

UNIVERSITY OF CAPE COAST

EFFECT OF COMPENSATION ON EMPLOYEE JOB PERFORMANCE:  
THE CASE OF HOLY FAMILY NURSING AND MIDWIFERY TRAINING  
COLLEGE-BEREKUM

BY

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## DECLARATION

### Candidate's Declaration

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature ..... Date: JULY 2018

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### Supervisor's Declaration

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

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## ABSTRACT

The study was conducted to assess the effect of compensation on employee performance after controlling for the effect of perceived external equity. It was conducted in Holy Family Nursing and Midwifery Training College in the Brong Ahafo Region of Ghana. Explanatory research design was adopted in this study with much reliance on quantitative research approach. The study adopted census as the sampling techniques since the population size was relatively smaller (84 permanent staff) and highly accessible. Structured questionnaire was used to collect the primary data. The primary data were collected through self-administration. Statistical Package for Social Sciences was configured with the SPSS Process Macro Package for the primary data processing. Statistical technique such as multiple regression, Pearson product-moment correlation, independent sample t-test (parametric techniques) and descriptive statistics such as mean, standard deviation, frequency and percentage were used to ascertain the findings relating to the specific objectives and hypothesis. The analysis data revealed that, there is a moderate positive correlation between compensation and employee performance. However, perceived external equity failed to mediate the predictive relationship between compensation and employee performance. Based on the findings it was recommended to management to pay more attention to their performance-based pay, staff involvement in compensation setting and salary audits to promote efficient employee performance.

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**DEDICATION**

To my Uncle, Most Rev. Matthew Kwasi Gyamfi, Bishop of Catholic Diocese  
of Sunyani and Wofa Matthew for believing in me.

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## CHAPTER ONE

### INTRODUCTION

#### **Background of the Study**

Competition among firms keeps on increasing due to globalization. To remain successful, organizations should continually appraise the performance of their employees (Whiteoak & Manning, 2012). Performance appraisal is one of the oldest and most universal practices of management and it includes all the systematic procedures used in organizations to assess the performance of employees (Tripathi & Suri, 2010). Performance appraisal may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards (Fletcher, 2001).

Also Fletcher (2001) postulated that performance appraisal is among the most important human resource (HR) practices and it is one of the more heavily researched topics. In the same vein, Keeping and Levy (2000) asserted that there is a general consensus among performance appraisal researchers and practitioners that assessment of appraisal reactions is important. Performance appraisal has been considered as an important foundation of human resource development as it is used for taking important decisions like training & development, promotion (Subba, 2009).

According to Angelo, DeNisi and Pritchard (2006), performance appraisal is a discrete, formal, organizationally sanctioned event, usually not occurring more frequently than once or twice a year, which has clearly stated performance dimensions and or criteria that are used in the evaluation process. Furthermore, it is an evaluation process, in that quantitative scores are often

assigned based on the judged level of the employee's job performance on the dimensions or criteria used, and the scores are shared with the employee being evaluated.

Today the focus of both practice and research has been moving towards developmental performance appraisal (Levy & Williams, 2004). According to Fletcher (2001), the performance appraisal must be viewed as a mechanism for developing and motivating people. For instance, it is frequently argued that in order for performance appraisal to positively influence employee behaviour and future development, employees must experience positive appraisal reactions; if not, any appraisal system will be doomed to failure (Babakus, Yavas, Karatepe & Avci, 2003).

Many organizations are faced with various challenges as they endeavour to gauge and improve employee performance. A company's success according to Cole (2002) hinges on the quality of staff it hires and their performance levels. It is therefore imperative to monitor the performance of people at the work place to ensure achievement of organizational goals. Performance appraisal also provides employee with useful feedback which they can apply it to improve their performance. The feedback includes suggestions to change and also encouragement. Performance appraisal system has a significant impact towards the employee perception of justice which it will affect the attitude and behaviour of the employees; alternately it will affect the performance of the organization.

Several studies have been done linking human resource management practices like recruitment and selection, training and development, performance appraisal and pay practices with employee commitment. Shahnawaz and Juyal (2006) found that performance appraisal is the significant predictor of employee commitment. It has both administrative as well as individual development inclination and organization's sincerity towards performance appraisal helps in enhancing commitment and trust among employees.

Further, Yasemin, Serdar and Esin (as cited in Imna & Hassan, 2015) revealed that along with various other human resource functions performance appraisal too has a positive and significant relationship with affective and normative commitment. Salleh, Amin, Muda and Halim (2013) concluded that perceived fairness of performance appraisal has a positive influence on the employee commitment towards organization through the mediating factor of satisfaction. In spite of these studies, very few studies have been conducted predicting the impact of performance appraisal on commitment of bank employees. Hence, to bridge this research gap this study was conducted to assess the impact of performance appraisal on employee commitment in the banking industry specifically the Fiaseman Rural Bank Limited.

### **Statement of the Problem**

Understanding objectivity in performance appraisal processes and practices is very important for organisations because of its impact on employees' commitment. Perceptions of employees about the targets, outcomes and uses of performance appraisal (PA) results would be beneficial

depending on a number of factors. According to Mullins (2007), employees are more likely to be open and understanding of a given performance appraisal program if they perceive the process as a useful source of feedback which helps to improve their performance.

Studies on performance appraisal are no longer a new topic in the Human Resource Management practices and philosophies but in spite of the attention and resources paid to the practice, it continues to generate extreme dissatisfaction among employees and employers. Some organizations fail in motivating their employees especially those that have performed excellently well over a period of time leading to a negative attitude or response from employees (Gupta & Upadhyay, 2012).

In Ghana most of the performance appraisal exercise or program are not well designed and focused (Adubofour, Appau, Serwaah, Bawuah & Gator, 2013). Most management of organizations tend to view it as a punitive measure. Employees are at risk of losing their jobs when they confront management to appraise their work and motivate them at the workplace (Adubofour, et al., 2013). This makes it lose its objective and focus. Performance appraisal no longer seeks to actualize its objective of correcting deviations, hence jettisoning all hindrance that tends to hinder productivity. But it is being used as a tool for subordination oppression, victimization and exploitation. Despite the veritable return at performance appraisal to many organizations, the societal value system has subdued its objectivity and its attendant's outcomes. This makes most of performance more subjective than objective (Boateng, 2011).

In the extensive context of commitment, research indicates that some authors raise a concern as to whether or not commitment is a reasonable expectation for employers to hold for their employees in today's work environment where changes in leadership and organizational focus may occur rapidly (Appelbaum, & Gallagher, 2000). Also, according to Bompa, Di Pasquale and Cornacchia (2018) it is commitment that gets the job done. Without commitment, influence is minimal, barriers are unreachable and passion, impact, and opportunities may be lost. Laabs (1996) stated that the old employment contract of lifetime employment in exchange for loyalty is gone. Unfortunately for many institutions, commitment fled with it.

McElroy and Morrow (2010), reported however that the notions concerning the lack of commitment among employees today has served as a catalyst for the further study of employee commitment. The appraisal process takes place within poor environment and conditions leading to less commitment among employees. This in turn leads to a core of employees who are less committed to the values, and goals of the institution; and hence perform dismally (Anyieni, 2014). From past researches (Erdogan, 2002; Fletcher, 2001), it has been observed that matching both rewards as a result of employee's performance in an organization will commit employees more to the performance appraisal process and showing them that the completion of the performance targets and objectives will affect them directly (Prowse & Prowse, 2009).

Danish and Usman (2010) point out that those employees who are fully motivated and satisfied with their jobs when they perceive fair appraisal and this may lead to increased organizational performance and commitment. This

implies that employees' performance and commitment are based on the ability of an organization to recognize and appraise its employees in respect to their input. Nonetheless, although many studies (Iqbal, Ahmad, Haider, Batool & Qurat-ul-ain, 2013; Mwema & Gachunga 2014) have focused on the effects of performance appraisal on employees' performance, only a few have focused on the effects of performance appraisal on employees' commitment (Obi-Nwosu, Chiamaka & Tochukwu, 2013).

Performance appraisals are characterized with conflict of interest and this constantly happens in an organization (Ahmad & Bujang, 2013). Conflict probably occurs because of disagreement of the ratees regarding the implementation of the performance appraisal process. It can be categorised into several categories such as conflicting intra-individual goals, which is the desire for honest feedback versus desire for self-concept affirming feedback and recognition. Besides that, there is a conflict on individual workers with their colleagues' goals, which means that a person's desire for reward contradicts with other colleague's desire. One of the factors that contribute to employee's dissatisfaction is that raters are not knowledgeable and do not have the required skills (Ahmad & Bujang, 2013).

Therefore, it is evident that there is a knowledge gap to be filled. The need to study and understand this topic is crucial for businesses to achieve maximum performance and commitment from their employees. Therefore, the purpose of this study is to fill this gap by assessing the impact of performance appraisal on employee commitment of staff of Fiaseman Rural Bank Limited

### **Purpose of the Study**

The overall objective of the study was to assess the impact of performance appraisal on employee commitment in Fiaseman Rural Bank Limited.

### **Research Objective**

1. To identify the performance appraisal techniques adopted in Fiaseman Rural Bank Limited.
2. To measure employees' perceived understanding of the objectives of the appraisal system, its processes and procedures at Fiaseman Rural Bank Limited.
3. To assess the state of employee satisfaction with appraisal system at Fiaseman Rural Bank Limited.
4. To assess the level of employee commitment in Fiaseman Rural Bank Limited.

### **Research Questions**

Based on the specific research objectives, the following specific research questions will be asked.

1. What is the performance appraisal techniques adopted in Fiaseman Rural Bank Limited?
2. How do employees of Fiaseman Rural Bank Limited understand the objective of appraisal system, procedures and practices at Fiaseman Rural Bank?

3. What extent are workers of Fiaseman Rural Bank Limited are satisfied with performance appraisal at the bank?
4. What extent are employees of Fiaseman Rural Bank Limited committed?
5. What is the impact of performance appraisal on employees' commitment of Fiaseman Rural Bank Limited?

### **Significance of the Study**

This study would bring to light employees' level of understanding and appreciation of the performance appraisal system and the relevance of an objective, systematic and effective impact of performance appraisal on commitment of employees. To the management of Fiaseman Rural Bank, Bogoso branch, the study will provide useful insight that could be relied to manage the commitment level, performance and retention of employees. The study will inform management of the Fiaseman Rural Bank, Bogoso, how to manipulate the indicators measuring each construct in order to improve operational performance of the employees.

Again, it would provide information for human resource practitioners and management of Fiaseman Rural Bank Limited, Bogoso on how rules and regulations regarding performance appraisal work develop the necessary programmes to address weaknesses and reward performance based on employees' commitment. Academicians or scholars will also benefit from the study since it will add value to the existing body of knowledge by stimulating

new areas for further research through the findings and subsequent recommendations.

### **Delimitation**

This study was conducted to assess the effect of performance appraisal on employees' commitment in Fiaseman Rural Bank located in the Western Region of Ghana. Fiaseman Rural Bank is a major player in the banking industry of Ghana. The bank was established in 1983 and has eleven branches with the headquarters located in Bogoso, Western Region. Fiaseman Rural Bank, Bogoso branch was specifically targeted for this study because it is located at the centre of the Bogoso town where major business activities take place.

### **Limitations**

The researcher faced challenges in the collection of questionnaires because most of the respondents being tellers were attending to customers in the bank. This limited the time the researcher sought to have with the respondents to seek clarification for some of the responses. The researcher also would have wanted to use the whole population of the Fiaseman Rural Bank staff in the study but there was a challenge of financial resources. Again, the researcher adopted only the quantitative approach to research because of his little understanding of qualitative approach to research.

### **Definition of Terms**

Performance appraisal (PA) is a formal system of review and evaluation of individual or team task performance. A critical point in the definition is the word formal, because in actuality, managers should be reviewing an individual's performance on a continuing basis (Poon 2004).

Employee commitment refers to an emotional attachment, beliefs and values regarding employee's job and role in the organisation (Swailes, 2002). It is defined as a willingness to participate and contribute to the goals of organization. The level of employee understanding and their commitment level in operations will be higher with strong supervision from their current employers (Okpara, 2004).

### **Organisation of the Study**

The study is divided into five (5) chapters. Chapter one embodies the general introduction to the study, the background to the study, statement of the problem, the objectives for the study, research questions, hypothesis of the study, significance of the study, the delimitation of the study, limitation and definition of terms. In chapter two, the works of some authors and theories pertaining to the concept of appraisal and commitment are reviewed, bearing in mind the objective of the study. Chapter three provides information on the methodology for the study. It looks at the study design, the study population, and the sampling techniques used. It also provides information on the data collection methodology and analysis procedures.

The fourth chapter reports on the findings obtained from the field study. It describes the background of the respondents, the issues relating to effectiveness of performance appraisal, the identifiable constraints that affect

the appraisal system in the service and how to solve them. Chapter five summarizes the salient trends and ends with suggestions and recommendations necessary for the attainment of an effective performance appraisal system that will increase the commitment level employees in Fiaseman Rural Bank Limited.

### **Chapter summary**

This chapter has provided information about the background of the study and the research problem which looked at the gap in literature. The chapter also presented the research questions and objectives of the study, the scope of the study, the significance of the study and finally the organization of the study.

