# AKENTEN APPIAH-MENKAH UNIVERSITY OF SKILLS TRAINING AND ENTREPRENEURIAL DEVELOPMENT

## THE IMPACT OF MANAGEMENT PERFORMANCE SYSTEMS ON EMPLOYEES' PRODUCTIVITY: A CASE STUDY OF ATWIMA MPONUA RURAL BANK



# AKENTEN APPIAH-MENKAH UNIVERSITY OF SKILLS TRAINING AND ENTREPRENEURIAL DEVELOPMENT

PERFORMANCE MANAGEMENT SYSTEMS AND ITS INFLUENCE ON EMPLOYEE PRODUCTIVITY: A CASE STUDY OF ATWIMA MPONUA RURAL BANK

FRANCIS HENRY OPPONG KYEREMATENG
(200027489)

A Dissertation in the Department of Management Studies, Faculty of Business

Education, submitted to the School of Graduate Studies, Akenten Appiah Minkah

University of Skills Training and Entrepreneurial Development in partial fulfilment of
the requirements for award of the Master of Business Administration (Human Resource

Management and Organizational Behaviour) Degree.

#### **DECLARATION**

#### STUDENT'S DECLARATION

I, Francis Henry Oppong Kyeremateng, declare that this dissertation with the exception of quotations and references contained in published works which have all been identified and duly acknowledged, is entirely my own original work, and it has not been submitted, either in part or whole, for another degree elsewhere.

SIGNATUREDA	TE
-------------	----

#### SUPERVISOR'S DECLARATION

I hereby declared that the preparation and presentation of this work was supervised by me in accordance with the guidelines for supervision of dissertations as laid down by the University of Education, Winneba.

NAME OF SUPERVISOR: Prof. Gabriel Dwomoh

SIGNATURE...... DATE.....

#### **ACKNOWLEDGEMENTS**

I am very grateful to Prof. Gabriel Dwomoh, my supervisor who guided me with invaluable insight and knowledge, may the Most High graciously bless him. I also extend my profound appreciation to all the faculty members for their stimulating thoughts and the intense training I acquired through their tutelage, I say to them "Ayekoo", and God richly bless them all. Finally, this research work could not have been completed without the contribution and support of many other people whom I have not mentioned here. To all of you: may the Most High richly bless you all.



### **DEDICATION**

This work is dedicated to my wife Mrs. Martha Yeboah, my mother Madam Grace Yeboah and my son Kelvin Oppong Kyeremateng.



### TABLE OF CONTENT

DECLARATION	ii
ACKNOWLEDGEMENTS	iii
DEDICATION	iv
TABLE OF CONTENT	V
LIST OF TABLES	viii
ABSTRACT	ix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the Problem	3
1.3 Purpose of the Study	6
1.4 Objectives of the Study	6
1.5 Research Questions	6
1.6 Justification of the Study	6
1.7 Scope of the Study	7
1.8 Limitation of the Study	8
1.9 Organization of the Study	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.0 Introduction	9
2.1 Conceptual Review	9
2.1.1 Performance Management Systems	9

2.1.2 Task Performance	10
2.1.3 Organizational Citizenship Behaviour	11
2.2 Theoretical Framework	12
2.2.1 Social Exchange Theory	12
2.2.3 Organizational Justice Theory	14
2.3 Empirical Review	16
2.3.1 Performance Management Systems	16
2.3.2 Influence of Performance Management Systems on Employee Task Performance Management Systems on Performance Management Systems on Performance Management Systems on Performance Management Systems on Performance Managem	nance20
2.3.3 Influence of Performance Management Systems on Organizational Citizen	Behaviour23
2.4 Conceptual Framework	26
CHAPTER THREE	29
METHODOLOGY	29
3.1 Introduction	
3.2 Research Design	29
3.3 Study Population	30
3.4 Sample and Sampling Techniques	31
3.5 Data Collection Tool	32
3.6 Data Collection Procedures	33
3.7 Instrument Validity and Reliability	34
3.8 Ethical Considerations	34
3.9 Data Analysis Techniques	35

CHAPTER FOUR	36
DATA ANALYSIS AND DISCUSSION OF FINDINGS	36
4.0 Introduction	36
4.1 Demographic Profile of Sample	36
4.2 Performance Management Systems used by Atwima Mponua Rural Bank	38
4.3 Descriptive Results	45
4.3.1 Task Performance	45
4.3.1.1 Effect Performance Management Systems on Employee Task Performance	47
4.3.2 Organizational Citizenship Behaviour	49
4.3.2.1 Effect Performance Management Systems on Organizational Citizen Behavior	50
CHAPTER FIVE	52
SUMMARY, CONCLUSION AND RECOMMENDATION	52
5.1 Introduction	
5.2 Summary	52
5.2.1 Performance Management Systems	
5.2.2 Effect of Performance Management Systems on Employee Task Performance	53
5.2.3 Effect Performance Management Systems on Organizational Citizen Behavior	53
5.3 Conclusions	53
5.4 Recommendations	54
References	56
Appendix A	62

## LIST OF TABLES

IABLE	PAGE
Table 4. 1: Demographic Profile of Survey Respondents	36
Table 4.2: Performance Management Systems Error! Bookmark	not defined.
Table 4.3: Task Performance	46
Table 4.4: Effect Performance Management Systems on Employee Task Performa	ance47
Table 4.5: Organizational Citizenship Behaviour Error! Bookmark	not defined.
Table 4.6: Effect Performance Management Systems on Organizational Citizen B	ehavior
Error! Bookmark	not defined.



#### **ABSTRACT**

The study assessed the impact of performance management system on employee's productivity by using the Atwima Mponua Rural Bank as the study context. Specifically, the objectives of the study were; to investigate the performance management systems used by Atwima Mponua Rural Bank; investigate the effect performance management systems have employee task performance and lastly to investigate the influence performance management systems have organizational citizen behaviour. The study used a survey research design. The study population was drawn from all the employees who worked in the various departments of the Atwima Mponua Rural Bank Limited. In this study, both lower level, middle level and upper level employees constituted the study population. The study used a multi-stage cluster sampling technique in selecting the participants. Guided by the Krejcie and Morgan sampling table, 80 employees were randomly selected from all the eight branches. The scale used in measuring perception of performance management system, employee task performance and organizational citizen behaviour were adapted from existing scales. Data was analyzed with both descriptive statistics and inferential statistics. Findings from the study suggest that performance management system did not only have an impact on the employee task performance but also shape the employee organizational citizen behaviour. This suggests that the kind of practices the bank includes in its performance management system will have a significant influence on employee performance in diverse ways. Accordingly, it is recommended to the human resource department of the bank to pay particularly attention to their performance management system since the content and structure of it could have a substantial effect on the employee outcomes.

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the study

In this fierce competitive business environment, characterised with constant changes in customers taste and need; the important objective of all businesses irrespective of their sizes or identity has been how to continuously achieve high organizational performance. However, high organizational performance cannot be certainly achieved without the presence of an effective workforce (Abbasi, Ali, & Chishty, 2020). Babel'ová, Stare'cek, Koltnerová and Cagá 'nová (2020) posit that the performance of any entity is progressively and importantly determined by the performance of processes and the performance of human resource. Accordingly, for businesses to augment and improve their performance, it becomes important for them to constantly look for ways that can improve their employees' output as well as their commitment towards organizational goals, otherwise they are at risk of total extinction (Babel'ová et al., 2020).

Since performance management systems (PMS) bring some level of accountability between the employer and employee vis-à-vis through the setting of performance targets, communicating of performance target, motivating high performers with better pay and benefits, etc., PMS has been touted by many as one of the effective ways to improve employee performance (Bacal, 2012; Rastislav & Petra, 2016). For instance, Jagoda, Lonseth and Lonseth (2013) argued that among all the organizational practices available, performance management systems remain the only firm practices that can enable a firm to improve employee performance.

Conceptually, performance management systems depict a range of activities implemented by an employer to improve the productivity of individuals and units within the organization, with the eventual aim of improving organisational effectiveness (Smith & Bititci, 2017). Accordingly, performance management system become the corporate, departmental team, and performance targets and goals, and the use of appraisal systems, reward strategies, training schemes and individual career plans (Biron, Farndale, & Paauwe, 2011). The general goal of performance management is, ultimately to ensure that the organisation and all of its sub-units (processes, units and employees) are working in unison towards the realization of the organisation goals.

Even though, PMS has been touted by many as one of the effective institutional arrangements to improve employee productivity nonetheless, emerging evidence seems to be conflicting this acclaimed stand. For instance, in a study by Laura (2016), it was estalished that nearly 70% of the firm's PMS failed to achieve any positive gain on their employees. Similarly, other scholars held the strong believe that PM has failed woefully in improving employee performance across many contexts( see for example, Arnaboldi, Lapsley, & Steccolini, 2015; Narayan, 2016) and even in some cases, resulted into undesirable organisational outcomes (Mizrahi, 2017). Largely, most of these authors attributed the ineffectiveness of PMS to the unwillingness of employers to engage and seek employees' feedback on how PMS affect their work output (Pulakos & O'Leary, 2011).

