work output.
My supervisor provides clear guidance that supports my efforts to increase productivity.
The collaboration with my colleagues contributes positively to my overall productivity.
I have access to the necessary tools and resources to improve my productivity at work.
I regularly track my progress toward productivity goals, and this helps me stay focused on improvement.
I feel that the appraisal process helps me identify strategies to work more efficiently.
I feel that my appraisal sessions include a discussion about

managing my workload effectively
The performance targets set for me effectively motivate me to enhance my productivity.
The appraisal system encourages me to set personal productivity goals that align with organizational objectives.
I am satisfied with the improvements I have made in my productivity as a result of the appraisal system.
Motivation to Perform better
Feedback from appraisals motivates me to work harder.
I feel energized to take on new tasks after my appraisals.
I feel that career advancement motivates me to perform better in my role.
I feel that a positive team morale boosts my motivation and engagement at work
Appraisals enhance my engagement in daily tasks.
I am inspired to achieve my objectives based on appraisal feedback.
The appraisal process motivates me to set challenging goals.
I am motivated to improve my performance after appraisals.
Appraisals help me stay focused on my professional goals.
Appraisals encourage me to improve my skills.
The appraisal system promotes a positive attitude towards my work.
The appraisal system strengthens my commitment to the organization.