## CHAPTER TWO

### LITERATURE REVIEW

#### **Introduction**

This chapter comprises of review of literature on performance appraisal and commitment. It starts with how performance appraisal system has evolved up to the current rating scale in the organisation and goes on to discuss the different concepts relevant to the study. These concepts are the link of performance appraisal with HRM, the benefit of performance appraisal to the employee and the perception of performance appraisal of employees in the organisation. The trend of appraisal in the Ghana banking sector with the method of appraisals they adopt looking at some of the challenges facing appraisal in Ghana banking sector will also be considered.

#### **Performance Appraisal and How It Has Evolved**

Although the rating of work performance can be traced back to 3<sup>rd</sup> century China and the Wei dynasty, it was the work of Walter D. Scott in the early part of the 20<sup>th</sup> century which can be credited with the first formal performance appraisal system. In the 1960s, the establishment of Management by Objective [MBO] moved the emphasis on to goal setting and the assessment of performance related abilities while in the 1970s appraisal practices became more open to study and this resulted in increased research into rating scales. In the 1980s and 1990s the concept of performance management came into existence as an approach for measuring and evaluating performance and as organisations evolved and became larger with professional

management, performance appraisal system served as an asset in administrative decision making (Wiese & Buckley, 1998).

Although the original reason for using performance appraisals was to evaluate employee performance, the purpose for which they are used has increased (Wiese & Buckley, 1998). Therefore, in recent years, according to Islam and Rasad, (2006) performance appraisal has moved from just being a tool for measuring performance to a tool for self-development. This development includes the growth of business as assessed by Grigoroudis, Tsitsiridi, and Zopounidis (2013) as a factor of customer satisfaction, commitment and continuous improvement philosophy.

Youngcourt, et al., (2007) agrees that performance appraisal addresses developmental purposes with methods such as self-appraisal and peer review of individuals. Self-development through self-appraisal has come as a means of enhancing the efficiency of performance appraisal as a management tool. The continuous improvement witnessed by performance appraisal was manifested in its use to help employees advance their career paths and pave way for employees to be assessed not only by management but also by their peers or colleagues within the organization.

This is corroborated by Silverman (2013) who is of the view that performance on the job requires self-efficacy, which is a multiplicative function of ability, motivation and commitment. Wang, Jaw and Tsai (2012) stated that the need to tilt performance appraisal towards self-development was borne out of the need to enhance accuracy on the job. They further stated that accuracy is a factor of self-perception, which enhance individual

achievement and self-actualisation and this in turn leads to employees' commitment in the organisation.

Additionally, Iqbal (2012) asserts that 360-degree feedback is also used for employee development as well as in improving their performance or that of the organization in the long run. Narcisse and Harcourt (2008) were of the view, that on the individual level 360-degree feedback helps to define career development needs. Nickols (2007) also emphasised that it helps to determine the career paths of employees of an organisation. This in turn shows that performance appraisal has come a long way in increasing productivity of the organisation and employees' self-development.

Nassar and Zaitouni (2015) believe that there is a key link between employee behaviour and the calculated objectives (such as organisational strategy, training and development, employee commitment and organisational feedback) of an organisation in the performance appraisal procedure. According to Sudarsan (2009), there is evidence that when organisations do assess reactions to performance appraisal systems, employee dissatisfaction with the system is commonly reported. The key point to take away from this piece of research is that employees are dissatisfied with the very system that is designed to motivate and develop them (Fletcher, 2001).

## **Performance Appraisal Techniques**

### **Ranking Method**

The ranking method is one of the simplest appraisal techniques to administer. Jobs are compared to each other based on the overall worth of the job to the organization (Mondy, 2008). Mondy asserted that the 'worth' of a

job is usually based on judgements of skill, effort (physical and mental), responsibility (supervisory and fiscal), and working conditions. Also according to Dessler and Varrkey (2011), superior ranks his employee based on merit from best to worst. However how best and why are not elaborated in this method.

### **Graphic Rating Scales**

According to Bracken, Timmreck and Church, (2001) behaviourism enhancement was introduced to graph rating scale in 1931. Graphic rating scale is a scale that lists a number of traits and a range of performance for each (Dessler & Varrkey 2011). The employee is then graded by finding the score that best defines his or her level of performance for each trait.

### **Critical Incident Method**

This method is concentrated on certain critical behaviours of employee that makes significant difference in the performance. According to Dessler and Varrkey (2011), critical incident method keeps a record of unusually employee's work related behaviour and revisit it with the employee at prearranged times.

### **Narrative Essay**

In this method the administrator writes an explanation about employee's strength and weakness points for improvement at the end of evaluation time. This method primarily attempt to concentrate on behaviour (Jafari, Bourouni & Amiri, 2009). Some of the evaluation criterion is as follows: overall impression of performance, existing capabilities & qualifications, previous performance, and suggestions by others.

### **Management by Objectives (MBO)**

The performance is graded against the achievement of the objectives specified by the management. MBO includes three main processes; object formulation, execution process and performance feedback (Wu, 2005). Wehrich (2000), proposed the system approach to management by objectives. It consists of seven components; strategic planning and hierarchy of objects, setting objectives, planning for action, implementation of MBO, control and appraisal, subsystems and organizational and management development.

### **Behaviourally Anchored Rating Scales (BARS)**

BARS contrast an individual's performance against specific examples of behaviour that are anchored to numerical ratings. For example, a level three rating for a doctor may require them to show sympathy to patients while a level five rating may require them to show higher levels of empathy. BARS utilize behavioural statements or solid examples to explain various stages of performance for each element of performance (Elverfeldt, 2005).

### **Assessment Center**

An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviours across a series of select exercises or work samples. Appraisees are requested to participate in in-basket exercises, work groups, computer simulations, fact

finding exercises, analysis/decision making problems, role playing and oral presentation exercises (Byham & Cox, 1998).

### **360 Degree**

It is a popular performance appraisal technique that includes evaluation inputs from a number of stakeholders like immediate supervisors, team members, customers, peers and self (Jafari, Bourouni & Amiri, 2009). 360 Degree provides people with information about the influence of their action on others.

### **720 Degree**

720 degree method concentrates on what matter most, which is the customer or investor knowledge of their work (Mondy, 2008). In 720 degree appraisal feedback is taken from external sources such as stakeholders, family, suppliers, and communities. 720 degree provides individuals with extremely changed view of themselves as leaders and growing individuals. It is 360 degree appraisal method practiced twice.

### **Supporting Theories**

Based on the logic behind the kind of relationship being established among the constructs of this study, it becomes imperative for scientifically proven theories to be adopted so as to justify the kind of relationship and interaction among the variables of interest. Among the key supporting theories underpinning this study are Herzberg's two factor theory and Expectancy theory. Thus, the researcher based the study on expectancy theory according to

Vroom (1964) cited in Schmidt (1973) as well as Herzberg's (1966) two-factor theory as cited in Chitiris (1988).

### **Herzberg's Two Factor Theory**

The two-factor theory is based on the notion that the presence of one set of job characteristics or incentives lead to worker satisfaction at work, while another and separate set of job characteristics lead to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in dissatisfaction.

This theory can also be applied in case of employees of organisations due to their varying age, marital status, rank, health status, experience etc. For example a motivated sick employee might feel dissatisfied because of his health status while a healthy motivated person feels more satisfied. Other factors might determine satisfaction and dissatisfaction level for example organization culture, management style etc. For example, in an environment where employees are unsure of their job security, managers can try to mitigate the demotivating effect by providing open communication, and by reassuring employees about the situation. The disadvantages are that Herzberg's model is more of a generalization that may not be appropriate to all groups of employees or individuals within a group (Herzberg, 2008).

### **Expectancy Theory**

Expectancy theory states that a person's motivation towards an action at any time is determined by an individual's perception that a certain type of action would lead to a specific outcome and his personal preference for this outcome. Expectancy is the probability that particular action will lead to a desired reward. Thus, if an individual has a particular goal, some behaviour must be produced in order to achieve that goal. He will weigh the likelihood that various behaviours will achieve the desired goals and if certain behaviour is expected to be more successful than others, that particular behaviour will be preferred by the individual. Employees are motivated to put more effort so as to produce better results because of the expected reward.

However, in an organisation's set up the worker may lack the necessary skills and training to believe that his extra efforts will lead to better performance. The management could provide the relationship between efforts and performance. Also similar performance may not lead to similar rewards. The reward policy may be inconsistent and may depend upon other factor other than performance, which the worker may not be aware of or may not consider fair. The management must re-evaluate the appraisal techniques and formulate policies that strengthen performance-reward relationship as just and equitable (Schmidt, 1973).

### **Performance Appraisal Satisfaction**

According to Keeping and levy (2000), performance appraisal satisfaction tends to focus on one of the three main components of the appraisal system:

- The appraisal process: this involves the policies and procedures used to implement and administer the performance appraisal process.
- The appraisal interview: refers to the formal meeting held between the rater and the ratee (employee) and is typically used to provide feedback to the ratee on their performance and to define and discuss the performance goals the ratee needs to achieve in the future.
- The appraisal outcomes: although there are a number of outcomes to the appraisal process, i.e., training opportunities, career development, and pay increase, the most immediate outcome is the performance rating.

In reality though, when organisation and their employees refer to the appraisal system they often refer to a combination of all these components (Jiang, Lepak, Han, Hong & Winkler, 2012). With these in mind the current study defines performance appraisal satisfaction as a positive reaction to the appraisal process, appraisal interview and the appraisal outcomes. The following discusses the research which has investigated what predicts employee appraisal satisfaction with these components so as to highlight the key features which are important in increasing commitment with appraisal system.

### **The Appraisal Process**

Although there are a number of features that have been found to be important in predicting employee commitment with the appraisal process, there is one key feature which is important in predicting employee commitment with the appraisal and that is information. The concept of

providing employees with information is not new, with an early guide to managers' advocating the need for organisation to communicate the reason for implementing the performance appraisal as a way in which to increase employees' trust and therefore buy-in into the system (Katavich, 2013, cited in Saraih, Amin, Muda, Halim, 2013).

According to Giles and Mossholder (1990) and Levy and Williams (2004), later studies have found that informing employees as to the purpose of the performance appraisal, what the appraisal requires of the employees, communicating the policies and procedures which relates to the system and informing employees how the system will be monitored to ensure that it is being carried out in accordance with organisational policy, are all important predictor of employee satisfaction and commitment with appraisal system.

### **The Appraisal Interview**

According to Levy and William (2004), the performance appraisal interview can be used for both the purpose of evaluating and developing the employee. Research by Vasset, Marnburg and Furunes (2010) investigated whether the different purposes might have different impact on performance appraisal satisfaction. Vasset et al (2010) explained that the reason employees are likely to be more satisfied and committed to the appraisal system is when it is for developmental reason, rather than for evaluation.

The appraisal interview is also used to discuss goals that the employee has to achieve. The research which has investigated how goals might predict appraisal system satisfaction and commitment has found that it is important for managers to discuss with employees how their individual goals relate to

the organisational strategies as it can help increase understanding of why they are important to the organisation (Gruman & Saks, 2011). Furthermore, Pettijohn, Pettijohn, Taylor and Keillor (2001) posit that commitment with the appraisal system increases when goals are specific as it allows employees to understand what they need to do in order to achieve those goals. They continued by stating that using open and participatory communication style when discussing goals with employees has a significant positive impact on employee commitment with the appraisal.

### **Appraisal Outcomes**

Although a number of outcomes are possible from the appraisal system, research has predominately focused on the association between performance rating and performance appraisal commitment (Levy & William, 2004). Also according to Jawahar (2006), studies have found that there is a positive correlation between an employee rating and their attitude towards the performance appraisal process. He again highlighted that employee's rating is often used to make decisions which are of importance to an employee such as pay rises or promotion and suggests that the reason a positive correlation between employee rating and performance appraisal satisfaction exist is because of how valuable a good rating is to an employee.

### **Fairness**

It has also been found that perceptions of fairness are strongly related to performance appraisal satisfaction (Palaiologos, Papazekos & Panayotopoulou, 2011). Also according Cook and Crossman (2004), there is

evidence that employees perceive three types of fairness in regards to performance appraisal system. The first type, distributive justice relates to the perceived fairness of the outcome that stems the performance appraisal system. According to Suliman (2007), distributive justice is concerned about employee satisfaction with their work outcomes which will lead to organizational effectiveness.

Employee perceptions of distributive justice are based largely on comparison with others that are inevitable in the workplace. For example, co-workers may compare their salaries. If the comparison result is positive, they are likely to feel positive towards the system. However, if the result is negative, employee may sense that they are at an unfair disadvantage resulting to others. They may wish to challenge the system that has given rise to this state of affairs. Systems in which resources are distributed unfairly can become quite prone to disputes, mistrust, disrespect and other social problems.

The second, procedural justice refers to the perceived fairness of the process/policies which are used to administer the system. Procedural justice is the fairness of the procedures used to determine those outcomes. Procedural justice is defined as the perceived fairness of the procedures used to make allocation decisions Konovsky (2000). It is independently related to attitudes towards the decisions and the organization. According to the Fernandes and Awamleh (2006), these procedures should be consistent, bias free and take into account the concerns of all parties and be normally acceptable. Here, employee concern about whether the decision processes fair and process used to determine the outcome was just. It is mainly concerned with the fairness of the means that an organization uses to determine outcomes.