Employees are critical to the implementation of organizational practices (Smith, 2008) hence, receiving their thoughts as to how the existing practices is affecting their performance becomes very beneficial to organisations (Jones, et al., 2008). For example, assessing employee views with regards to how PMS are affecting their productivity could improve future reforms as their perspective could bring out the deficiency and weaknesses in the existing PMS (Glavas & Godwin, 2013).

Notwithstanding this observation about the relevance of employee thought to PMS implementation there is still scant works on the relationship between PMS and employee productivity (Phil-Thingvad, 2016) and even so in developing countries especially Ghana (Ohemeng, Amoako-Asiedu, & Obuobisa-Darko, 2018). Interestingly, what has preoccupied the attention of most scholars is by exploring how PMS impact firms strategic goals (Dossi & Patelli, 2010), improve firm communication (Godener & Eric, 2004), ensures corporate control (Cruz, Scapens, & Major, 2011) and influence firm performance (Crabtree & DeBusk, 2008). According to Sharma, Sharma and Agarwal (2016), no organizational PMS can succeed when it regarded by employees as a big obstacle to their work goals. According to Ohemeng et al. (2018), to improve the effectiveness of PMS, it becomes important to assess its impact on employee's productivity since such insight will enable organizations to ascertain the relevance of their PMSs. Therefore, it is against this backdrop that this study seeks to investigate the impact of PMS on employee's productivity by using the Atwima Mponua Rural Bank as the study context.

#### 1.2 Statement of the Problem

With over the decades of growing understanding of the role of human capital to firm success, performance management has become increasingly important as 'managers, whether in the public or private sector, are under constant pressure to improve the performance of their organizations'. As expected, PMS has become the focus of many scholars and academic investigations. Notwithstanding the increase in academic investigation around this area, it comes as surprising that most of the studies on PMS have often placed extensive attention on employer perspective of PMS (see for example, Busco, Giovannoni, & Scapens, 2008; Ohemeng, 2009; Elliot, 2016; Payambarpour & Hooi, 2016; Thursfield & Grayley, 2016; Teeroovengadum, Nunkoo, & Dulloo, 2019) with no emphasis on employees perspective on

how their organization PMS affect their productivity (Awan, Habib, Akhtar, & Naveed, 2020). As confirmed in the meta-analysis of Franco-Santos (2018), most of the extant works on PMS have become more interested in assessing its impact on the organizational level by either exploring how PMS impact firms strategic goals (Dossi & Patelli, 2010), improve firm communication (Godener & Eric, 2004), ensures corporate control (Cruz, Scapens, & Major, 2011) or influence firm performance (Crabtree & DeBusk, 2008). Interestingly, what has to be noted is that the realization of all these organizational goals strongly lies on how effectively employees performed their assigned duties and work roles.

Awan et al. (2020) shared similar view by arguing that giving more attention to the employer at the expense of the employees' perspectives when it comes to the impact of PMS restricts the literature from getting a comprehensive understanding about the relevance of PMS to employees' growth and development. For instance, Sharma et al. (2016) assert that employee perception of the accuracy of their organization PMS through the alignment of the employees' and organization's goals are very critical in influencing PMS impact on employee productivity. Again, it has been established that organizational practices ability to induce positive impact on employee behaviour will emerge from the employee's perception about the practice level of justice and fairness in its implementation (Frenkel & Bednall, 2016). This means that PMS will only be able to induce positive work behaviour when the organization workforce has a widespread perception that their employer PMS vis-à-vis; goal setting and performance targeting, feedback and control, measurement and review, and reward system are done in a fair and just manner (Ajala, 2017).

Since employees perception about the accuracy of PMS as well as its level of justice and fairness play a pivotal role in influencing its impact on their work performance, it becomes important to assess employees perspective on their employers PMS (Sharma et al., 2016). According to Audenaert, Decramer, George, Verschuere and Van Waeyenberg (2019),

knowing employee's perspective on their organization PMS will not only help employers to establish how their PMSs are influencing employee's productivity but will also enable management to know how well their PMSs are working towards the strategic goals of the organization.

In spite of the benefit employee perspective on PMS may have on its development and improvement, most of the extant works have still given less attention to employee perspective of PMS impact on their productivity (Awan et al., 2020). Also, since employee productivity take two forms of conception that is, task performance and organizational citizen behaviour (OCB), it becomes important to know which of a firm's PMS result into the realization of these forms of employee productivity particularly the OCB which represents voluntary effort that is neither explicitly defined or enforced by the organization nor recognized by the formal reward system (Gberevbie, 2017). Even though, OCB do not form part of the official jobs required of an employee yet its performance by employees has been found to result into better organizational outcomes than the accomplishment of task performance (Borman & Motowidlo, 1993). For instance, Gberevbie (2017) observed that the performance of these extra-work roles improves co-worker and managerial productivity, free up resources for further productive purposes and consequently serve as an effective means of coordinating activities (Gberevbie, 2017).

Accordingly, undertaking the study from the Ghanaian context will address two main issues. First, it will address the lack of research about employee perspective on the impact of PMS on their productivity. Secondly, it will address how and which of the PMS result into the realization of task performance and OCB particularly within the Ghanaian context. Accordingly, it is against this backdrop that this work seeks to contribute to the dearth in the literature by assessing the PMS and its influence on employee productivity.

#### 1.3 Purpose of the Study

The primary purpose of the study is to assess PMS and its influence on employee productivity.

#### 1.4 Objectives of the Study

The specific objectives of the study are to:

- 1. investigate the performance management systems used by Atwima Mponua Rural Bank.
- 2. investigate the effect performance management systems have employee task performance.
- 3. investigate the influence performance management systems have organizational citizen behaviour.

#### 1.5 Research Questions

The study seeks to address the following research questions:

- 1. What are the performance management systems used by Atwima Mponua Rural Bank for their employee management?
- 2. What is the influence performance management systems have employee task performance?
- 3. What is the influence performance management systems have organizational citizen behaviour?

#### 1.6 Justification of the Study

As argued earlier, notwithstanding the benefits performance management systems tend to have on employee outcomes, more often than not, PMS studies have explicitly looked at its impact on organizational outcomes without recourse to its effect on employee outcomes. Since, PMS are largely instituted to improve employee awareness towards organizational goals and again improve their performance, it becomes important to assess from their perspective how their firm's PMS are achieving such goals (Laura, 2016). For instance, in order to ensure that an effective PMS has been instituted, organizations must be wary of their employee assessment and perspective on their existing PMS. According to Laura (2016), without the assessment of employee point of view, employer may not know whether their existing PMS are making employee productive, good citizens or less productive. Accordingly, the study will be of much importance to Atwima Mponua Rural Bank as it will provide the bank with insightful information with regards to how its PMS have achieved its anticipated outcomes. Likewise, findings from this study will equally enable the bank to get to know which of its PMS strategies has a stronger effect in predicting employee task performance and OCB. Finally, this study could equally serve as a springboard to other academics who may equally want to explore how PMS are improving employee's performance by making active organizational citizens.

#### 1.7 Scope of the Study

The scope of the study will take an institutional dimension therefore, the study area for this dissertation would be all employees of Atwima Mponua Rural Bank both within the Ashanti Region and the Kumasi metropolis. Therefore, the study population will come from all employees both lower level and upper level employees.

#### 1.8 Limitation of the Study

As similar to other research studies, this study will also have some limitations as well. For instance, the first limitation of the study came from the study population. The study population will come from one rural back. With this, it makes its findings somehow difficult to be fairly representative of all other rural banks operating within the country. Secondly, as the study will use questionnaire as its main data collection instrument, its data validity and reliability will to a large extent rely on the respondents' level of honesty and truthfulness when answering the questionnaire. This means that the result will depend largely on the respondent's opinions and perceptions which in all angle are beyond the control of the researcher. Accordingly, the respondents' views may not truly reflect the bank's PMS since their responses will be based on their own perceptions and predisposition.

#### 1.9 Organization of the Study

The study was organized into five chapters. Chapter one dealt the introduction of the study which comprises of the background of the study, problem statement, objectives of the study, research questions, significance of the study, scope of the study, significance of the study and organization of the study. Chapter Two dealt with theoretical and empirical review of existing literature in the area of PMS and employee productivity. Chapter three gave details profile of the methods and methodological approaches that will be used to undertake the enquiry. This comprises the research design, population and sample of the study, sources of data, data collection techniques, data analysis as well as ethical consideration and research quality indicators. Chapter four dealt with the presentation of the data that was gathered from the field, the analysis and discussions of the study results. Chapter five presented the summary of findings, conclusions and recommendations of the study.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 Introduction

This chapter presents existing works that are relevant to the study context and its corresponding objectives. The chapter is organized into four key sections. The first part of the chapter deals with the conceptual review. The following section presents the theoretical foundations by taking into accounts the theory that delineates the relationship between performance management system and employee performance. The next section of the chapter looks at the empirical review taking into accounts its relevance to the study's specific objectives (i.e. relationship between performance management systems and employee task performance and organizational citizen behaviour). The last section of the chapter presents the conceptual framework.