Meanwhile according to Suliman (2007), perceptions of procedural justice have consistently been shown to affect variety of outcomes variables. Suliman, (2007), argue that fair procedures tend to inspire feelings of loyalty to one's team or group, legitimize the authority of leaders, and help to ensure voluntary compliance with the rules. In general, procedural justice in organization decision making has been shown to have positive impact on variety of employees' decision and some emotional and behaviour reactions. These consequences of procedural justice include variables such as organizational commitment, trust, satisfaction, compliance with decision and performance.

The last type is referred to as the interactional justice and relates to the perceived fairness of the way in which supervisors treat their employee (Fernandes & Awamleh, 2006). According to Fernandas and Awamleh (2006) interactional justice relates to the fairness of interpersonal communication relating to organizational procedures. It is concerned with how the information was communicated and whether individuals affected by a decision were treated with respect in a courteous and civil manner in other words being treated with respect and dignity. Whereas, Suliman (2007) stated that fairness is the one of the most important factors of work environment that influences manager employee relationships, employee relationships and organizational employee relationship.

The employee's perceptions of fairness in the organization procedures and processes is assumed to influence his or her relationship with the organization, co-workers and managers, which in term affect his or her behaviour and work outcomes. Kaleem, Jabeen and Twana (2013) argued that

creating and managing fairness is important for work organization because it has an impact on employees' commitment and performance. Although research tends to examine the concept of fairness and performance appraisal satisfaction separately, there are some studies which explored the relationship between the two (Cook & Crossman, 2004; Jawahr, 2007; and Palaiologos, Papazekos & Panayotopoulou, 2011).

Also Konovsky (2000) proposed that it is necessary for organisations to provide employees with procedurally fair performance appraisal system as they are often used to make decisions which are of important to employees. Adequate notice requires that all key elements of the performance appraisal system are clearly communicated to employee so that they understand: what is expected of them, why the performance appraisal system is being implemented, how it is to be administered and to ensure all relevant communication is given in a timely and appropriate manner.

### **The Concept of Employee Commitment**

Employee commitment generally refers to the attachment an employee has with their organisation. Overtime, this concept has been defined in different ways. Early research in this area conceptualised employee commitment as a single factor, relating to either cognitive (Becker, 1960) or psychological (Potter, Steers, Mowday & Boulian, 1974) reasons as to why employees commit themselves to an organisation. Since then, studies have demonstrated that employee commitment is a multi-faceted concept which has the ability to capture both cognitive and psychological reasons as to why

employees commit themselves to an organisation (Meyer & Herscovitch, 2001).

Whitener (2001) asserts that employee commitment refers to the degree of involvement and identification that employees have with their organization values, mission and goals. This means that employee commitment is the desire that employees have to stay in an organization by having confidence with its values and objectives. Collier and Esteban (2007) emphasizes that employee commitment is the loyalty and attachment that employees have in an organization and it is associated with their feelings about the institution.

Although a number of models exist, the one which has been most readily used is the model by Meyer and Allen (1993) as there are concerns over the factor structure and predictive ability of many of the other models. The model developed by Meyer and Allen (1993) proposes that there are three types of commitment: affective, continuance, and normative, all of which provide different explanations as to why a person is committed to an organisation.

### **Affective Commitment**

Affective commitment is the employee's psychological attachment to an organisation as they believe in the values and beliefs of the organisation. Affective commitment refers to the emotional attachment that an employee has in an organization. It is the extent at which employees appreciate to be members of an organization. According to Rhoades, Eisenberger and Armeli (2001), affectively committed employees are seen to have a sense of

identification and belonging and this motivates them to increase their participation in the activities of an organization. Additionally, affective commitment makes employees to have willingness to meet the goals of an organization as well as the desire to stay in the organization.

Beck and Wilson (2000) note that organizational members who have an affective level of commitment have a longing to remain in the organization because they view their values and goals to be congruent with those of the organization. Morrow (1993), points out that affective commitment is related with work attitude and positive feelings about their organization. The work attitude is related with how employees view the organization and this attaches them to the institution. According to Meyer and Allen (1993), affective commitment is associated with employee personal characteristics, organizational features, experiences about the work and job characteristics. Muncherji and Dhar (2011) observe that employees become emotionally attached to an organization when they are able to achieve these factors. This is because they help to create an environment that is intrinsically rewarding for the employees.

Continuance commitment is the commitment employee has with the organisation because they are aware of the many costs of exiting the organization. Meyer and Allen (1993) define continuance commitment as the employee awareness of the costs that are related with departing the organization. This means that continuance commitment is the enthusiasm to remain in an organization due to the personal investments which cannot be transferred. Allen and Meyer (1993) argued that continuance commitment exists when an employee needs the benefits and the salary associated with

remaining in an organization. Additionally, it may arise when employees feel that they cannot find another job or when they believe that they owe their success to the organization.

According to Allen and Meyer (1993), continuance commitment is calculative in nature because it is based on an employee opinion by weighing the risks and costs associated with leaving an organization. It is centred on an evaluation of the economic benefits gained by being associated with the organization. Beck and Wilson (2000) note that organizational members develop continuance commitment due to the positive extrinsic rewards that they have obtained through the exertion of bargaining without identifying with the values and goals of the organization. Therefore, employees are lured to remain in an organization due to the accumulated investments that they have gained in the organization.

### **Normative Commitment**

Normative commitment is the employee's feeling of obligation to continue a commitment to an organization. According to Meyer and Allen (1993) normative commitment is a feeling of obligation that an individual has to continue with the employment. It arises from an employee obligations and personal values that the person feels towards the organization. Allen and Meyer (1993) emphasizes that employees with a high level of normative commitment feel that they ought to remain with the organization. The feeling of obligation to stay in the organization may come about due to the internalization of normative pressures exercised on an employee before joining the organization (Muncherji & Dhar, 2011).

Fullerton (2014) observes that normative commitment may arise when employees are provided with rewards in advance by an organization. This may in turn make the employees to feel obliged to reciprocate thereby committing themselves to the organization. Meyer and Allen (1993) argue that normative commitment arises based on an employee's moral obligations. This implies that individuals consider it as morally right to remain in an organization irrespective of whether they are satisfied with their jobs or not. Therefore, normative commitment emerges as a result of employees' feelings to repay the organization for investing in them. These type employees remain in the organization because they need to so.

According to Meyer, et al., (2000) although there are three types of commitment, it is beneficial for an organisation to concentrate on influencing employee's affective commitment as it has been found that it is this type of commitment that has a stronger relationship with factors which are of importance to the organisation, such as turnover and job involvement. Again although there is a research to provide a good understanding as to what predicts affective commitment, little is known about how HR systems including performance appraisal might relate to it (Meyer & Smith, 2000). However, it has been proposed that it is not the HR system which directly affect employees' affective commitment but rather it is employee's perception (Example performance appraisal satisfaction) towards the management and use of the system which affect employee's attitudes towards the appraisal system (Meyer & Smith, 2000).

### **Performance Appraisal and Commitment**

According to Thurston and McNall, (2010), when employees are satisfied with the results of performance appraisal, there is an impact on affective commitment and there are two factors (fairness and perceived support) which help to explain why a relationship between performance appraisal satisfaction and affective commitment might exist (Whitener, 2001). Kuvaas (2006), posits that providing employees with a fair system helps to communicate to employees that the organisation is concerned about protecting the right of employees and helps to build employee trust, both of which provide a catalyst to increase employees' emotional commitment with the organisation.

In the same vain, Park and Rainey (2007) demonstrated that increasing an employee's affective commitment to the organisation can be achieved by providing with an appraisal system characterised by useful and timely feedback, allows employees to participate, ensure employees understand the rationale for the appraisal system is based on objective information. Both Kuvaas (2006) and Brown, Hyatt and Benson, (2010) found that when employees were more satisfied with performance appraisal system because they perceived the processes as being fair, this related to employees' emotional attachment to the organisation.

Furthermore, the research by Thurston and McNall (2010) highlights how important it is for managers to help employees understand how decisions were made, as it helps to communicate to employees how fair the process is. The concept of organisational support also provides an explanation as to why a relationship between satisfaction with performance appraisal and affective commitment might exist. Meyer and Herscovitch (2001) proposed that

perceived organisational support reflected employees' perceptions of the organisational commitment to them. There is evidence to show that performance appraisal system is a way with which to provide employees with support (Whitener, 2001).

Their results show that employees perceived they were being supported when: they received regular feedback, were provided with useful information on how well they are doing their role, and managers helped employees to develop and implement goals that would meet both organisational and individual's needs. Furthermore, employees who reported higher levels of perceived organisational support also indicated that they had more emotional attachment with the organisation than those who reported lower levels of perceived organisational support (Whitener, 2001). Research by Meyer and Smith (2000) found that employee satisfaction with the performance was related to affective commitment, but only because it was mediated by the concept of perceived organisational support.

However, the same elements which Whitener (2001) found were predictors of perceived organisational support are also predictors of performance appraisal satisfaction. Therefore, based on this evidence it is suggested that when employees are satisfied with the performance appraisal because they perceived it as supporting them in their roles, it will directly affect their commitment. Therefore, it is proposed that when employees are satisfied with their performance appraisal because they perceive it is fair and providing support then it will have a positive impact on employees' commitment.

## **Empirical Review**

Agyare, Yuhui, Mensah, Aidoo and Ansah in the year 2016 conducted a study on the impact of performance appraisal on employees' job satisfaction and organisatioanl commitment. The study was carried out among micro finance banks in Ghana namely Dalex finance, Best point savings and loans Beige capital Global access savings and loans and the Cottage microfinance. Both quantitative and qualitative methods were used in the study. The researcher adopted descriptive survey research design and stratified random sampling technique using a sample size of 200 in the study. Questionnaires were used to collect the primary data and SPSS was adopted in analysing the data. The result of the study was that there is a positive relationship between performance appraisal and employee commitment. It was also discovered that job satisfaction is positively related to appraisal.

Also, a study was carried out on the relationship between performance appraisal and teacher commitment in Kenya by Kibe (2013). The study covered the secondary school teachers in the public boarding schools of Nakuru County. Descriptive survey design was used in the study. The study employed the quantitative method and primary data was collected through questionnaires. The researcher adopted the probability sampling technique. Simple random sampling was used for the probability sampling. The population of the study was 772. A sample size of 563 was used. Descriptive and inferential statistics were adopted for the data analysis using SPSS. It was found that there is a significant positive correlation between performance appraisal and employee commitment. It was further discovered that there is a negative linear regression between time of appraisal and commitment of

teachers and also, it was found that appraisal feedback does not affect commitment.

Again, another study was conducted by Singh and Rana (2013) on the impact of performance appraisal on organizational commitment. The study was carried out in Uttarakhand state in India among ten selected banks. The study used the ex-post-facto survey design. Primary data was collected through questionnaires and the researcher adopted the simple random sampling technique in selecting the respondents. A sample size of 172 was used. Descriptive statistics was used to analysis the data. It was found that performance appraisal has a significant positive impact on organizational commitment of employees. Furthermore, it was discovered that the awareness of performance appraisal, fairness in the appraisal and performance significantly predicted the organizational commitment of the bank employees.

Furthermore, a study was conducted by Weerakkody and Mahalekamge (2013) on the relationship between performance appraisal satisfaction and employee outcome at the head office of bank of Ceylon in Sri Lanka. The study adopted the quantitative method and questionnaires were used to collect the primary data. The researcher used simple random sampling technique and a sample size of 110 in the study. The population of the study was 900 which included the HR operations, Superannuation, Staff services and the training and welfare. The Statistical Package for Social Sciences (SPSS) was employed in analyzing the data. The result of the study indicated that there is a positive relationship between performance appraisal and employee commitment. Also, it was found that there is a weak relationship between performance appraisal and employee outcome (employees' motivation, work

performance and employee commitment). Thus, 5% impact of performance appraisal satisfaction on employee commitment.

Again, a study was conducted by Neha and Himanshu (2004) on the impact of performance appraisal on organisational commitment and job satisfaction. The study was carried out in the service sector of India which included the financial institutions, IT institutions, hospitality, tourism and travel institutions, consulting firms, hospitals, mass media, police service and the education service. The researcher adopted a cross sectional research design with quantitative method in collection of data. The quantitative method includes the use of a structured questionnaire. 315 questionnaires were issued out but 207 were received. Simple random sampling was employed and a sample size of 315 was used in the study.

Statistical Package for Social Sciences (SPSS) was used in analysing the data. It was found that there was a positive correlation between performance appraisal and employee commitment and job satisfaction. Thus, there is a positive correlation between performance appraisal and affective commitment and a statistically positive correlation between performance appraisal and normative commitment. Again, it was found that employees were satisfied with the performance appraisal system in India as well as satisfied with their job. It was also found that employees with high working experience and married also were more committed than those unmarried and with less experience.

### **Conceptual Framework**

Workers expect that management provide some kind of benefits such as performance appraisal owing to the fact that they are part of the stakeholders of the organisation-Fiaseman Rural Bank Limited. The study proposes that, human resource managers perform performance appraisal at Fiaseman Rural Bank by employing appraisal techniques. The appraisal system must clearly be composed of well-articulated appraisal objectives, appraisal process and procedure and appraisal feedback. In implementing this appraisal system, there must be fairness at every level to improve employees' facet satisfaction with this HR practice. It is expected that if management performs appraisal effectively, it will lead to enhanced employee commitment. However, it is envisaged that employees' facet satisfaction plays a mediating role between the relations between performance appraisal and employee commitment. These relations among the main constructs in the study are presented on Figure 1.



Figure 1: Conceptual Framework

Source: Field survey, (2018)

### Chapter Summary

This section provided information about the key concepts that constitute the main tenets of this study and the nature of interrelationship existing among these constructs or concepts. Supporting theories were reviewed as well as empirical literature review. Based on the trend of ideas generated, a conceptual framework, detailing the interrelations among the concepts was finally presented.

## CHAPTER THREE

### METHODOLOGY

#### Introduction

This chapter discusses the methods that were used in gathering data for this study. The discussion covered the research design and sampling techniques that were used and why they were used, data collection methods that were adopted for the study and the reason for their choice.

#### Research Design

Malhotra and Birks, (2007) asserted that research design is a framework or blueprint for conducting research project and details the procedure necessary for obtaining the information needed to structure or solve research problem. Descriptive research design was adopted and used in this study. This is because the researcher intended to describe systematic facts and figures of a given population or area of interest factually and accurately (Zickmund, Babin, Carr & Griffin, 2009) and attempted to discover the relationships of variables with each other (Creswell, 2014). More so, surveys do not intervene in naturally occurring events, nor does it control such events. Further, the use of this design helped in the assessment of people's knowledge, beliefs, preferences and satisfaction to measure these magnitudes in the general population (Kotler & Keller, 2013).

#### Research Approach

Scholars argue that human behaviour, like physical phenomenon, the natural social sciences can be quantified in attributes (Leedy

& Ormrod, 2010). The study therefore employed the quantitative research approach based on the nature of the study purpose under consideration and the nature of the primary data to be collected and analysed. Creswell (1994) asserted that quantitative approach deals with explaining phenomena by collecting numerical data that are analysed using mathematically based methods (in particular statistics).

This approach typically begins with data collection based on a hypothesis or theory and it is followed with application of descriptive or inferential statistics (Teddlie & Tashakkori, 2009). Quantitative methods are frequently described as deductive in nature, in the sense that inferences from tests of statistical hypotheses lead to general inferences about characteristics of a population. Quantitative methods are also frequently characterized as assuming that there is a single “truth” that exists, independent of human perception (Lincoln & Guba, 1985). It was also found that the findings from quantitative research can be predictive, explanatory, and confirming (Williams, 2007).

### **Study Area**

The study was conducted in the Western Region of Ghana. The study was specifically done in Fiaseman Rural Bank Limited. Fiaseman Rural Bank Limited was established in 1983 with the main Head Office in Bogoso. The bank has eleven branches with one head office all located in the Western Region of Ghana. The bank has two main types of workforce, contract staff and permanent staff. The staff numbers 237. This population is made up of 155 permanent staff and 82 contract staff. Fiaseman Rural Bank has the policy

of evaluating the performance of its staff, including contract staff and permanent staff quarterly (Human Resource Department, Fiaseman Rural Bank, Head Office).

### **Population**

According to Leedy and Ormrod, (2010) population can be seen as the target group about which the researcher is interested in gaining information and drawing conclusions. The population of the study covers employees of Fiaseman Rural Bank Limited in the Western Region of Ghana. The population for this study will focus on the permanent and contract staff of the Fiaseman Rural Bank Limited. The total population targeted for the study was 237 workers which constituted 155 permanent staff and 82 contract staff.

### **Sampling Procedure**

According to Malhotra and Birks, (2007) sampling is the process of selecting a representative few or unit from a larger group or population, which is used as a basis of estimating certain characteristics or elements about the group or population. Basse (1995) also held similar view when it was concluded that sampling deals with the selection of respondents chosen in such a way that represent the total population as good as possible. Sample size refers to the number of items to be selected from the universe to constitute a sample. The size of sample should neither be excessively large, nor too small. It should be optimum (Kothari, 2004).

The research utilized a sample size of 113 (Slovin's formula) from the permanent staff and a sample size of 70 (Slovin's formula) from the contract staff. The sample size was determined through the population sample-matrix designed by Slovin (as cited in Tejada, & Punzalan, 2012).

Slovin's sampling technique was used.

The formula is given as;

$$n = \frac{N}{[1+N(e)^2]}$$

Where  $n$  = sample size;  $N$  = sample frame; and  $e$  = margin of error. A margin of error of 5% as suggested by Slovin was applied.

Stratified random sampling technique was used to select the respondents from the sampling frame (population) of this research work.

Participants were selected from each sampling frame through the stratified random sampling technique. The target population was grouped into homogeneous strata. After this the participants were randomly selected from each stratum and surveyed accordingly. Stratified random sampling technique is a typical probability sampling technique. Probability sampling is normally a requirement in explanatory research because the goal is often to generalize the results to the population from which the sample is selected (Zickmund, Babin, Carr & Griffin, 2009). With the stratified random sampling technique, all respondents in each group stands the chance of being selected (Ackoff, 1953). According to Ackoff (1953) the use of stratified random sampling ensures that each group have an adequate representative in the study.

## Data Collection Instruments

The questionnaire contains close-ended questions which were used for collecting data from the respondents. Causal studies are very structured by nature (Maxwell, 2012) thereby demanding structured means of primary data collection. Young and Javalgi (2007) provided that surveys using questionnaires are perhaps the most widely-used data-gathering technique in research and can be used to measure issues that are crucial to the management and development of businesses (Malhotra & Birks, 2007). The research instrument that was used for data collection was structured questionnaires. Questionnaire is a formalized set of questions for obtaining information from respondents (Malhotra & Birks, 2007). Generally, McColl (2005) posits that there are distinct advantages in using questionnaires rather than interview methodology. One of such advantage is that questionnaires are less expensive and easier to administer than personal interview.

The questionnaire was designed based on the theory, conceptual framework and the specific research objectives and hypotheses of the study. The closed-ended questions require respondents to choose from among a given set of responses and require the respondents to examine each possible response independent of the other choice. The close-ended items employed checklist – a list of behaviour, characteristics or other entities that the researcher is investigating – and Likert scale – which is more useful when behaviour, attitude or other phenomenon of interest needs to be evaluated in a continuum (Leedy & Ormrod, 2010). The opinions of the respondents were measured on a five-point Likert scale.

The questionnaire was made up of four subdivisions (Section A, B, C and D). These subdivisions were in line with the specific objectives of this study. Section “A” covered the demographic data of the respondents. Section “B” also assessed the objectives, processes and procedures of the appraisal system of Fiaseman Rural Bank whilst section “C” addressed the level of employee commitment of Fiaseman Rural Bank and Section “D” on the other hand dealt with the impact of performance appraisal system on level of commitment of Fiaseman Rural Bank. In all, a total of seventeen (17) questions were asked on the questionnaires. Thus, respondents were asked to answer 17 different questions on the questionnaires.

### **Pre-Testing**

Reliability and validity are two key components to be considered when evaluating a particular instrument. Reliability is concerned with consistency of the instrument (Bless & Higson-Smith, 2000) and an instrument is said to have high reliability if it can be trusted to give an accurate and consistent measurement of an unchanging value. The level of the reliability of an instrument is measured by Cronbach’s Alpha value. According to Pallant, (2005) a minimum threshold of 0.70 cronbach’s alpha value should be obtained. A Cronbach’s Alpha of 0.913 was obtained for the internal consistency of the instrument. Table 1 summarises the reliability result of the individual constructs in the instrument. A close observation of the reliability results shows that all the constructs of this study were deemed reliable since all the constructs had Cronbach’s Alpha value greater than the minimum threshold of 0.7.

Table 1: *Reliability Results*

Construct	Cronbach's Alpha	No: of items
Performance appraisal	0.924	23
Appraisal satisfaction	0.861	4
Employee commitment	0.868	20
Overall	0.913	60

Source: Field survey (2018)

The table revealed that performance appraisal cronbach's alpha was 0.924 and that of appraisal satisfaction showed 0.861 cronbach alpha. Also, that of employee commitment showed 0.868 cronbach alpha. The overall cronbach alpha was 0.913 which is higher than the minimum threshold 0.7 cronbach alpha value Pallant (2005) posited should be obtained with regards to internal consistency.

The validity of an instrument, on the other hand, refers to how well an instrument measures the particular concept it is supposed to measure (Saunders, Thornhill & Lewis, 2009). They further argue that an instrument must be reliable before it can be valid, implying that an instrument must be consistently reproducible; and that once this has been achieved, the instrument can then be scrutinized to assess whether it is what it purports to be. To ensure validity of questionnaires, the researcher reviewed other relevant but related literature that served as evidence and supported the answers found using the questionnaire, relevance being determined by the nature of their research question and their own judgement (Saunders, et al., 2009). Further, the

designed questionnaire was submitted to the project supervisor for vetting, correction and approval before distributing it to the respondents.

### **Data Collection Procedures**

The survey was administered on 24th April 2017 and collected 5th May, 2017. Each participant was provided with a questionnaire and a brief background to the study. The purpose of the study was explained to the respondents and this paved way for the retrieval of the questionnaires from respondent without difficulty. After formal permission for the data collection has been granted by management of Fiaseman Rural Bank Limited. The questionnaires were self-administered in order to explain some technicalities which may be associated with the completion of the questions, hence resulting to establishing rapport with the respondents' and ensuring higher recovery rate (Leedy & Ormrod, 2010). In all 183 questionnaires were issued to the respondents. Also, all the 183 questionnaires administered were retrieved from the respondents at Fiaseman Rural Bank Limited, Bogoso branch. Thus, there was 100% return rate of the issued questionnaires.

### **Data Processing and Analysis**

Analysis of data is a process of editing, cleaning, transforming, and modelling data with the goal of highlighting useful information, suggestion, conclusions, and supporting decision making (Adèr, 2008). Leedy and Ormrod, (2010) opined that distinct analysis of data brings information into an immediately comprehensible, compact form, such that the reader can see what is happening at a glance and draw conclusions. The application of reasoning to

understand the data that have been gathered (Zickmund et al., 2009). The responses from the questionnaires were then edited, coded and entered into Statistical Package for Social Science (SPSS) for the analysis. This statistical software is recommended for research in social sciences (Zickmund et al., 2009).

The data were analyzed and interpreted with descriptive statistical techniques such as mean, standard deviation, frequency count and percentage. The use of any of these descriptive statistics was influenced by the nature of findings at hand (Leedy & Ormrod, 2010).

In analysing the data, categories were identified and put into themes for presentation and discussion. Both inferential statistics and descriptive statistics were computed. Mediation analysis was done through the SPSS process macro package to investigate if the co-founding variables were playing any role which has the potential to influence the direction and magnitude of predictive relationship between the predictors and the dependent variables. Pearson-product moment correlation was further computed to describe the strength and direction of the relationship between the variables. The findings were summarized and presented on Tables and Figures for easy comprehension.

### **Chapter Summary**

This chapter has provided information as to how the primary data for the study was collected, organized, analyzed and presented for easy comprehension. This chapter also presents information on the design of the study and scientific approach it took in terms of approach to data needs,

statistical techniques and systematic enquiry into the investigation under consideration.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### **Introduction**

This chapter deals with the analyses and discussion of findings obtained from respondents in the study. It begins with an analysis of the demographics of respondents and then follows with the analysis of responses to the research questions. Descriptive statistics such as frequencies and percentages were used to analyse the data. Similarly, Pearson product moment correlation and regression analysis were used to perform inferential analyses and to draw conclusions on the research objectives.

#### **Demographic Information of Respondents**

The first section of the survey sought to assess the demographic characteristics of the respondents who participated in the study. This was to

enable the researcher to fully describe the characteristics of the respondents. Information obtained was collected concerning gender, age, educational qualification, marital status, departments, rank and work experience of respondents. The distribution of respondents' respective demographic information is captured in Table 2.

Table 2- *Demographics*

Variable	Options	Frequency	Percentage (%)
Age	Less than 20 years	27	14.8
	20-29 years	58	31.7
	30-39 years	78	42.6
	40-49 years	12	6.6
	50-59 years	8	4.4
Gender	Male	107	58.5
	Female	76	41.5
Marital status	Married	90	49.2
	Single	90	49.2
	Divorced	3	1.6
Educational level	SHS	42	23.0
	Diploma	42	23.0
	HND	20	10.9
	First degree	55	30.1
	Post graduate	24	13.1
Rank	Chief manager	5	2.7
	Senior manager	3	1.6
	Manager	8	4.4

	Deputy manager	13	7.1
	Assistant manager	9	4.9
	Senior banking officer	17	9.3
	Banking officer	36	19.7
	Others	92	50.3
Department	Operations	97	53.0
	Management	30	16.4
	Accounts	22	12.0
	Mobile banking	34	18.6
Work duration	1-5 years	115	62.8
	6-10 years	46	25.1
	11-15 years	18	9.8
	16 years and above	4	2.2

Source: Field survey (2018)

The findings with regards to the age distribution of the respondents are shown in Table 2. It was discovered that most of the respondents were between the ages 30-39 years, representing 42.6%. This was followed by those between the ages 20-29 years (31.7%). Also, it was revealed that those within the age less than 20 years and 40-49 years were 14.8% and 6.6% respectively. Finally, 4.4% were between the ages of 50-59 years. The result of the trend revealed from the age analysis is that the employees of Fiaseman Rural Bank are relatively younger and this gives the bank an opportunity to exploit this human capital in the long run. Fiaseman Rural bank can design employee commitment programmes to keep these employees so as to harness the employees' lifetime value of this younger employee category. With time Fiaseman Rural bank can maximize employee commitment from these employees and this in a way would be a valuable asset to the bank.