#### 2.1 Conceptual Review

#### 2.1.1 Performance Management Systems

Conceptually, performance management systems depict a range of activities implemented by an employer to improve the productivity of individuals and units within the organization, with the eventual aim of improving organisational effectiveness (DeNisi 2000). Accordingly, performance management system become the corporate, departmental team, and performance targets and goals, and the use of appraisal systems, reward strategies, training schemes and individual career plans (Biron, Farndale, & Paauwe, 2011). The general goal of performance management is to ensure that the organisation and all of its sub-units (processes, units and

employees) are working in unison towards the realization of the organisation goals (Castka, Bamber & Sharp 2003).

Accordingly, PMS covers: a planning element, which comprises the setting of goals that echo stakeholders' expectations and thus defines performance; a measurement element, which comprises the indicators used to operationalize performance; a review element, which refers to the evaluation and feedback of performance information; and a performance-related reward element, which can either be extrinsic (e.g., bonuses) or intrinsic (e.g., a clear sense of achievement) (Ferreira & Otley, 2009).

Even though, PMS has been touted by many as one of the effective institutional arrangements to improve employee productivity nonetheless, emerging evidence seems to be conflicting this acclaimed stand. For instance, in the study of Laura (2016), it was estalished that nearly 70% of firms who use PMS to manage their workforce failed to achieve any positive gain on its application. Similarly, other scholars held the firm believe that PM has failed woefully in improving employee performance (Arnaboldi, Lapsley, & Steccolini, 2015; Narayan, 2016) and even in some cases, resulted into undesirable organisational behaviours (Mizrahi, 2017). Largely, most of these authors blame the ineffectiveness of PMS to the unwillingness of employers to engage and seek employees' feedback on how PMS affect their output (Pulakos & O'Leary, 2011).

#### 2.1.2 Task Performance

Aguinis (2009) described task performance as the activities that convert raw materials into the final goods and services manufactured by an organisation. Awadh and Ismail (2012) on their part viewed it as the transformation of efforts of employees into outputs to realize organisational goals. Accordingly, it constitutes the expected job-specific task proficiency, technical proficiency, or in-role performance (Koopmans, Bernaards, Schaufeli, de Vet

Henrica, & van der Beek, 2011). Generally, accomplishing task performance will automatically contribute to the realization of an organization goals (Borman & Motowidlo, 1993).

Task performance will either directly contribute to an organization technical goals or indirectly contribute to the realization of an organization goals via the provision of the required inputs to other production units in the organization (Judeh, 2012). According to Pongpearchan (2016), task performance constitutes the formally recognized duties required of an organization workforce. The accomplishment of these work roles will facilitate the attainment of an organization goals.

#### 2.1.3 Organizational Citizenship Behaviour

Organizational Citizenship Behaviour (OCB) is regarded as a discretionary behaviour which though do not form part of the official jobs of an employee but contribute significantly to organizational performance (Shaad, 2019). OCB depicts the extent to which employees go beyond their assigned responsibilities to demonstrate extra work role behaviors. In other words, employees who exhibit citizenship behaviors go beyond their required work assignments or their call to duty. According to Gberevbie (2017), citizenship behavior represents voluntary effort by individual employees, which is neither explicitly defined or enforced by the organization nor recognized by the formal reward system. What has to be noted is that these discretionary behaviors free workers of some of their assigned task and equally enable them to concentrate on non-assigned roles that may equally improve the attainment of organization strategic goals.

According to Podsakoff et al. (1997), these extra-role behaviors that come from an organization workforce can improve co-worker and managerial productivity, free up resources for further productive purposes, serve as an effective means of coordinating

activities, and improve an organization's ability to attract and retain the best employees. Thus, citizenship behavior reflects the voluntary type of task performance whereby employees go beyond their formal job requirements and engage in discretionary behaviors that help their colleagues and consequently improve the organization performance as a whole. According to Shaad (2019), individuals that exhibit organizational citizenship behaviour are willing to cooperate and enlarge their engagement beyond the set duties and rewards provided by the organization with the intention of achieving more significant goals. OCB often becomes visible when an employee willingly assists their colleagues with no expectation to receive a gift or favour for their gestures.

Notwithstanding the positive gains associated with OCB others still have some reservation about its impact on employee performance. For example, Koopman, Lanaj and Scott (2016) argue that OCB may pose an adverse effect on employee productivity. Organ (2018) linked this adverse effect to the fact that as employees continue to assist and support colleagues this may create excessive work which consequently may affect their job satisfaction and quality of family relationships. Trougakos, Beal, Cheng, Hideg and Zweig (2015) held similar view as they posit that OCB would take away individual resources and, in the case of resource depletion, could force individuals to reduce their OCB in order to accomplish their task performance.

#### 2.2 Theoretical Framework

#### 2.2.1 Social Exchange Theory

The Social Exchange Theory (SET) is one of the frequently used behavioural theories to understudy how sequence of exchanges between employers and employees create a feeling of obligation, trust, and gratitude (Emerson, 1976). SET asserts that through a system of

mutuality and exchanges, employers are able to influence the behavioural actions of their subordinates resulting into common development among the parties involved (Karim & Nadeem, 2019). According to O'Keefe, Messervey and Squires (2018), the mutual interdependence of the exchanges between the two parties (i.e. superiors and subordinates) create the social outcomes of allegiance, commitment, and trust, which subsequently leads to a shared relationship that positively motivates subordinate to act in a same way of the employer.

Meaning, the actions of one party, that is those in authority starts the cycle of exchanges, resulting into the subordinates making extra effort, taking extra responsibility, and creating a quality exchange relationship (Liden, Wayne, Zhao, & Henderson, 2008). Accordingly, employers through performance management systems such as rewards and compensation and training and development activate the cycle of mutuality, which in effect entice employees to work towards the realization of organizational goals (O'Keefe, Messervey, & Squires, 2018). As argued by Sluss and Ashforth (2008), subordinates tend to depend on their immediate work environment to create an inference about the specific values upheld by top management and the organization as a whole. Accordingly, the traits and decisions exhibited by superior in an organization tend to serve as an important cue to subordinates as this cue inform them on the work targets and achievements management holds dearly (Treviño, Brown, & Hartman, 2003).

For instance, as a rule of reciprocity, when employees realize that their work results will be well recognized and appreciated by management, these positive gestures are likely to motivate employees to give their all at all times (Peng & Dongkyu Kim, 2020). However, the contrary holds when employees realize that their efforts are not recognized and duly appreciated by management. Hence, the norm of reciprocity in the social exchange theory suggests that when subordinates or employees regard their employees as caring and

concerned about their well-being, they feel indebted to return same gestures to their employer by working efficiently towards organizational goals and exhibiting positive work attitude or good citizen behaviour. Accordingly, employees in high positive social exchanges with their superiors are less likely to engage in behaviours that may damage or affect their employer fortunes.

#### 2.2.3 Organizational Justice Theory

Organizational justice theory has been used across several context to measure employees' reaction towards their organization practices such as compensation and pay, promotions, training and development, etc. (Zamini, 2014). As performance management systems generally encompasses some form of goal setting, performance appraisal/review, reward and training their implementation tend to have a significant influence on employees productivity (Madison, 2016). Conceptually, organizational justice is described as the personal evaluation about the ethical and moral standing of managerial conduct (i.e. these performance management practices) (Cropanzano, Bowen, & Gilliland, 2007).

According to Zamini (2014), justice symbolizes a type of moral assessment. Hence, an action will be regarded by the recipient as 'just' or 'fair' if it complies to certain standards of ethical behaviour. For instance, it will be deemed as a fair practice by making every employee knows what goals are expected of them as well as explain to them how these work goals would be measured as well as providing every employee a fair feedback on their performance review (Bies, 2001). Since the concept of fairness or justice go back as far as many decades ago (Sanfey, Rilling, Aronson, Nystrom, & Cohen, 2003), it has been argued that human beings will at all times strive individually and culturally with the problem of the fundamental tension between self-interest and belonging.

Accordingly, every individual will compare what they receive to what other people in similar or comparable position receive (Frenkel & Bednall, 2016). From these assumptions, the recipient of any benefit will always evaluate whether the benefit given them meets the justice assumption or not. Hence, the assumption behind the organizational justice theory is that, organizational performance management system will be able to result into better employee productivity when the employees regard the entire processes for the reward and compensation, promotions, training and development as fair and just.

According to Cropanzano, Stein and Nadisic (2011), organizational justice looks at the antecedents of fairness perceptions, as well as the consequences of those evaluative judgements. Barsky and Kaplan (2007) conceptualised organisational justice into three constructs namely; distributive justice, procedural justice and interpersonal justice. Within the context of performance management systems, distributive justice focuses on the perceived fairness of the performance management systems or outcome received in reference to the actual work performed, whereas procedural justice focuses on the perceived fairness of procedures followed to arrive at that outcome. Finally, interactional justice refers to the fairness of the interpersonal exchanges that occur during the entire approval processes (Crawshaw et al., 2013). As argued by Ajala (2017), for an organization workforce to be satisfied towards its institutions' systems or practices, the said organizational practices ought to be fair with its implementation thus, meeting the entire organizational justices assumption; distributive justice, procedural justice and interactional justice. Accordingly, an organization performance management systems will result into improved productivity when the employees' have a widespread perception that their organization systems vis-à-vis; rules, promotional processes, compensation, reward packages are done in a fair and just manner.