The gender composition of the respondent was also obtained. It was discovered that majority of the respondents (58.5%) were male whilst the remaining (41.5%) were female. In this context, there is no basis to conclude

that those with the highest frequency are more important compared to their counterparts with low frequency. It is only an indication of a male-dominated structure at the Fiaseman Rural Bank. This relatively equal component of male employees and female employees makes it extremely useful also to undertake a comparative analysis to know how gender orientation can affect employees' commitment at Fiaseman Rural bank. In respect to the marital status of respondents at the Fiaseman Rural bank, it was discovered that the number of respondents that were married (49.2%) was equal to the number of respondents that were single (49.2%) and the remaining respondents (1.6%) were divorced. This revealed that there is a relatively fair representation of other marital statuses in the study.

Again, the study sought to assess the educational qualification of respondents at the Fiaseman Rural bank. It was discovered that 30.1% had first degree qualification. Also, it was found that the number of respondents that held senior high school certificate (23.0%) was equal to the number of respondents that held diploma certificates (23.0%) at the bank. Again, it was found that 13.1% and 10.9% of the respondents had a postgraduate and higher national diploma certificates respectively. This implication of the trend revealed from the educational qualification analysis is that majority of Fiaseman Rural bank workforce are literate hence, creative and innovative ideas can easily be generated. With this Fiaseman Rural bank can adopt more tactical strategies to get their employees committed to the organisation and this in a way would create good brand image which would be a valuable asset to the bank in the long run.

In relation to the ranks of the respondents at the Fiaseman Rural bank, it was found that majority (50.3%) of the respondents were those that held no position in the bank. This was followed by 19.7% respondents that held the banking officer position in the bank. Also, 9.3% and 7.1% of the respondents were senior banking officers and deputy managers in the Fiaseman Rural bank respectively. Furthermore, 4.9% and 4.4% of the respondents at the Fiaseman Rural bank held the position of an assistant manager and manager position in the bank respectively. The remaining 2.7% and 1.6% of the respondents were chief managers and senior managers of the Fiaseman Rural bank respectively. This showed a relatively fair representation of ranks in the Fiaseman Rural bank.

Moreover, the distribution showed that majority of the respondents 97 in number, which represented 53.0% were at the operations department of the Fiaseman Rural bank and this was followed by the management department that had a total number of 30 of the respondents (16.4%). Mobile banking and the accounts department of the Fiaseman Rural bank happened to have a total number of 34 (18.6%) and 22 (12.0%) respondents respectively. Knowing the number of respondents in each department of the bank would inform management about the kind of employee commitment strategies that can be employed to make their work enjoyable.

In relation to the working experience of the respondents, the distribution indicated that 115 (62.8%) had a working experience of 5 years and below whiles 46 (25.1%) had a working experience between 6 years and 10 years. Eighteen respondents (9.8%) had a working experience of 11 years and 15 years. Finally, four respondents (2.2%) also had a working experience

of 16 years and above. It can be inferred from the working experience of the participants that majority of the respondents have worked in the Fiaseman Rural bank between 1-15 years. Therefore, the respondents have the necessary job experience to be able to provide the needed information concerning how performance appraisal can impact on employee commitment in Fiaseman Rural Bank Limited, given their personal intervention and the social support provided by the organisation. Thus, their responses would be more reliable in obtaining the results and coming out to conclusion. The findings of this study would be useful for management of the bank to devised employee commitment strategies that would cause their employees to be loyal.

### **The Performance Appraisal Techniques Adopted in Fiaseman Rural Bank Limited**

The study furthermore sought to assess the performance appraisal techniques mostly used to assess the performance of the respondents in the Fiaseman Rural Bank Limited. This analysis was done for each of the performance appraisal techniques. The interpretation of the findings was based on frequency and percentages for each of the respective indicators. The findings are presented on Table 3.

Table 3- *Performance Appraisal Techniques*

Performance appraisal technique variables	Frequency	Percentage (%)
self-appraisal	65	35.5
written report	38	20.8
multi-rater comparison evaluation	17	9.3

management by objectives	14	7.7
upward appraisal	13	7.1
graphic rating scales	13	7.1
team appraisal	11	6.0
multi-person comparison	9	4.9
critical incidents	3	1.6

Source: Field survey (2018)

The findings as presented on Table 3 showed that majority of the respondents (35.5%) at the Fiaseman Rural Bank performance was appraised mostly with the self-appraisal technique. This second highest appraisal technique used mostly to appraise the performance of the respondents at the Fiaseman Rural bank was the written report technique which showed 20.8% of the total responses. Again, multi-rater comparison evaluation appraisal technique (9.3%) and management by objectives appraisal technique (7.7%) were mostly used to appraise the performance of the respondents at the Fiaseman Rural bank. Graphic rating scales appraisal technique and the upward appraisal technique had a percentage of 7.1 each, indicating the next most used performance appraisal technique used to appraise the performance of the respondents at the Fiaseman Rural bank.

Furthermore, it was discovered that respondents at the Fiaseman Rural bank were mostly appraised by management using the team appraisal technique (6.0%) and the multi-person comparison (4.9%) performance appraisal techniques. The least performance appraisal technique used to appraise the performance of respondents at the Fiaseman Rural bank is the

critical incidents appraisal technique (1.6%). The insights provided by the study showed that management of the Fiaseman Rural bank used mostly the self-appraisal technique and the written report technique in assessing the performance of their employees. This information would be useful to employees of the institution as they would be aware of the performance appraisal technique that management gives priority to in assessing their performance at the workplace. The use of multiple appraisal techniques is also an indication of management's desire to obtain performance-related information of employees from different performance appraisal techniques. The use of multiple appraisal techniques supports the claim for that approach to evaluating employees' performance (Youngcourt, et al., 2007; Tsai, Jaw & Wang, 2012; Mondy, 2008; Jafari, Bourouni & Amiri, 2009; Elverfeldt, 2005).

The study further sought to assess respondents' awareness of policies on performance appraisal, the content of the appraisal policy and the performance appraisal regulation. The interpretation of the findings was based on frequency and percentages for each of the respective indicators. The findings were presented on table 4.

Table 4- *Employees Level of Awareness of Performance Appraisal at Fiaseman Rural Bank*

Variable	Option	Frequenc y	Percentage %
Performance appraisal to assess employees	Yes	183	100

Policy on performance appraisal	Yes	123	67.2
	No	60	32.8
Aware of the content of the appraisal policy	Yes	104	56.8
	No	79	43.2
Performance appraisal regulation	Weekly	3	1.6
	Monthly	5	2.7
	Quarterly	39	21.3
	Semi-annually	65	35.5
	Annually	71	38.8

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Source: Field survey (2018)

The findings on Table 4 disclosed, that a total of 183 respondents were aware that there is a performance appraisal system to assess employees at the Fiaseman Rural bank. Also, it was discovered, that 104 (56.8%) respondents at the Fiaseman Rural bank were aware of the content of the appraisal policy in the institution whilst the remaining 79 (43.2%) of the respondents were not aware of the content of the performance appraisal policy in the institution. Similarly, 123 (67.2%) of respondents at the Fiaseman Rural bank were aware that there is an open policy in the institution that concerns performance appraisal as compared to the remaining 60 (32.8%) respondents in the Fiaseman Rural bank that were not aware there exist an open policy on performance appraisal.

Furthermore, it was discovered that majority of the respondents 71 (38.8%) at the Fiaseman Rural bank asserted that performance appraisal in the

institution was regularly done every year. In the same vein, 65 (35.5%) of the respondents at the Fiaseman Rural bank were aware that performance appraisal was done semi-annually by the institution. Again, 39 (21.3%) of the respondents at the Fiaseman Rural bank were aware that performance appraisal was done every quarter of the year by the management of the bank. To conclude, it was further found that (2.7%) and (1.6%) of the respondents at Fiaseman Rural bank were aware that performance appraisal was carried out by the institution regularly every month and week respectively.

Therefore, it is clear that majority of the respondents at the Fiaseman Rural bank are aware of policies on performance appraisal, the content of the appraisal policy and the performance appraisal regulation of the Fiaseman Rural Bank. However, caution must be taken as some respondents were not fully aware of the performance appraisal system at Fiaseman Rural Bank in terms of policies on performance appraisal, content of the appraisal policy and the performance appraisal regulation. This could be a result of ineffective communication on the part of management of the bank or that the respondents at the bank do not pay attention to such activities when being carried out. Management of the Fiaseman Rural bank must therefore improve on their means of creating awareness for all the employees of the institution. This result is in line with the studies of (Mondy, 2008; Jafari, Bourouni & Amiri, 2009).

### **Employees Perception about Performance Appraisal System**

The study sought to measure the extent to which the respondents agreed that they were aware of the appraisal objectives at the Fiaseman Rural

Bank Limited. The attitude of the respondents was measured on a 5-point Likert Scale rated as follows: *1-Strongly disagree; 2-Disagree; 3-Neither agree nor disagree; 4-Agree and 5- Strongly agree*. The interpretation of the findings was assigned with artificial range of precision of response as follows: *0-1.4=Strongly disagree; 1.5-2.4=Disagree; 2.5-3.4=Neither agree nor disagree; 3.5-4.4=Agree and 4.5-5=Strongly agree*. Descriptive statistics (Mean and Standard deviation) were employed to measure this research objective. The findings were presented on Table 5.

Table 5- *Employee’s Perception of the Appraisal Objective at the Fiaseman Rural Bank*

Variable	Mean	Std. Deviation
purposes of the performance appraisal	3.6831	.93649
performance criteria are developed in consultation with employees	3.3880	1.06248
competencies are clearly identified with appraisal process	3.7104	.94825
appraisal process	3.4208	.99062
objectives of performance appraisal are fair and free from bias	3.2568	1.09175

Source: Field survey (2018)

The findings relating to the individual items are presented on Table 5. It was discovered that the respondents at the Fiaseman Rural Bank Limited agreed that their competencies are clearly identified with the appraisal process

in the institution ( $M=3.7104$ ;  $SD=0.94825$ ). Again, it was found that respondents at the Fiaseman Rural Bank agreed that the purposes of the performance appraisal are clearly outlined, understood and accepted ( $M=3.6831$ ;  $SD=0.93649$ ). Also, it was shown that respondents agreed the appraisal process at the Fiaseman Rural bank is in accordance with the policy of the organization ( $M=3.4208$ ;  $SD=0.99062$ ). Moreover, it was found that respondents at the Fiaseman Rural bank agreed that performance criteria are developed in consultation with the employees in the organization ( $M=3.3880$ ;  $SD=1.06248$ ). In conclusion, it was discovered that the respondents at the Fiaseman Rural bank agreed that the objective of the performance appraisal is fair and free from bias ( $M=3.2568$ ;  $SD=1.09175$ ).

Thus, the findings indicated that workers in Fiaseman Rural Bank Limited agreed that competencies are clearly identified with appraisal process, that the purpose of the performance appraisal are clearly outlined, understood and accepted by all workers, that the conduct of performance appraisal is regulated by performance appraisal policy of Fiaseman Rural Bank Limited and that performance criteria are developed in consultation with employees in Fiaseman Rural Bank Limited. These indicators collectively prove that management of Fiaseman Rural Bank Limited actually implements its performance appraisal in the light of these indicators and therefore it can be concluded that indeed the workers of the bank are fully aware of the appraisal objectives of Fiaseman Rural Bank Limited.

Furthermore, the study sought to measure the extent to which the respondents agreed that they were aware of the appraisal process and procedure at the Fiaseman Rural Bank Limited. The attitude of the

respondents was measured on a 5-point Likert Scale rated as follows: 1-Strongly disagree; 2-Disagree; 3-Neither agree nor disagree; 4-Agree and 5-Strongly agree. The interpretation of the findings was assigned with artificial range of precision of response as follows: 0-1.4=Strongly disagree; 1.5-2.4=Disagree; 2.5-3.4=Neither agree nor disagree; 3.5-4.4=Agree and 4.5-5=Strongly agree. Descriptive statistics (Mean and Standard deviation) were employed to measure this research objective. The findings were presented on Table 6.