#### 2.3 Empirical Review

This section presents the empirical review of previous works taking into accounts the relationship between performance management systems and employee task performance and organizational citizen behaviour.

#### 2.3.1 Performance Management Systems

As indicated earlier, performance management systems become a strategic as well as an organizational approach, that defines, assesses, implements, and improves organizational performance (Qureshi, Shahjehan, Rehman, & Afsar, 2010). It may take the form of tools, framework, and indication that enable a firm to formulate its strategy and equally makes it possible for workers to acquire strategic insight, which permits them to face strategic assumptions, improve strategic thinking, and inform strategic decision-making and learning (Marr, 2006). It is also regarded as an integrated process in which a manager works with their subordinates to set targets, assess and appraise results, and reward performance, in order to improve employee performance and consequently improve organizational success (Mondy, Noe, & Premeaux, 2002). Accordingly, the main objective of performance management is to ensure that the organisation and all of its sub-units (processes, units and employees) are working in unison towards the realization of the organisation goals (Almohtaseb, 2017).

When it comes to the categorization of PMS Qureshi et al. (2010) grouped PMS into five main activities; role definition, performance agreement (plan), personal development planning (act), performance (monitor) and performance review (review). Accordingly, how these dimensions of PMS facilitate its implementation will be discussed in the paragraph below.

With role definition, the main objective of this PMS practice is to outline the main responsibilities of the employee in reference to output and key competencies in terms of

qualification, skills, or behavior that are needed for the employee to effectively perform their assigned roles (Qureshi et al., 2010). Accordingly, with role definition, the emphasis is to identify the expected responsibilities as well as the knowledge, skills and abilities that may enable the employee to accomplish his or her assigned work roles. Generally, role definition has been identified as the most important phase in the performance management system. According to Aguinis (2019), through role definition, the employee becomes well informed on what is expected of him or her in terms of the required job roles and performance targets. Likewise, the employer becomes well informed on the specific skills, abilities and knowledge an employee may be required to effectively perform their assigned roles. Equally, through role definition, the employee tends have clarity on the expected work roles hence, preventing the potential conflict that may arise between the employee and employer due to the differences in what one is expected to perform (Aguinis, 2019). Accordingly, PMS cannot be effectively realized without a participative and specific goal setting that takes place in the role definition (Awan et al., 2020).

After the completion of the role definition, the next step to undertake in PMS is the establishment of performance agreements or contracts. Categorically with the establishment of performance agreements, the expectations from the employee are determined that is, what an employee has to accomplish in the form of objectives, how their performance will be evaluated and the capabilities the employee has to possess in order to accomplish their expected work outcomes (Armstrong, 2015).

The subsequent stage under PMS is the creation of an employee development plan. The purpose of this development plan is to improve and build employees' skills, knowledge and competencies and consequently make the employee proficient and competent in their assigned work roles. Accordingly, the emphasis of the employee development plan is to

develop employees in order to expand their knowledge and expertise, increase their levels of proficiency and improve the employee performance in their assigned area (Aguinis, 2019).

According to Qureshi et al. (2010), when these preliminary agreements have been reached among the stakeholders, the dynamics of the PMS have been outlined and agreed upon with shared agreement and consultations, training and developmental programs have been properly identified and well-articulated then the actual PMS can be officially instituted. After this arrangement and agreement, employees keep on with their daily work and their intended learning activities; management equally provide a continuous feedback to employees on their performance, conduct informal performance reviews, update objectives and deal with performance problems through counselling (Armstrong, 2015).

The next step of PMS is the assessment of employee performance. From the perspective of Qureshi et al. (2010), assessing employee performance becomes a required activity as it enables an organization to have a proper inventory of where an organization performance has reached presently. The importance of this exercise is to help the organization compare its present performance to their future performance and consequently help the organization to assess its progression rate. Aguinis (2019) posits that in order for any organization to make proper assessment of their employee performance, then it becomes important for them to at all times compare their present performance to that of their past performance and initial goals and if possible, compare their performance with other well-matched firms. Guided by Kaplan and Norton balanced scorecard a firm can assess their employee performance along the lines of customer perspective; measuring customer satisfaction by formal and informal methods. Financial perspective; assessment of sales, profits and return on investment. Innovation and learning perspective; identification of new markets, staff development and upgrading the services. Internal perspective; including those activities that influence customer satisfaction.

for instance teamwork and employee development, in addition to internal measures of efficiency for example gross profit percentages (Ingram & McDonnell, 1996).

With the last phase of PMS that is, performance review, it takes a comprehensive overview by looking at the accomplishments, gains and challenges taking into accounts the performance agreement and personal development plan made in the early stages of the PMS (Qureshi et al., 2010). Moreover, it has been argued that this performance reviews ought not to take the same traditional 'top-down appraisals', or the interview approach where the assessor poses questions to the assessee to answer, rather it has to take the form of an open discussion where both parties can exchange their views. The conclusions reached from the performance review is expected to come from a consented effort and agreement from the parties involved (Aguinis, 2019).

As rightly argued by Armstrong (2015), performance reviews ought to take the form of purposeful conversations that ends at the conclusions where consensus are reached by both parties. Hence, in performance reviews, the following aspects of performance management has to be achieved: measurement (i.e. appraising the performance results against preestablished expectations), feedback (i.e. giving employees sufficient information about their performances), positive reinforcement (i.e. recognizing and rewarding good performers to encourage its reoccurrence). Even in instances, where the employee performance is below expectation, it is important not to make the employee feel bad rather point out the things that caused this shortfall (Qureshi et al., 2010). For example, Abbasi et al. (2020) observed in their study that providing timely feedback and training sessions to employees help to improve their work performance and consequently increase their operational efficiency. Again, Abbasi et al. (2020) results revealed that effective compensation that tends to recognize and reward good performers has a favorable impact on employee productivity. Zondo (2018) corroborated Abbasi et al. (2020) findings as their results identifed performance feedback as a

very important tool in PMS that can be used to advance employees' confidence and competence at all phases, of an employee work behavior.

When it comes to training, it has been argued that firms training should take into accounts the future and present requirements of the worker and consequently institute the relevant programs that will help their employees to the future work roles (Abbasi et al., 2020). Undertaking such inventory about the present and future skill requirements will help an organization to implement programs that correspond with the expected competence and skills in the future (Smither & London, 2009).

The last two aspects of the performance review are exchange of views (i.e. performance review meetings are open and frank, encourage all the involved parties to exchange their views, which results in better decisions for future) and agreement on action plans which takes the form of decisions taken at the commencement of next performance period and seeks to outline the measures identified to be taken either at the personal level or collaborative level (Armstrong, 2015).

#### 2.3.2 Influence of Performance Management Systems on Employee Task Performance

A study by Onsarigo, Omari and Wanyonyi (2021) explored the impact performance management systems have on employee performance at Kenya Meat Commission. The proxies used to assess the organization performance management systems were performance planning system and performance appraisal system. A descriptive research design was used and population size of 200 with a corresponding sample size of 144 were used. Structured questionnaire was used as the main data collection instrument. Descriptive statistics such as percentages and frequency were used for the data analysis. Results from the study showed that PMS such as performance planning system and performance appraisal system had a

significant influence on the employee performance. Specifically, performance planning system predicted 28.4% of the variance in the employee performance. Also, performance appraisal system explained 24.4% of the variance in the employee performance.

In Pakistan, a study done by Abbasi et al. (2020) examined the effect of performance management systems on employee efficiency in the banking sector of Karachi. In their study, a quantitative research approach was used. When it comes to the study sample, 252 employees across the various banking institutions within Karachi were selected. With reference to the study data, descriptive statistics and multiple regression analysis were used for the data analysis. On the study results, findings from the study revealed that most of the Pakistani banks appraised their workers often by means of targets, organizational objectives, accomplishments, efficiency, and time management for the purposes of act assessment. When it comes to the impact these performance management systems had on the employee performance, it was established that the timely feedback and training sessions which formed part of the banks PMS had a significant influence on the workers' performance. Also, it was established that effective compensation administration had a positive significant influence on employee productivity.

Comparable result is reported in the study of Dixit and Sharma (2021) as their findings study postulated a significant relationship between performance management system and employee productivity. The main objective of the study was to assess the firm's performance management practices and its impact on employee performance in textile firms in Bhilwara city. In their study, performance management systems were made up of practices such as appraisal system, training and development, reward system and performance feedback. However, the proxy used in the assessment of task performance was employee productivity. The study collected its data from 100 employees who occupied managerial positions in the textile firms at Bhilwara city. Subsequently, descriptive such as mean, standard deviation and

inferential statistics such as regression analysis were used for the data analysis. Findings from the study showed that employee productivity can be improved through performance appraisal which can prompt employee to be proactive and work according to work expectations and performance targets. On the relationship between performance management system and employee performance, it was established that the regular feedback employee receives on their performance help them to better their future performance. Moreover, when it comes to the impact PMS had on employee productivity, it was discovered that employees were more encouraged to accomplish their assigned targets and performance goals when their rewards were linked to their performance. Accordingly, Dixit and Sharma (2021) concluded that performance appraisal and training and development had a significant positive relationship on employee productivity.