Table 6- *Employee's Perception of the Appraisal process and procedures at the Fiaseman Rural Bank*

Variable	Mean	Std. Deviation
laid down procedure	3.6230	.95786
assessment factors in work environment	3.4481	1.13693
policy of the organization	3.6175	1.03037
supervisors and workers involvement	3.8306	1.06324
workers are informed	3.5519	1.17496
Communication of workers requirements	3.5956	.99470
employees identify their level of performance	3.8251	.97891
employees encouragement	3.8306	1.02643
work achievements of employees	3.5574	1.16531
Employees awareness of methods	3.4262	1.12600
Provision of appeal process	3.2514	1.25890

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appraiser knows enough about my work	3.6284	1.01292
adequate logistical support	3.2295	1.10533

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Source: Field survey (2018)

On the individual variable level, it was disclosed that respondents at the Fiaseman Rural bank agreed that both supervisors and workers are involved in the appraisal process ( $M=3.8306$ ;  $SD=1.06324$ ) in the institution and further agreed that employees are encouraged to take part in the performance appraisal process in the bank ( $M=3.8306$ ;  $SD=1.02643$ ). Again, the respondents at the Fiaseman Rural bank agreed that the appraisal process carried out in the institution enables employees to identify their level of performance ( $M=3.8251$ ;  $SD=0.97891$ ). Also, the respondents at the Fiaseman Rural bank agreed that the appraiser knows much about their work in the Fiaseman Rural bank ( $M=3.6284$ ;  $SD=1.01292$ ) and moreover, agreed that the appraisal process follows a laid down procedure in the bank ( $M=3.6230$ ;  $SD=0.95786$ ) respectively.

The overall implication of the findings indicated that the respondents generally are aware of performance appraisal process and procedure at Fiaseman Rural Bank especially on issues such as Involvement of both supervisors and workers in the appraisal process, encouragement of employees to take part in the appraisal system, identification of employees' level of performance, guiding performance appraisal in the light of appraisal policy of Fiaseman Rural Bank Limited, as well as appraisal process following laid down processes.

In a similar vein, the respondents at the Fiaseman Rural bank agreed that the appraisal process is in accordance with the policy of the organization ( $M=3.6175$ ;  $SD=1.03037$ ). Concerning what is required of workers is communicated during the appraisal process ( $M=3.5956$ ;  $SD=0.99470$ ), the respondents at the Fiaseman Rural bank agreed with that statement. In relation to the performance appraisal process taking into account all work achievements of employees ( $M=3.5574$ ;  $SD=1.16531$ ), the respondents at the Fiaseman Rural bank agreed to such assertion. Again, the respondents at the Fiaseman Rural bank agreed that workers are informed on how the appraisal process will be monitored in the bank ( $M=3.5519$ ;  $SD=1.17496$ ).

Furthermore, the respondents at the Fiaseman Rural bank agreed that the appraisal process includes an assessment of factors in the work environment that may impact on performance ( $M=3.4481$ ;  $SD=1.13693$ ). Again, the respondents at the Fiaseman Rural bank agreed that they were fully aware of the methods of performance appraisal employed in their organization ( $M=3.4262$ ;  $SD=1.12600$ ). Also, the respondents at the Fiaseman Rural bank agreed that the performance appraisal system of their organization provides an appeal process if employees don't agree with the results of the appraisal in the bank ( $M=3.2514$ ;  $SD=1.25890$ ). Finally, the respondents at the Fiaseman Rural bank agreed that there is adequate logistics support for performance appraisal ( $M=3.2295$ ;  $SD=1.10533$ ). This result is in line with the studies of Youngcourt, et al., 2007.

### **State of Workers' Satisfaction with Performance Appraisal System**

The study sought to measure the extent to which the respondents are satisfied with the performance appraisal system of the Fiaseman Rural Bank Limited. The attitude of the respondents was measured on a Likert Scale rated as follows: 1-Very dissatisfied; 2- Dissatisfied; 3- Neither satisfied nor dissatisfied; 4-Satisfied; 5- Very satisfied. The interpretation of the findings was assigned with artificial range of precision of response as follows: 0-1.4= Very dissatisfied; 1.5-2.4= dissatisfied; 2.5-3.4=Neither satisfied nor dissatisfied; 3.5-4.4=Satisfied; 4.5-5=Very satisfied. Descriptive statistics (Mean and Standard Deviation) were employed to measure this research objective. The findings were presented on Table 7.

Table 7-*Employee's Level of Satisfaction of Performance Appraisal at Fiaseman Rural Bank*

Variable	Mean	Std. Deviation
appraisal technique	3.3005	.99025
appraisal formulation, communication and objectives	3.4262	.91012
appraisal process and procedure	3.4426	.91131
overall performance appraisal system	3.5082	.91308

Source: Field survey (2018)

On the individual variable level, it was discovered that the respondents were satisfied with the overall performance appraisal system carried out at the Fiaseman Rural Bank ( $M=3.5082$ ;  $SD=0.91308$ ). Concerning the appraisal process and procedure, it was found that respondents at the Fiaseman Rural bank agreed they were satisfied ( $M=3.4426$ ;  $SD=0.91131$ ). Moreover, with respect to appraisal formulation, communication and objectives ( $M=3.4262$ ;

$SD=0.91012$ ) and appraisal technique ( $M=3.3005$ ;  $SD=0.99025$ ), it was discovered that respondents at the Fiaseman Rural Bank Limited were satisfied respectively. These finding implied that indeed the methods used to appraise the employees at the Fiaseman Rural Bank Limited has a bearing on workers' level of satisfaction with performance appraisal system. This result is supported by some empirical claims (Youngcourt, et al., 2007).

### **The Level of Employee Commitment in the Fiaseman Rural Bank Limited**

The study sought to measure the level of employee's affective commitment in the Fiaseman Rural bank. The attitude of the respondents was measured on a 5-point Likert Scale rated as follows: *1-Strongly disagree; 2-Disagree; 3-Neither agree nor disagree; 4-Agree and 5- Strongly agree*. The interpretation of the findings was assigned with artificial range of precision of response as follows: *0-1.4=Strongly disagree; 1.5-2.4=Disagree; 2.5-3.4=Neither agree nor disagree; 3.5-4.4=Agree and 4.5-5=Strongly agree*. Descriptive statistics (Mean and Standard deviation) were employed to measure this research objective. The findings were presented on Table 5.

On the individual variable level, it was found that majority of the respondents agreed that they feel a strong sense of belonging to their organization, Fiaseman Rural bank ( $M=4.0656$ ;  $SD=2.99928$ ), that their organisation's problem is their own problem ( $M=3.7978$ ;  $SD=1.02045$ ) and that they discuss about their organization with others ( $M=3.7760$ ;  $SD=1.18092$ ). Again, the respondents at the Fiaseman rural bank agreed that their organization has a great deal of personal meaning to them ( $M=3.7650$ ;

$SD=1.00793$ ), that they are emotionally attached to their organization ( $M=3.7158$ ;  $SD=0.95280$ ) and that they feel like part of the family in the organization ( $M=3.7158$ ;  $SD=0.98679$ ). Also, the respondents agreed that they would be happy to spend the rest of their career with the Fiaseman rural bank ( $M=3.5246$ ;  $SD=1.04208$ ) and be attached to other organisation as they do to the Fiaseman rural bank ( $M=3.3005$ ;  $SD=1.00129$ ).

Table 8- *Employee's Level of Affective Commitment in Fiaseman Rural Bank*

Variable	Mean	Std. Deviation
attached to another organization	3.3005	1.00129
spend the rest of my career with this organization	3.5246	1.04208
part of the family at my organization	3.7158	.98679
emotionally attached to this organization	3.7158	.95280
has a great deal of personal meaning for me	3.7650	1.00793
discuss about my organization with others	3.7760	1.18092

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organization's problems are my own	3.7978	1.02045
strong sense of belonging to my organization	4.0656	2.99928

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Source: Field survey (2018)

It therefore means that the level of affective commitment the respondents held for Fiaseman Rural Bank Limited is commendable. Management should continuously support employee and maintain and enhance existing HR practices as well as working conditions at the bank so as to improve the level of employees' affective commitment. Fiaseman Rural Bank Limited is therefore assured of the potential benefits associated with affective commitment. These findings support some previous empirical studies that actually indicated the features of affective commitment (Muncherji & Dhar, 2011; Beck & Wilson, 2000; Morrow, 1993).

Furthermore, the study sought to assess the level of employee's continuance commitment at the Fiaseman Rural bank. The attitude of the respondents was measured on a 5-point Likert Scale rated as follows: 1-*Strongly disagree*; 2-*Disagree*; 3-*Neither agree nor disagree*; 4-*Agree* and 5-*Strongly agree*. The interpretation of the findings was assigned with artificial range of precision of response as follows: 0-1.4=*Strongly disagree*; 1.5-2.4=*Disagree*; 2.5-3.4=*Neither agree nor disagree*; 3.5-4.4=*Agree* and 4.5-5=*Strongly agree*. Descriptive statistics (Mean and Standard deviation) were employed to measure this research objective. The findings were presented on Table 9.

Table 9- *Employee's Level of Continuance Commitment in the Fiaseman Rural Bank*

Variable	Mean	Std. Deviation
worry about loss of investments	3.1694	1.21291
end of benefits i derive from this organization	3.1858	1.16657
no membership with this organization	3.2732	1.22774
few job alternatives to consider	3.2842	1.15126
anxious about what I have to lose	3.4317	1.11655
costly to leave this organisation	3.5137	1.14286
dedicated to organization	3.5301	1.07311
worry about what might happen	3.6339	1.13986
loyal to this organization	3.7432	1.08671

Source: Field survey (2018)

On the individual variable level, it was discovered that, the respondents agreed that they are loyal to their organization, Fiaseman Rural Bank because of the investment they had made in it ( $M=3.7432$ ;  $SD=1.08671$ ), that they worry about what might happen to the Fiaseman Rural Bank even if they don't work anymore in the organisation ( $M= 3.6339$ ;  $SD=1.13986$ ) and are dedicated to the Fiaseman Rural Bank for fear of what they would lose in it ( $M=3.5301$ ;  $SD=1.07311$ ). Again the respondents agreed that it is costly to leave the Fiaseman rural bank ( $M=3.5137$ ;  $SD=1.14286$ ), that they were anxious of what they have to lose ( $M=3.4317$ ;  $SD=1.11655$ ) and that they have few job alternatives to consider if they have to leave this organization, Fiaseman rural bank ( $M=3.2842$ ;  $SD=1.15126$ ).

Lastly, the respondents agreed that their life would be disrupted if they were not members of the Fiaseman rural bank ( $M=3.2732$ ;  $SD=1.22774$ ), that they would not get the benefits Fiaseman rural bank offersthem should they leave the organization ( $M=3.1858$ ;  $SD=1.16657$ ), and that they worry about the loss of investment they have made in the institution ( $M=3.1694$ ;  $SD=1.21291$ ).

It is thus now clear that the respondents agreed that their commitment to stay and work at Fiuaseman Rural Bank Limited. This was especially well pronounced in the area of worrying about what might happen if they leave Fiaseman Rural Bank Limited, declaring that they would remain truly loyal to Fiaseman Rural Bank Limited, being dedicated to Fiaseman Rural Bank Limited as well as the possibility of incurring high cost of leaving Fiaseman Rural Bank Limited. It was also discovered that the respondents were worried about loss of investment made in them by Fiaseman Rural Bank Limited, the fear of losing benefits from Fiaseman Rural Bank Limited as well as limited job alternatives to consider. These factors also lead to employees to be committed to stay and work for Fiaseman Rural Bank Limited. Again, these claims are backed solidly by some empirical studies (Beck & Wilson, 2000).

Finally, on this section the study sought to assess the level of employee's normative commitment in the Fiaseman Rural bank. The attitude of the respondents was measured on a 5-point Likert Scale rated as follows: 1-*Strongly disagree*; 2-*Disagree*; 3-*Neither agree nor disagree*; 4-*Agree* and 5-*Strongly agree*. The interpretation of the findings was assigned with artificial range of precision of response as follows: 0-1.4=*Strongly disagree*; 1.5-2.4=*Disagree*; 2.5-3.4=*Neither agree nor disagree*; 3.5-4.4=*Agree* and 4.5-

5=*Strongly agree*. Descriptive statistics (Mean and Standard deviation) were employed to measure this research objective. The findings were presented on Table 10.

Table 10- *Employee's Level of Normative Commitment at Fiaseman Rural Bank*

Variable	Mean	Std. Deviation
letting my co-workers down	3.3825	1.23863
owe this organization quite a bit	3.6230	1.06643
organization deserves my loyalty	3.7923	1.06418

Source: Field survey (2018)

On the individual variable level, it was found that the respondents agreed that the Fiaseman rural bank deserves they loyalty since the bank has treated them well ( $M=3.7923$ ;  $SD=1.06418$ ). Also, the respondents at the Fiaseman rural bank agreed that they owe the organisation quite a bit due to what the bank has done for them ( $M=3.6230$ ;  $SD=1.06643$ ). Again, the respondents agreed that they feel they would let their co-workers down if they are not members of the Fiaseman rural bank ( $M=3.3825$ ;  $SD=1.23863$ ). The implication of the result indicated that the respondents at the Fiaseman rural bank are committed to the institution.

This is particularly pronounced in terms of how respondents perceived that Fiaseman Rural Bank Limited deserves their loyalty, that they owe Fiaseman Rural Bank Limited and that they were not willing to let their co-workers down. These findings in the same vein support some previous empirical studies (Muncherji & Dhar, 2011; Meyer & Smith, 2000). The human resource management of the bank can engage the employees more

actively so as to harness the commitment of the employees to build a good brand image.

### **The Effect of Performance Appraisal on Employees' Commitment at Fiaseman Rural Bank Limited**

The study further sought to assess the impact of performance appraisal on employees' commitment at the Fiaseman Rural bank. Therefore, multiple regression analysis was conducted to that effect. Data transformation was therefore carried out and this made is easier for a comprehensive holistic approach to the regression analysis to be carried out. The findings are presented on Table 11, 12 and 13.

Table 11-*Model Summary*

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.561 <sup>a</sup>	.315	.304	11.29870

a. Predictors: (Constant), appraisal feedback, appraisal objective, appraisal process and procedure  
b. Dependent Variable: Commitment

Source: Field survey (2018)

The findings in Table 11 illustrates that there was a moderate positive correlation between the performance appraisals (appraisal objective, appraisal process and procedures and appraisal feedback) and employee commitment ( $r=0.561$ ). The coefficient of determination which measures the predictive power of the model was measured with the R Square value. It was discovered

that the predictors (appraisal objective, appraisal process and procedure and appraisal feedback) jointly contributed 31.5% positive variance in employee commitment ( $R^2=0.315$ ).

However, 68.5% variance in employee commitment held for Fiaseman Rural Bank Limited was accounted for by other variables not captured in the model. The implications therefore are that, the model shows that actually, the predictors are strong predictor of employee commitment and therefore, it is extremely important for management to maintain and if possible improve the conditions pertaining to the predictors used in the model. The findings of the study are in line with some empirical studies that found that performance appraisal affect employees' commitment (Kuvaas, 2006; Thurston & McNall, 2010).

Furthermore, to substantiate whether the 31.5% positive variance in employee commitment of Fiaseman Rural Bank was by chance or by the true scientific interaction among the predictive variables (appraisal objective, appraisal process and procedure and appraisal feedback) ANOVA analysis was done through regression analysis. The findings are presented on Table 12.

Table 12– ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10508.550	3	3502.850	27.439	.000 <sup>b</sup>
	Residual	22851.264	179	127.661		
	Total	33359.814	182			

a. Dependent Variable: commitment

b. Predictors: (Constant), appraisal feedback, appraisal objective, appraisal process and procedure

Source: Field survey (2018)

The findings of the model demonstrated that the 31.5% positive variance in performance appraisal was statistically significant ( $p=0.000$ ;  $p<0.05$ ) and it can therefore be stated that the change in employee commitment at Fiaseman Rural Bank among the participants was not due to chance and but by the scientific interaction among the predictors of performance appraisal as considered in the model. Therefore, relying on the predictors in the model for managerial decision-making purpose would lead to enhancement of employee commitment provided similar conditions are set for such models. This finding therefore, is in line with the assertion made by Kuvaas, (2006) that there is a link between performance appraisal and employee commitment outcome.

Again, the contribution of the individual predictors in the model (Table 12) to the 31.5% positive change in employee commitment was assessed through the coefficient Table (Table 13). It was found that the Beta values and the Sig value provides some useful insights that could be relied on for decision making purposes regarding the inclusion of the predictors in similar models to improve employee commitment of organizations and Fiaseman Rural bank in particular.

Table 13- *Coefficients*

Model	Standardized Coefficients Beta	T	Sig.
	(Constant)	6.735	.000
1	appraisal objective	1.584	.115
	appraisal process and procedure	4.250	.000
	appraisal feedback	.723	.471

Source: Field survey (2018)

The study sought to uncover the contributions of the individual predictor to the change in employee commitment at Fiaseman Rural Bank Limited. The findings are presented on Table 13. It was discovered that appraisal process and procedure made the strongest contribution to predicting the 31.5% variance in employee commitment (Beta=0.419;  $p=0.000$ ;  $p<0.05$ ) and since appraisal process and procedure emerged the strongest significant contributor to predicting employee commitment, fair appraisal process and procedure should be adopted by management of the Fiaseman Rural Bank Limited in order to raise the commitment of its employees.

Similarly, appraisal objective that made the second strongest contribution to predicting the positive variance in employee commitment (Beta=0.136;  $p=0.115$ ;  $p>0.05$ ) and finally on this section, appraisal feedback made the least contribution to predicting the positive variance in employee commitment at the Fiaseman Rural Bank (Beta=-0.059;  $p=0.471$ ;  $p>0.05$ ). It should be noted that these predictors, appraisal objective and appraisal feedback was not statistically significant. Therefore, it could be concluded that their contribution to that change were merely by chance. These results are supported by findings of previous research which reported that appraisal feedback does not affect commitment of employees (Kibe, 2013).

### **Mediation Analysis**

To be able to conduct the mediation analysis where the study proposed that the direct effect of performance appraisal could be enhanced when employees are actually satisfied with the performance appraisal system at Fiaseman Rural Bank Limited, two different regression analyses were

conducted to assess the indirect effect, indirect effect and total effect in that regard. Again, data transformation was carried out to form new composite variables for the various constructs of interest before the mediation analysis was carried out. First of all, a simple regression analysis was conducted to assess the effect of performance appraisal on appraisal satisfaction among the respondents. The result was presented on Tables 14 and 15.

Table 14- *Model Summary*

Model	R	R Square	Adjusted Square	R	F	Sig.
1	.690 <sup>a</sup>	.476	.473		164.183	.000 <sup>b</sup>

a. Predictors: (Constant), performance appraisal

b. Dependent Variable: appraisal satisfaction

Source: Field survey (2018)

It was discovered that there was a strong positive correlation between the dependent variable (appraisal satisfaction) and the independent variable (Performance appraisal). This was evidenced by this fact ( $r=0.690$ ). The simple regression results indicated that performance appraisal accounted for 47.6% positive variance in appraisal satisfaction after other factors not captured in the model were statistically controlled for (R Square=0.476;  $p=0.000$ :  $p<0.05$ ). On the other hand, it can be inferred that 52.4% change in appraisal satisfaction is explained by other factors not captured in the model.

This variance in employee satisfaction with performance appraisal at Fiaseman Rural Bank Limited was statistically significant, which therefore mean that 47.6% variance in satisfaction with the performance appraisal at

Fiaseman Rural Bank Limited was actually caused by changes in the predictors (performance appraisal system) considered in the model. Therefore, management can rely on the model to make managerial decision concerning performance appraisal, and satisfaction with performance appraisal system at Fiaseman Rural Bank Limited.

Table 15- *Coefficient*

Model	Unstandardized		Sig.	
	Coefficients			
	B	Std. Error		
1	(Constant)	2.370	.898	.009
	Performance appraisal	.142	.011	.000

a. Predictors: (Constant), performance appraisal

b. Dependent Variable: appraisal satisfaction

Source: Field survey (2018)

The beta coefficient (Beta=0.142;  $p=0.000$ :  $p<0.05$ ) illustrated that performance appraisal made a statistically significant positive contribution to the 47.6% positive variance in the appraisal satisfaction. The implication is that a unit increase in the independent variable (performance appraisal) would cause 0.142 increases in the dependent variable (appraisal satisfaction) and a unit decrease in the independent variable (performance appraisal) would cause 0.142 decreases in dependent variable (appraisal satisfaction). This therefore means increase in the level of performance appraisal can really increase the level of appraisal satisfaction at Fiaseman Rural Bank Limited.

Again, a simple regression analysis was conducted to assess the effect of performance appraisal and appraisal satisfaction on employee commitment among the respondents. The result was presented on Tables 20 and 21.

Table 20- *Model Summary*

Model	R	R Square	Adjusted Square	R	F	Sig.
1	.562 <sup>a</sup>	.316	.308		41.551	.000 <sup>b</sup>

a. Predictors: (Constant), appraisal satisfaction, performance appraisal

b. Dependent Variable: Commitment

Source: Field survey (2018)

The findings indicated that there was a joint strong positive correlation between the dependent variable (Employee commitment) and the independent variables (Performance appraisal and appraisal satisfaction). Thus, higher level of the predictors (appraisal satisfaction and performance appraisal) was associated with higher levels of employee commitment whilst lower level of the predictors (appraisal satisfaction and performance appraisal) was associated with lower levels of employee commitment. The simple regression results indicated that the jointly contribution of performance appraisal and appraisal satisfaction accounted for 31.6% positive variance in employee commitment after other factors not captured in the model were statistically controlled for (R Square=0.316; p=0.000: p<0.05).

It can therefore be concluded that 68.4% change in employee commitment at Fiaseman Rural Bank Limited can be explained by other factors not captured in the regression model. This variance in employee

commitment at Fiaseman Rural Bank Limited was statistically significant and therefore, it can be concluded that appraisal satisfaction and performance appraisal joint predicts a significant positive change in employee commitment. It thus shows that the positive change in employee commitment was actually caused by the scientific interaction among the predictors (appraisal satisfaction and performance appraisal) and not by chance.

Table 21- *Coefficient*

Model		Unstandardized		Sig.
		Coefficients		
		B	Std. Error	
	(Constant)	30.645	4.532	.000
1	Performance appraisal	.419	.076	.000
	appraisal satisfaction	.526	.368	.155

a. Predictors: (Constant), appraisal satisfaction, performance appraisal

b. Dependent Variable: Commitment

Source: Field survey, Abutiati (2018)

The beta coefficient (Beta=0.526; p=0.155: p>0.05) illustrated that appraisal satisfaction made a statistically insignificant contribution to the 31.6% variance in the employee commitment. However, the performance appraisal's beta coefficient (Beta=0.419; p=0.000: p<0.05) illustrated that performance appraisal made a statistically significant positive contribution to the 31.6% positive variance in the employee commitment. The implication is that a unit increase in the independent variable (performance appraisal) would cause 0.316 increases in the dependent variable (employee commitment) and a

unit decrease in the independent variable (performance appraisal) would cause 0.316 decreases in the dependent variable (employee commitment).

The overall findings imply that appraisal satisfaction is not a mediator in the performance appraisal and employee commitment predictive relationship. For mediation to exist, the product of performance appraisal-appraisal satisfaction (significant beta for all predictors) should be greater than the beta of the direct effect (performance appraisal-employee commitment. However, since appraisal satisfaction was not a significant predictor of employee commitment, it can be concluded that it is not a mediator in the predictive relations between performance appraisal system and employee commitment.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **Introduction**

This section summarizes the key findings obtained for the individual research objectives set out in chapter one of this study, makes conclusions regarding the specific objectives and finally makes recommendations based on the findings of this very study.

## Summary

The study sought to uncover the effect of performance appraisal on employee commitment, appraisal satisfaction serving as a mediating role. The following were the objectives of the study.

1. To identify the performance appraisal techniques adopted in Fiaseman Rural Bank Limited.
2. To measure employees' perceived understanding of the objectives of appraisal system, procedures and practices at Fiaseman Rural Bank Limited.
3. To assess the state of employee satisfaction with appraisal system at Fiaseman Rural Bank Limited.
4. To assess the level of employee commitment in Fiaseman Rural Bank Limited.

The study surveyed 183 employees within the Fiaseman rural bank. The respondents were selected through the systematic and stratified sampling technique. Explanatory research design was employed. This was informed by the quantitative research approach used for the primary data analysis. Questionnaire was used for the primary data collection. Data processing and analyses were conducted through the use of SPSS. The actual findings were presented and discussed in the preceding chapter. However, a below is a summary of the major findings.

The study sought to examine the performance appraisal techniques adopted in Fiaseman Rural Bank. It was discovered that management of the Fiaseman rural bank appraised their employees using the self- appraisal technique and the written report mostly even though other appraisal techniques

were used by management to appraise the employees in the bank. Similarly, it was discovered that the employees were aware of the appraisal policies on performance appraisal, the content of the policy and how regular performance appraisal is undertaken at the Fiaseman rural bank.

The study sought to examine the level of employee commitment in the Fiaseman Rural Bank. It was discovered that majority of the employees at the Fiaseman rural bank were affectionate towards the Fiaseman rural bank. The employees as well had no intention to leave the bank as they feel obliged to remain with the organisation.

The study sought to measure the state of workers' satisfaction with performance appraisal system. It was found that majority of the employees of the Fiaseman rural bank were satisfied with the overall performance appraisal system in the institution. The employees were satisfied with the appraisal process and procedure of the bank as well as satisfied with the appraisal formulation, communication and objectives and the appraisal technique. Again, it was discovered that the method used to appraise the employees at the Fiaseman rural bank had a bearing on their commitment to work.

The study sought to measure the awareness of workers about performance appraisal system. It was discovered that workers in Fiaseman Rural Bank Limited agreed that competencies are clearly identified with appraisal process, that the purpose of the performance appraisal are clearly outlined, understood and accepted by all workers, that the conduct of performance appraisal is regulated by performance appraisal policy of Fiaseman Rural Bank Limited and that performance criteria are developed in

consultation with employees in Fiaseman Rural Bank Limited. It was discovered that the employees of the Fiaseman rural bank perceived the appraisal objective of the bank was relatively fair and also agreed that there was fair appraisal procedure and practices in the bank. Again, it was found that the workers of the bank were fully aware of the appraisal objectives of Fiaseman Rural Bank Limited.

The results of the regression analysis showed that there is a statistically positive correlation between performance appraisal and employee commitment in the Fiaseman rural bank. The predictor, performance appraisal, accounted for a 31.5% positive variance in employee commitment ( $R^2 = 0.315$ ). This means that all the predictors (appraisal objective, appraisal process and procedure and appraisal feedback) were responsible for the 31.5% increase in employee commitment. Hence, the remaining 58.5% variance in employee commitment was accounted for by other variables not captured in the model.