A study by Onyekwelu and Dunkwu (2019) sought to investigate the influence of performance management on employee productivity. Proxies such as 360-degree feedback appraisal, evaluation review and self-assessment were used as the performance management system practices. Apparently, results from the study revealed that 360-degree feedback appraisal and performance evaluation had a significant influence on employee performance. However, self-assessment had no influence on employee productivity. Ziyaminyana and Pwaka (2019) study results came by the same conclusion as their results reported a significant relationship between performance management system and employee performance. In their study training of middle level employees, identification of key competencies, proper reward and appreciation systems recorded a significant influence on employee productivity.

Awan et al. (2020) on their part examined the effectiveness of a comprehensive performance management system in terms of employee performance. Also, the mediating effect of work engagement and performance management system and employee performance were examined. In their study, performance management system effectiveness (PMSE) was

assessed by the extent of its accuracy and fairness. A sample of 285 employees were selected from various branches of private banks located across Pakistan. A structured questionnaire was used, which was validated through confirmatory factor analysis (CFA) in the Pakistani context. Results from the study showed a significant impact of PMSE and work engagement on task and contextual performance of employees. Also, complementary mediation of employee work engagement in the relationship between PMSE and employee performance (in terms of task and contextual performances) was also supported. The study also suggests that a comprehensive PMSE model including the perception of fairness as a mandatory part, may be introduced for employees' enhanced work engagement and task/contextual performance.

#### 2.3.3 Influence of Performance Management Systems on Organizational Citizen

#### **Behaviour**

de Menezes and Escrig (2019) explored how the elements of performance management affect organisational performance. The study also seeks out to establish how the perceptions of work conditions influence employee wellbeing and performance. The study used employee-workplace data from an economy-wide survey in Britain and two-level structural equation models to test the study hypothesis. Results from the study suggest that quality-planning, dissemination performance feedback to employees is positively related with workplace-productivity. However, performance targets reported an inverse relationship with perceptions of job demands and positively correlated with job satisfaction, which in turn can increase employee citizen behaviour. Also, keeping and analysing records and monitoring employee performance through appraisals had a positive relationship with workplace-productivity and employee citizen behaviour.

Concurrent result is reported in the study of Shin and Konrad (2017) where performance management system such as fair performance appraisal, compensation and training posited a

significant positive relationship with employee citizen behaviour. Similarly, in the study of Ali et al. (2012), a significant positive relationship was established between performance management practices such as training and development, target setting, fair rewards and employee citizen behaviour.

Also, in the study of Ahenkan, Tenakwah and Bawole (2016), which sought to assess the current performance management system at Sefwi Wiawso Municipal Assembly as well as identified the challenges faced by the Assembly in implementing its performance management system came by the following conclusions. Results from the study suggest that performance management system at the Assembly was highly ineffective. Moreover, when it came to the factors limiting the assembly performance management system effectiveness, issues such as poor communication, poor integration, low commitment from top level management, absence of training, inadequate capacity for setting clear targets and objectives, and measuring and evaluation criteria for performance assessment, cultural issues, absence of rewards for good performance, financial constraints, weak and highly bureaucratic management systems were identified as the challenges affecting the assembly's PMS effectiveness. The ineffectiveness of the assembly's PMS consequently reported a negative relationship with employee morale and organizational citizen behaviour. In this study, a case study research design was used and primary data were gathered from the participants through in-depth interviews. In all, 20 heads of departments and employees within the assembly were purposively selected as the study sample.

In Nigeria, a work done by Abdulkadir, Isiaka and Adedoyin (2012) investigated the effect performance management system had on employee citizen behaviour, commitment and work behaviour. The proxies used as the management system practices in their study were performance appraisal, career planning and employee participation. The study used a descriptive survey design where primary data were collated from fourteen Nigerian banks.

The study used G-test, regression analysis and correlation analysis for the various relationship analysis. Results from the study suggest that performance appraisal system, career planning systems and employee participation had a significant influence on employee citizen behaviour, commitment and work behaviour. Likewise, in the study of Munguti (2017), a significant relationship was found between performance management system and employee citizen behaviour. Particularly, in their case, regular performance review, performance feedback and training of employees had a significant influence on employee citizen behaviour.

Based on the expectancy theory, goal-setting theory and control theory, Dewettinck and van Dijk (2013) looked at how perceived fairness mediates the relationship between characteristics of performance management and employee performance. The measurement and structural models were simultaneously tested using structural equation modelling, and bootstrapping approach was subsequently used to explore the mediation analysis. Results from the study revealed that performance review and employee participation significantly correlate with perceptions of appraisal fairness and PM system effectiveness. Again, the frequency of informal performance reviews is strongly related with PM system effectiveness than the frequency of formal performance reviews. On its impact on employee citizen behaviour, it was revealed that PMS had an effective relationship with employee citizen behaviour. Accordingly, the study concluded that the manner in which PM systems are shaped and executed is of fundamental importance to their effectiveness as well as its impact on employee citizen behaviour.

Decramer, Smolders and Vanderstraeten (2013) explored how the features of performance management systems impacted on employee performance. The study data was collected from 589 employees of Flemish University. Results from the study revealed that performance management systems such as more communication and tighter control and performance

review had a significant influence on employee career satisfaction and organizational citizen behaviour. Another revealing part of their study results was that employee satisfaction with their organization performance management system depended on their tenure type.

Ziyaminyana and Pwaka (2019) investigated the impact of performance management systems on employee productivity using information and communication technologies (ICT) companies in Harare as their study context. The study used a descriptive design as its research design. Stratified sampling was used where 312 respondents was selected from 1428 employees from ten organisations in Harare. Results from the study revealed that performance appraisal had a significant influence on employee citizen behaviour. Specifically, results from the study suggest that regular feedback from performance review and fair performance review had a significant positive influence on employee citizen behaviour.

Biron et al. (2011) on part investigated the performance management systems in 16 world-leading firms. The study relied on the signalling theory to explore the extent to which these firms promote certain facilitating practices in their performance management systems. Evidently, results from the study revealed that effective performance management systems had a significant influence employee performance. Particularly, when the employees realized that their management had more interest and commitment towards the firm's performance management, its impact on their performance tends to be more positive than when management had little or no interest in their performance management.

#### 2.4 Conceptual Framework

Conceptual framework is a visual or written product which seeks to explain either graphically or in a narrative format the main constructs or variables to be investigated in a study and the presumed relationships among them (Miles & Huberman, 1994). Therefore, a conceptual framework presents the relationship that exists between the independent and dependent variables. The conceptual framework of this study is based on the study variables thus performance management systems being the independent variable and employees' productivity being the dependent variable. As explained by the assumptions behind the social exchange theory, through a system of mutuality and exchanges, employers are able to influence the behavioural actions of their subordinates resulting into common development among the parties involved. Hence, through performance management systems such as, rewards and compensation, performance feedback and training and development, employers are able to activate the cycle of mutuality, which in effect entice employees to work towards the realization of organizational goals. However, as argued by the organizational justice theory, a firm practice may only be able to impact positively on employee's behaviour when the employees regard its implementation as fair and just.

For instance, employee perceptions of organizational justice and fairness of performance management systems such as performance review, compensation and rewards have a positive influence on employee organizational citizen behaviour (Fu, Flood, Bosak, Morris, & O'Regan, 2013). Hence, it is expected that performance management practices ability to result into improved employee productivity will be dependent on this organizational justice assumption. A conceptualization of the relationship between the independent variables and the dependent variable is illustrated in Figure 2.1.

# Conceptual framework for the Study

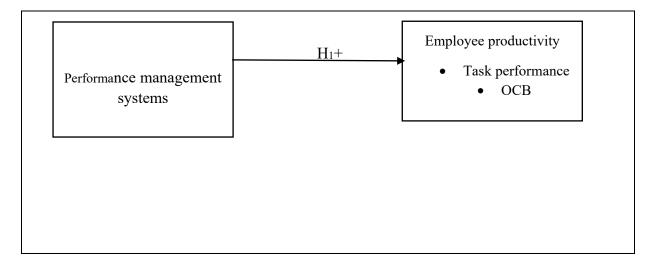


Fig. 2.1: Conceptual Framework



#### **CHAPTER THREE**

#### **METHODOLOGY**

#### 3.1 Introduction

This chapter dealt extensively with the research methodology. It provided details accounts on the research design used, the population the sample was selected from and the sampling technique used for the sample selection. Also, at this chapter, the instrument used for the data collection and how the instruments were developed have all been presented. Again, how the study dealt with issues of ethics and how the study data was analysed have all been thoroughly discussed in this chapter.

#### 3.2 Research Design

According to Mamia (2006), the main purpose of a research design is to ensure that the evidence gathered helps us to validly answer the research questions a study poses prior to its commencement. Kumar (2011) asserted that to a large extent research design seeks to achieve two main purposes. First, it seeks to identify and develop processes as well as the logistical arrangements that will be required to carry out a study. The second purpose of research design is to guarantee quality in these processes so that at the end of the study the conclusion made or obtained are regarded as valid, objective and accurate.

With the study objective to investigate the connection between performance management systems and employee performance, the study was positioned within the survey research design. According to Cohen, Manion and Morrison (2007), survey design enables a study to collate data on two or more variables to establish the relationship between the variables. Accordingly, with the study purpose to examine the relationship between performance

management systems and employee performance, survey design is best fitted to the study purpose.

Again, as this study sought to collect its data from a large pool of workers of Atwima Mponua Rural Bank Limited, survey design provided the best logistical means to achieve this objective. As rightly indicated by Bryman (2012), survey design is very useful particularly in instances where a study seeks to target a large set of respondents, collects standardized data (i.e. using the same instruments and questions for all participants) as well as establish the relationship between two or more variables (e.g. the relationship between performance management systems and employee performance). Similarly, in this study a standardize instrument was used to collect the same level of information across all the respondents to establish the relationship between performance management system and employee performance. Even though, there are other designs (e.g. case study, experimental, quasi-experimental and longitudinal design) nonetheless, judging from what this study sought to achieve with its objectives, cross-sectional design provided the best means to answer its research questions.

### 3.3 Study Population

According to Marczyk, DeMatteo and Festinger (2005), it is after the identification of a population that the relevant sample and the criteria to be used for the selection of the sample can be well identified and justified. Specifically, the study targeted all employees of Atwima Mponua Rural Bank Limited.

Atwima Mponua Rural Bank Limited has eight branches within the Ashanti Region; Toase, Abuakwa, Akropong, Suame, Sofoline, Mankraso, Bibiani and Bantama. According to the Head of Human Resource of the bank, Toase which is the headquarters have a staff strength

of 15, Abuakwa branch has a staff size of 13, Akropong has a staff strength of 13, Suame has a staff strength of 12, the Sofoline branch total number of employees stands at 14, Mankraso and Bibiani has a staff strength of 10 respectively and lastly Bantama has a staff strength of 13. This suggests that Atwima Mponua Rural Bank Limited has a total workforce of 100. Accordingly, all the 100 employees became the study population. The breakdown of the bank's employee within the eight branches have been presented in Table 3.1

**Table 3.1: Population Size Based on Branch** 

Branch	Population Size
Toase	16
Abuakwa	13
Akropong	13
Suame	12
Sofoline	13
Bantama	13
Mankraso	10
Bibiani	10
Total	100

#### 3.4 Sample and Sampling Techniques

The study used a multi-stage cluster sampling technique in selecting the participants. According to Babbie (2007), multi-cluster sampling becomes very useful sampling approach especially when a study population is made of different groups or sub-units. Since multi-cluster sampling recognizes the different groups within a population, it first of all seeks to group the population along these sub-units before making a decision on which sampling technique to use.

As indicated earlier Atwima Mponua Rural Bank Limited has eight branches located within different locations. In order to ensure that the sample selected mimics all the employees working in the eight branches of the bank, it becomes important to select a sampling technique which recognizes this population characteristic. It will generally be unfeasible to

use a simple random sample straightaway since it will assume the whole population as one unit with no different characteristics. Accordingly, by using multi-stage sampling, it makes it possible to categorize the population into distinct groups to mimic the characteristics of the population.

However, to determine the sample size for the study, the study used the Krejcie and Morgan (1970) sampling size table. Based on the sampling table, the population size of the eight branches together with their corresponding sample size has been presented in Table 3.2. After the determination of the sample size, simple random sampling was used in selecting the samples at each of the eight branches. Hence, at each of the branch, all the employees were given an identifiable number put into a container and shuffled. The shuffling ended the very moment the sample size for each given branch was reached. Employees whose numbers were picked became the selected sample for each branch.

Table 3.2: Description of Population Size and Sample Size

Branches	Population size	Sample size
Toase	16	15
Abuakwa	13	12
Akropong	13	12
Suame	12	12
Sofoline	13	13
Bantama	13	13
Mankraso	10	10
Bibiani	10	10
Total	100	97

#### 3.5 Data Collection Instruments

In this study, a structured questionnaire was used in collecting data from the respondents. According to Saunders, Lewis and Thornhill (2009), using structured questionnaire helps a study to achieve consistency in its reportage since the same instrument is used across all the respondents. Meaning, there would be no variation in the questionnaire used in all the eight

branches of Atwima Mponua Rural Bank Limited. Moreover, as this study is similar to other works, the scale used was adapted from previous works. Specifically, the scale used to assess the performance management system was adapted from the scales used in the studies of Almohtaseb (2017) and Abbasi et al. (2020). The scale was made up of ten (10) items and were all measured on a five point Likert scale (1-strongly disagree to 5-strongly agree). Similarly, the scale used to assess task performance were adapted from Pongpearchan (2016) and Awadh and Ismail (2012). It had five (5) items in all and were measured on a five point Likert scale (1-strongly disagree to 5-strongly agree). The scale used to assess organizational citizen behaviour was adapted from Organ (2018) and Koopman et al. (2015). It had six (6) items in all and were assessed on a five point Likert scale (1-strongly disagree to 5-strongly agree).

#### 3.6 Data Collection Procedures

Prior to the commencement of the data collection exercise, discussions were held with respective branch heads to decide on the date and time questionnaires can be sent to their branch. The administration of the questionnaire was done by the researcher himself and took the period of one week to complete. Since the researcher is an employee of the organization the questionnaire was given to the respondents and collected after they had finished answering them. Even though, the researcher was an employee at the understudied organization prior permission was still sought from the various departmental managers and the respondents themselves before the questionnaires were eventually given to respondents to answer.

#### 3.7 Instrument Validity and Reliability

According to Saunders et al. (2009), the reliability of the data a study collects and the responses a study gathers depend largely on the design of its questions, its structure and composition and the rigour of its pilot testing exercise. However, in quantitative studies, it is required that instruments are pilot-tested at a comparable setting to establish the content and construct validity of each developed measuring scale. Likewise, in this study, the questionnaire was piloted at the Mankranso branch to ascertain the sample level of understanding with the various items in the questionnaire. After the pilot-test, any indications of ambiguities were corrected before the final questionnaire was presented to the study respondents.

Also, to assess the internal consistency of the measuring scale, the Cronbach's alpha was used to compute the alpha value of each given item. A Cronbach Alpha value of 0.70 or more was used as the proxy to establish whether a scale was reliable or not. As suggested by Hair, Risher, Sarstedt and Ringle (2019), when the value of a construct reliability test turns to be 0.7 or higher, the scale can be regarded as highly reliability. In this study all the constructs recorded an alpha value of 0.7 or more confirming that all the constructs used in this study are highly reliable.

#### 3.8 Ethical Considerations

In research, it is required that the study respondents are protected so that they do not fall prey to the investigation being undertaken (Creswell, 2014). Accordingly, it is required of the investigator to inform participants about the purpose of the investigation so that respondents become aware of the purpose and intention of the study. Additionally, ethically, researchers are required not to disclose participants' information to third parties or expose respondent's

identity in their study analysis. Hence, it is required that information such as respondents name, personal contacts, etc. is not taken when carrying out research. Accordingly, for the study to ensure that all these ethical dimensions were addressed, first, possible forms of traces that could make respondents fall victims as a result of the information provided were eliminated. For instance, respondents were not required to provide information about their names and contact details in this study. Again, in order to ensure that the respondents were aware of what this study sought to achieve, the respondents were thoroughly briefed and equally allowed to rescue themselves anytime time they felt uncomfortable to continue answering their questionnaire items.

#### 3.9 Data Analysis Techniques

Kumar (2011) underscored that data obtained from a research is meaningless unless it is changed for the purpose of decision-making. Data analysis usually involves reducing the raw data into a manageable size, developing summaries and applying statistical inferences. The retrieved data was first vetted to check their completeness before it will be finally entered into The IBM Statistical Package for Social Sciences (SPSS) version 20.0 for the analysis. The result of the study was analyzed on the basis of descriptive statistics such as mean and standard deviation to get the trend in the respondents' ratings. Subsequently, linear regression analysis was used to explore the relationship between performance management system and employee performance (i.e. task performance and organizational citizen behaviour).

#### **CHAPTER FOUR**

#### DATA ANALYSIS AND DISCUSSION OF FINDINGS

#### 4.0 Introduction

This chapter presents results of the field data. The chapter is structured into three main parts. The first part presents the demographic profile of the respondents'. The second part deals with the descriptive results on performance management systems, employee task performance and organization citizen behaviour. The third part of the chapter presents the regression analysis on the relationship between performance management systems and employee task performance and organization citizen behavior.

#### 4.1 Demographic Profile of Sample

The demographic characteristics of the respondents have been displayed in Table 4.1.