On the individual variables contributions, it was found that appraisal process and procedure made the strongest contribution to predicting the 31.5% variance in employee commitment at the Fiaseman rural bank. This was followed by appraisal objective which also made the second highest positive contribution to predicting the 31.5% variance in employee commitment. However, the appraisal feedback made a statistically insignificant contribution to the prediction of the 31.5% variance in employee commitment in the bank.

The results of the regression analysis indicated that there was a statistically strong positive correlation between performance appraisal and

appraisal satisfaction. The predictor, performance appraisal, accounted for a 47.6% positive variance in appraisal satisfaction ( $R^2 = 0.476$ ). This means that the predictor (performance appraisal) was responsible for the 47.6% increase in appraisal satisfaction. Hence, the remaining 43.4% variance in appraisal satisfaction was accounted for by other variables not captured in the model.

The result of the simple regression indicated that it was discovered that there is a strong positive correlation between appraisal satisfaction and employee commitment. Appraisal satisfaction accounted for a 19.9% positive variance in employee commitment ( $R^2 = 0.199$ ). This means that appraisal satisfaction was responsible for the 19.9% increase in employee commitment. The remaining 71.1% variance in employee commitment was accounted for by other variables not captured in the model.

A simple regression analysis was conducted and it was discovered that there is a strong positive correlation between the independent variable (performance appraisal and appraisal satisfaction) and the dependent variable (employee commitment). The predictor accounted for a 31.6% positive variance in employee commitment ( $R^2 = 0.316$ ). This means that all the predictors (performance appraisal and appraisal satisfaction) were responsible for the 31.6% increase in employee commitment. The remaining 59.4% was accounted for by other factors not captured in the model.

On the individual variable, it was found that performance appraisal made a positive contribution to predicting the 31.6% positive variance in employee commitment. However, appraisal satisfaction did not make a significant contribution to the prediction of the 31.6% variance in employee

commitment. Thus, appraisal commitment does not serve as a mediating role in the commitment of employee in the Fiaseman rural bank.

### **Conclusion**

Conclusively, it is evidentially clear that performance appraisal affect positively employee commitment. Again, it is evidentially clear that appraisal satisfaction does not mediate employee commitment. Moreover, it is clear that the employees were aware of the appraisal policies on performance appraisal, the content of the policy and how regular performance appraisal is undertaken at the Fiaseman rural bank. Additionally, the respondents are satisfied with the appraisal system of the Fiaseman Rural Bank Limited. Furthermore, it is emphatically clear that employees at the Fiaseman Rural Bank were committed to the bank. Also, it is evident that employees at the Fiaseman Rural Bank were aware of the performance appraisal system.

### **Recommendation**

Based on the findings of this study, the following recommendations are being offered for the management of the Fiaseman Rural Bank Limited to react on these recommendations to achieve desired results.

- Employees of the Fiaseman Rural showed a high level of commitment to the bank. The study therefore recommends that the human resource

management of Fiaseman Rural bank design employee commitment programmes that would help maintain all the employees so as to harness the lifetime value of the younger employee category. By this the Fiaseman Rural Bank management would be able to maintain create a good brand image.

- Employees of the Fiaseman Rural Bank were satisfied with the appraisal performance of the bank. The study therefore recommends that the human resource management continue to use the performance appraisal system to improve the commitment of the employees. When employee commitment is high, it would create a more employee morale, motivation and productive workforce, reduce recruitment cost and lead to employee retention.
- Employees of Fiaseman Rural Bank were aware of the performance appraisal system adopted in the Fiaseman Rural Bank. The study therefore, recommends that the human resource management of the Fiaseman Rural Bank communicate to the employees by any means possible that would keep all the employees informed about the latest changes or update. This would help the employees to feel more that they belong to the company and that management considers their views as well as respects them.
- The study recommends that periodic research be conducted to find amongst the predictors those still making significant positive contributions to the performance appraisal of employees and use them. Again, the human resource management through its research department should conduct periodic research into the performance

appraisal feedback of staff of the Fiaseman Rural Bank. This will help the human resource management of Fiaseman Rural Bank to be always abreast with the issues for employee performance appraisal. Through that, specific programmes could be introduced to suit the performance appraisal of staff at any point in time. Once this is done, commitment among staff will be increased.

- There was a positive correlation between performance appraisal and employee commitment. The following predictors: performance appraisal process and procedure and performance appraisal objective made statistically strong positive significant contributions to employee commitment. Performance appraisal feedback was positive but insignificant to employee commitment. The study therefore recommends to the human resource management to pay much attention those predictors and find means of improving them so as to enjoy a long run competitive advantage over business rivals.
- For mediation to exist, the product of performance appraisal-appraisal satisfaction (significant beta for all predictors) should be greater than the beta of the direct effect (performance appraisal-employee commitment). However, appraisal satisfaction was not a significant predictor of employee commitment. Therefore the study recommends that the human resource management of the bank should not pay much attention to blending performance appraisal and appraisal satisfaction to increase employee commitment.

### **Suggestion for Further Studies**

Since performance appraisal process and procedure contribute a greater percentage of employee commitment at Fiaseman Rural Bank, further studies must be conducted to assess how performance appraisal process and procedure affect employee commitment at Fiaseman Rural Bank Limited. Furthermore, studies should be conducted to assess whether other factors apart from performance appraisal process and procedure can contribute substantially to employee commitment.

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**APPENDIX A**

**UNIVERSITY OF CAPE COAST**

**COLLEGE OF HUMANITIES AND LEGAL STUDIES**

**SCHOOL OF BUSINESS**

**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

This questionnaire is strictly for academic purpose and it is designed to solicit information on the topic ‘Assessing the impact of performance appraisal on employee commitment in Fiasiman Rural Bank’. Your sincere views in

answering these questions would help provide first-hand information for conclusions to be drawn. Your privacy is kept intact and any information that you provide would be treated with absolute anonymity.

**SECTION A: Demographic Information of Respondents**

1. Age range of respondents
  - a. Less than 25 years [ ]
  - b. 20-29 years [ ]
  - c. 30-39 years [ ]
  - d. 40-49 years [ ]
  - e. 50-59 years [ ]
  - f. 60 and above years [ ]
2. Sex of respondents
  - a. Male [ ]
  - b. Female [ ]
3. Marital Status
  - a. Married [ ]
  - b. Single [ ]
  - c. Divorced [ ]
  - d. Widow [ ]
4. Educational Level
  - a. SHS [ ]
  - b. HND [ ]
  - c. First Degree [ ]
  - d. Post Graduate [ ]
5. What is your rank in the Fiaseman Rural Bank?

- a. Manager [ ]
  - b. Assistant Manager [ ]
  - c. Line Head [ ]
  - d. Banking officer [ ]
  - e. Others (specify).....
6. Which department do you find yourself? .....
7. How long have you worked with Fiaseman Rural Bank?
- a. 1-5 years [ ]
  - b. 6-10 years [ ]
  - c. 11-15 years [ ]
  - d. 16 years and above [ ]
8. Does Fiaseman Rural Bank conduct performance appraisal to assess its employees?
- a. Yes [ ]
  - b. No [ ]
9. How regular is performance appraisal done in Fiaseman Rural Bank?
- a. Weekly [ ]
  - b. Monthly [ ]
  - c. Quarterly [ ]
  - d. Semi-annually [ ]
  - e. Annually [ ]
  - f. Others (specify).....

**Section B: Appraisal Techniques**

10. Is there open policy on performance appraisal in this organization

a. Yes [ ]

b. No [ ]

11. If your response to question 10 is 'yes' are you fully aware of the content of the appraisal policy

a. Yes [ ]

b. No [ ]

12. What performance appraisal techniques are you aware of

a. ....  
.....

b. ....  
.....

13. Which of these performance appraisal techniques is mostly used for appraising workers in this institution

a. Written report [ ]

b. Critical incidents [ ]

c. Graphic rating scales [ ]

d. Multi-person comparison [ ]

e. Multi-rater comparison evaluation [ ]

f. Self-appraisal [ ]

g. Team appraisal [ ]

h. Upward appraisal [ ]

i. Management by objectives [ ]

14. To what extent are these performance appraisal techniques effective in their implementation

a. Not at all effective [ ]

- b. Somewhat effective [ ]
- c. Neither effective nor ineffective [ ]
- d. Somewhat effective [ ]
- e. Very effective [ ]

**SECTION C: Objectives, Processes and Procedures of the Appraisal System of Fiaseman Rural Bank**

15. To what extent do you agree with the following statements?

**Where: 1-Strongly disagree; 2-disagree; 3-Neutral; 4-Agree and 5-Strongly agree**

	<b>Appraisal objective variables</b>	1	2	3	4	5
<b>AO1</b>	The purposes of the performance appraisal are clearly outlined, understood and accepted					
<b>AO2</b>	Performance criteria are developed in consultation with employees					
<b>AO3</b>	Specific performance criteria such as attitudes, results, and competencies are clearly identified with the appraisal process					
<b>AO4</b>	The appraisal process is in accordance with the policy of the organization					
<b>AO5</b>	I perceive the objective of the performance appraisal to be fair and free from bias					
	<b>Appraisal process and procedure variables</b>					
<b>APP1</b>	The appraisal process follows a laid down procedure					

<b>APP2</b>	The appraisal process include an assessment of factors in the work environment that may impact on performance					
<b>APP3</b>	The appraisal process is in accordance with the policy of the organization					
<b>APP4</b>	Both supervisors and workers are involved in the appraisal process					
<b>APP5</b>	Workers are informed on how the appraisal process will be monitored					
<b>APP6</b>	What is required of workers is communicated during the appraisal process					
<b>APP7</b>	The appraisal process enables employees to identify their level of performance					
<b>APP8</b>	Employees are encouraged to take part in the performance appraisal process					
<b>APP9</b>	The performance appraisal process takes into account all work achievements of employees					
<b>APP10</b>	I am fully aware of the methods of performance appraisal employed in my organization					
<b>APP11</b>	The performance appraisal system of my organization provides an appeal process if employees do not agree with the results of the results of the appraisal					
<b>APP12</b>	The appraiser knows enough about my work					
<b>APP13</b>	There is adequate logistical support for					

	performance appraisal					
	<b>Appraisal feedback variables</b>					
<b>AF1</b>	Workers are provided with regular feedback to help improve their performance					
<b>AF2</b>	The performance appraisal process is linked with incentives					
<b>AF3</b>	The feedback provided by the appraisal process is constructive					
<b>AF4</b>	Management fill in job-performance gaps identified by the appraisal system					
<b>AF5</b>	Training and development programmes are organized to meet appraisal feedback demands					

**SECTION D: Level of Satisfaction with the Performance Appraisal**

16. To what extent are you satisfied with the following?

**Where 1= Very dissatisfied, 2=Dissatisfied, 3=Neither satisfied/dissatisfied, 4= Satisfied, 5= Very satisfied.**

	<b>Appraisal satisfaction variables</b>	1	2	3	4	5
<b>S1</b>	Appraisal formulation, communication, and objectives					
<b>S2</b>	Appraisal process and procedure					
<b>S3</b>	Appraisal technique					
<b>S4</b>	Overall performance appraisal system					

**SECTION E: Level of Employee Commitment of Fiaseman Rural Bank**

17. To what extent do you agree with the following statement?

**Where: 1-Strongly disagree; 2-disagree; 3-Neutral; 4-Agree and 5-Strongly agree**

	<b>Affective organization commitment</b>	1	2	3	4	5
<b>A1</b>	I would be very happy to spend the rest of my career with this organization.					
<b>A2</b>	I enjoy discussing about my organization with people outside it.					
<b>A3</b>	I really feel as if this organization's problems are my own.					
<b>A4</b>	I think that I could easily become as attached to another organization as I am to do this one.					
<b>A5</b>	I do feel like part of the family at my organization.					
<b>A6</b>	I do feel emotionally attached to this organization.					
<b>A7</b>	This organization has a great deal of personal meaning for me.					
<b>A8</b>	I do feel a strong sense of belonging to my organization.					
	<b>Continuance Commitment</b>					
<b>C1</b>	I worry about the loss of investments I have made in this organization					
<b>C2</b>	I am loyal to this organization because I have invested a lot in it, emotionally, socially, and					

	economically					
<b>C3</b>	I often feel anxious about what I have to lose with this organization					
<b>C4</b>	Sometimes I worry about what might happen if something was to happen to this organization and I was no longer a member					
<b>C5</b>	I am dedicated to this organization because I fear what I have to lose in it					
<b>C6</b>	If I wasn't a member of this organization, I would be sad because my life would be disrupted					
<b>C7</b>	It will be too costly for me to leave this organization right now					
<b>C8</b>	I feel that I have too few job alternatives to consider if I want to leave this organization					
<b>C9</b>	I feel that when I leave this organization I would not get the benefits I derive from this organization					
	<b>Normative Commitment</b>					
<b>N1</b>	I feel that I owe this organization quite a bit because of what it has done for me					
<b>N2</b>	My organization deserves my loyalty because of its treatment towards me					
<b>N3</b>	I feel I would be letting my co-workers down if I wasn't a member of this organization					