 Table 4. 1: Demographic Profile of Survey Respondents

Demographic variable	Category	Frequency	Percentage
Gender	Male	42	53.8%
	Female	36	46.2%
	20-30 years	24	30.8%
Age	31-40 years	20	25.6%
_	41-50 years	34	43.6%
Education	SSCE/WASSCE	12	15.4%
	Diploma/HND	14	17.9%
	Bachelor's degree	30	38.5%
	Master's degree	22	28.2%
Position	Clerk	3	3.8%
	Cashier	12	15.4%
	Manager	9	11.5%
	Sales representative	42	53.8%
	Customer relationship officer	4	5.1%
	Operations officer	8	10.3%
Years worked in the	1-5 years	15	19.3%
organization	6-10 years	11	14.1%
	11-15 years	21	26.9%
	16-20 years	31	39.7%

Results from the study suggests that a significant number of the respondents were males. Categorically, 53.8% of the respondents were males while 46.2% were females. With reference to the respondents age distribution, results from Table 4.1 indicate that, 30.8% of the respondents had their ages within the age brackets of 20-30 years, 25.6% had their ages within the age category of 31-40 years, and the remaining 43.6% had their ages within the age bracket of 41-50 years.

When it comes to the respondent's academic qualification, it can be observed from Table 4.1 that, 15.4% of the respondents had SSCE or WASSCE as their highest level of academic qualification. Also, 17.9% of the respondents had diploma or higher national diploma as their highest level of qualification, 38.5% had bachelor's degree as their academic qualification and the remaining 28.2% had masters' degree as their highest level of academic qualification. Again, when it comes to the positions the respondents occupied or the roles they performed at the bank, results from Table 4.1 suggest that 3.8% of the respondents held or performed the role as clerks, 15.4% performed the role as cashiers, 11.5% performed the role as branch managers, 53.8% performed the role as sales representative, 5.1% held the role as customer relation officers and lastly 10.3% performed the role as operation officers. Finally, when it comes to the number of years the respondents have worked with Atwima Mponua Rural Bank, it can be observed from Table 4.1 that 19.3% had being with the organization for 1-5 years, 14.1% on the other hand had being with the bank for close to 6-10 years, 26.9% of the respondents had worked with the organization for 11-15 years and lastly 39.7% of the respondents had worked with the bank for 16-20 years. Results from the study suggest that the respondents were largely dominated by male employees. This goes to refute the old assertion that the service industry particularly the banking sector is mainly dominated by female workforce. Again, when it comes to the respondent's academic qualification, results from the study suggests that most of the respondents had a bachelor's or masters as their

highest level of academic qualification. Also, it was established that most of the respondents were employed in the position of sales representative.

#### 4.2 Performance Management Systems used by Atwima Mponua Rural Bank

This objective sought to identify the specific performance management systems used by Atwima Mponua Rural Bank in their staff management. Accordingly, the respondents were presented with some performance management practices for them to indicate their level of agreement with regards to the implementation of these practices within the organization. With this objective, a five-point Likert scale (i.e. 5-strongly agree, 4-agree, 3-can't tell, 2-disagree, 1-strongly disagree) was used. However, in order to make a meaning out of the respondents ratings, a hypothetical mean of 1.0 to 1.44 was predefined to suggest that a respondent rating fell within "strongly disagree rating", a mean rating within the range of 1.50-2.44 suggest that a respondent rating fell within "disagree", 2.50 to 3.44 suggests the respondents rating fell under "can't tell", 3.50 to 4.44 suggests that the respondents rating was within "agree" and lastly, a mean value within the range of "4.50 to 5.00" signifies that the respondents rating on that particular item was within the "strongly agree". Accordingly, the respondents' level of agreement on their firm performance management system have been presented in Table 4.2.

**Table 4.2: Performance Management Systems** 

P	MS Items	N	Min	Max	Mean	Std. Dev
1	My organization processes for rewarding employees are clearly spelt out.	78	1	5	3.35	1.383
2	Workers who have performed well get recognized.	78	1	5	3.85	1.397
3	Our reward and compensation system are well designed and well implemented.	78	1	5	3.40	1.323
4	My organization has in place adequate processes and structures to guide its reward and compensation system.	78	1	5	3.43	1.326
5	My organization objectively applies its own processes to determine a person suitability for training and development program.	78	1	5	3.64	1.019
6	I feel treated fairly whenever I am due for promotion.	78	1	5	3.60	1.166
7	Employees tasks and work expectations are clearly communicated to them on time	78	1	5	3.67	.907
8	Feedback from performance review are clearly communicated by superiors to subordinates on time.	78	1	5	3.58	1.282
9	Any time I come short in completing my task I am duly informed on time.	78	1	5	3.92	.834
10	Manager works directly with subordinates to set work targets.	75	1	5	4.13	.963
11	Employee are well informed on what has to be accomplished as well as how their performance will be evaluated.	78	1	5	3.87	1.024
12	Any time I come short in completing a task because of my skill deficiency I am retrain on this identified weakness in the bank's future training programs.	78	1	5	3.83	1.110
13	Performance review meetings are open and frank, encourage all the involved parties to exchange their views	78	2	5	4.04	.844
14	Performance review are done quarterly in this organization	78	1	5	3.04	.764
15	Performance review are done on a yearly basis	78	1	5	3.64	1.264

Results from Table 4.2 suggests that almost all the performance management items received their mean score above 3.00. This suggests that most of the respondents' ratings were either

within the can't tell rating or the agree score rating. For instance, with Item 1, majority of the respondents could not tell whether their organization processes for rewarding employees were clearly spelt out to each and every employee. Even though, majority of the respondents agreed that workers who performed well got recognized yet most of them still could not indicate the procedure used by their organization to recognize top performers. Likewise, on the third item, most of the respondents rating fell within the can't tell rating when asked whether their organization reward and compensation system were well designed and well implemented. This item had a Mean value of 3.40 with a SD of 1.323. The respondents' response on this item go to affirm their earlier response when asked whether their organization processes for rewarding top performers were clearly spelt out to each and every employee. Even though, top performers got rewarded for their achievement however, failing to communicate to the employees the procedure that guides the organization reward system will leave many in the state of uncertainty as they can't point out what exactly their employer considers when seeking to reward an individual for his or her performance.

Similarly, with Item 4, most of the respondents rating fell within the can't tell rating when asked whether their organization has in place adequate processes and structures to guide its reward and compensation system. This item received a Mean value of 3.43 and SD of 1.326.

However, on Item 5, results from Table 4.2 suggest that most of the respondents rating fell within the agreed rating when asked whether their organization objectively applies its own processes to determine a person's suitability to a particular training and development program. The respondents rating received a Mean value of 3.64 with a SD of 1.019 suggesting that on this item most of the respondents rating fell within the agree score. Again, with Item 7, most of the respondents rating fell within the agreed rating when asked whether they feel treated fairly whenever they are due for promotion. This item received a Mean value of 3.60 with a SD of 1.166.

Also, when the respondents were asked to indicate whether their tasks and work expectations were clearly communicated to them on time, results from Table 4.2 reveal that most of the respondents rating fell within the agree score. It received a Mean value of 3.67 with a SD 0.907. Similarly, with Item 8, most of the respondents rating fell within the agreed rating when asked whether feedback from performance review were clearly communicated by superiors to subordinates on time. This item received a Mean rating of 3.58 with SD of 1.282. Similarly, most of the respondents rating fell within the agreed that whenever they fall short in completing their tasks, they were duly informed on time. It received a Mean rating of 3.92 with a SD of 0.834.

It can also be observed from Table 4.2 that most of the respondents agreed that managers work directly with subordinates in setting work targets. This item received a Mean value of 4.13 with a SD of 0.963. Similarly, with Item 11, most of the respondents agreed that employees were well informed on what has to be accomplished as well as how their performance was going to be assessed. The Mean rating on this item was 3.87 with a SD value of 1.024 suggesting that most of the respondents rating fell within the agreed rating. Results from Table 4.2 suggest that most of the respondents rating fell within the agreed rating when asked whether any time they came short in completing a task because of a skill deficiency, they were retrained on this identified weakness in the bank's future training programs. It received a Mean value of 3.83 with a SD of 1.110.

With Item 13, result from Table 4.2 suggest that most of the respondents agreed that their firm performance review meetings were open and frank and encouraged all the involved parties to exchange their views freely. This item received a Mean value of 4.04 with a SD of 0.844. On last but one item, most of the respondents rating fell within the can't tell rating when asked whether performance review is done every quarter in this organization. The respondents rating recorded a Mean value of 3.04 with a SD of 0.764. Lastly, on item 15,

most of the respondents rating fall within the agreed rating when asked whether performance review was done on a yearly basis. It recorded a Mean value of 3.64 with a SD of 1.264.

Whereas Atwima Mponua Rural Bank performance management systems have some positive sides it also has some shortcomings as well. As indicated earlier even though, the organization ensured that their top performers get recognized yet the shocking part of it is that most of respondents could not indicate the procedure used by their organization to recognize top performers. Failing to communicate to employees the procedure that guides the organization reward system will leave many in the state of uncertainty as they can't point out the things their employer clearly considers when seeking to reward an individual for his or her performance. Again, it was established that the organization only performed its performance review on the yearly basis but not on a quarterly basis. Admittedly, undertaking performance review on yearly basis is not bad in itself nonetheless, what has to be noted is that failing to review employees' performance regularly (i.e. on four-month basis) will make it extremely difficult for managers to swiftly correct an employee performance defect. This means that a worker deficiency cannot be corrected in the interim but will have to be waited till the end of the year before it will finally get noticed or probably corrected. This will cause a real damage on the organization reputation especially when the defect tends to deal with poor customer service. As a rule of thumb, on a continuous basis, employees' performance would have to be regularly reviewed in order to help both parties identify the areas that will require immediate improvement.

However, there were some positive sides of Atwima Mponua Rural Bank performance management systems that demand recognition. For instance, employees task and work expectations were clearly communicated to them on time. Clearly, informing an employee what is required of them will not only make them focus but will also make them efficient at what they do. Again, it was established that feedback from performance review were clearly

communicated by superiors to subordinates on time. Likewise, it was established that anytime an employee came short in completing their task, they were duly informed on time. Clearly, communicating to employees where they perform better as well as where they fall short will help the employee to improve upon his future performance. Also, it was established the organization objectively applies its own processes to determine a person's suitability to a specific training and development program. This is very positive as the organization training program did not take the wholesale approach. Accordingly, a trainee was picked or selected when a training will be relevant to their needs and development. Another positive side of the firm's performance management system is that the bank performance review meetings were opened and frank, encouraged all parties to share their views.

Since, the main objective of performance management is to ensure that the organisation and all of its sub-units (processes, units and employees) are working in unison towards the realization of the organisation goals (Almohtaseb, 2017), it suggests that a firm's performance review meetings would have to be opened and frank at all times. This openness and frankness will encourage all parties to share their views and concern freely. It can be argued that Atwima Mponua Rural Bank performance management system is in line with these principles as it had in it; role definition, performance agreement (plan), personal development planning (act), performance (monitor) and performance review (review) (Qureshi et al., 2010). For example, with role definition and performance agreement, the emphasis here is to outline to the employee their main responsibilities as well as their performance targets (Qureshi et al., 2010). According to Aguinis (2019), through role definition, the employee becomes well informed on what is expected of him or her in terms of the required job roles and performance targets. Similarly, in this study, it was observed that the managers at the organization worked directly with subordinates to set work targets.

Again, it was established that employees task and work expectations were clearly communicated to them on time.

Also, with personal development planning, the expectations of the work are determined. That is, what an employee is expected to accomplish in the form of objectives as well as how their performance will be evaluated are clearly communicated to the employee (Armstrong, 2015). Results from the study confirm that the employees were well informed on what has to be accomplished as well as how their performance will be evaluated.

With employee development plan, the emphasis is to improve and build employees' skills, knowledge and competencies and consequently make the employee proficient and competent in their assigned work roles. Accordingly, the emphasis of the employee development plan is to develop employees in order to expand their knowledge and expertise, increase their levels of proficiency and improve the employee performance in their assigned area. Results from the study suggest that Atwima Mponua Rural Bank ensured these practices in their performance management. For example, Atwima Mponua Rural Bank objectively applies its own processes to determine a person suitability for training and development program. Also, Atwima Mponua Rural Bank ensured that anytime a person fell short in completing a task because of a skill deficiency they were retrained on this identified weakness in the bank's future training programs.

With the last phase of PMS that is, performance review, the emphasis is to look at the accomplishments, gains and challenges taking into accounts the performance agreement and personal development plan made in the early stages of the PMS (Qureshi et al., 2010). For example, even in occasions, where an employee performance is below expectation, it is important not to make the employee feel bad rather point out the things that caused this shortfall (Qureshi et al., 2010). Similarly, in this study it was observed that anytime a worker

came short in completing their task they were duly informed on time. Again, it was revealed that anytime a person fell short in completing a task because of a skill deficiency they were retrained on this identified weakness in the bank's future training programs. This suggests that the performance review was only used by Atwima Mponua Rural Bank to reward top performers but were also used to improve employee deficiency.

#### **4.3 Descriptive Results**

This section provides the descriptive results on the respondents' task performance and organizational citizen behaviour. Accordingly, the descriptive analysis of these measuring variables have been presented under this section.

#### 4.3.1 Task Performance

Task performance constitutes the formally recognized duties required of an employee. The accomplishment of these work roles will facilitate the attainment of an organization goals. Accordingly, the respondent's ratings with regards to how they accomplished their task performance have been presented Table 4.3.

**Table 4.3: Task Performance** 

Items	N	Min	Max	Mean	Std. Dev
1. Arrive at work on time	78	1	5	3.54	1.217
2. I managed to plan my work so that I finished it on time	78	2	5	3.61	1.527
3. I kept in mind the work result I needed to achieve	78	1	5	3.94	.972
4. I was able to set priorities	78	1	5	3.72	.952
5. I was able to carry out my work efficiently	78	1	5	3.56	1.167
6. I managed my time well	78	1	5	3.67	.907
7. I worked towards the end result of my work	78	1	5	3.92	.834
8. I kept in mind the results that I had to achieve in my work	75	1	5	4.13	.963
9. I had trouble setting priorities in my work.	78	1	5	2.27	1.024
10. I was able to separate main issues from side issues at work	78	1	5	3.83	1.110
11. It took me longer to complete my work tasks than intended	78	2	5	2.04	.844

Results from Table 4.3 suggests that the respondents were generally high task performance achievers. For instance, majority of the respondents agreed that they always arrive at work on time. This item received a Mean value of 3.54 with a SD of 1.217. Also, most of the respondents rating fell within the agreed score when asked whether they managed to plan their work so that they finished it on time. It received a Mean value of 3.62 with a SD of 1.527. Again, most of the respondents agreed that they kept in mind the work result they were required to achieve. This item received a Mean value of 3.94 with a SD of 0.972. Likewise, with the Item 4-8, results from the study suggest that majority of the respondents ratings on these items fell within the agreed score. These items had their Mean values within the range of 3.5-4.13 confirming that most of the respondents' level of agreement were within the agree rating.

However, it was only on the reverse items that is, Item 9 (I had trouble setting priorities in my work) and Item 11(It took me longer to complete my work tasks than intended) where most of the respondents rating fall within the disagree score. As indicated earlier results from the study suggests that the respondents were generally high task performance achievers.

#### 4.3.1.1 Effect Performance Management Systems on Employee Task Performance

This objective sought to examine the influence performance management system had on employee task performance. The regression result on the relationship between performance management system and employee task performance has been presented in Table 4.4.

Table 4.4: Effect Performance Management Systems on Employee Task Performance

Predictors	Stand. β <sub>i</sub>	Std. Error	T	p-value
(Constant)	29.448	4.918	5.988	.000
PMS	1.406	.319	4.412	.000
R	0.459			
$\mathbb{R}^2$	0. 211			
Adjusted R <sup>2</sup>	0.200			

a. Dependent Variable: Task Performance

Note: \* depicts significance at 10% level; \*\* depicts significance at 5% level, \*\*\* depicts significance at 1% level and  $\beta_i$  stands for standardized beta coefficients

Results from Table 4.4 reveal that the predicting variables (i.e. performance management system) predicted 20% of the variance in employee task performance ( $\Delta R^2 = 0.200$ , F (1, 77) = 19.468, p<0.000). Moreover, on the predictive power the independent variable (i.e. performance management system) had on task performance, it can be observed from Table 4.4 that performance management system had a significant positive influence on task performance ( $\beta$ =1.406, t=4.412, p <.001). What this suggests is that as the organization performance management system improves, there will be concurrent improvement in

employee task performance. Meaning, instituting effective performance management system at the workplace will facilitate employee accomplishment of their assigned work roles.

According to O'Keefe et al. (2018), the mutual interdependence of the exchanges between the two parties (i.e. employer and employee) create the social outcomes of allegiance, commitment, and trust, which subsequently leads to a shared relationship that positively motivates subordinate to act in a same way of the employer. Meaning, the actions of one party, that is, those in authority starts the cycle of exchanges, resulting into the subordinates making extra effort, taking extra responsibility, and creating a quality exchange relationship (Liden et al., 2008). Accordingly, employers through performance management systems such as rewards and compensation and training and development activate the cycle of mutuality, which in effect entice employees to work towards the realization of organizational goals (O'Keefe et al., 2018). As argued by Sluss and Ashforth (2008), subordinates tend to depend on their immediate work environment to create an inference about the specific values upheld by top management and the organization as a whole. Accordingly, through performance management, the employee is able to know what they are required to achieve or perform within each given year (Treviño, Brown, & Hartman, 2003). The clarity of target, the employee gets through the performance management system motivate employees to accomplish their task in due time (Peng & Dongkyu Kim, 2020).

Results from the study is consistent with the work of Abbasi et al. (2020) as in their study it was established that the timely feedback and training sessions which formed part of banks PMS had a significant influence on the workers' task performance. Results from the study is comparable to the study of Dixit and Sharma (2021) as their work postulated a significant relationship between performance management system and employee task performance. Again, results from the study corroborate the results of Ziyaminyana and Pwaka (2019) as their results reported a significant relationship between performance management system and

employee performance. Particularly, in their study, setting of performance target, communicating performance feedback to employees and review of employee performance recorded a significant relationship with employee task performance.

#### 4.3.2 Organizational Citizenship Behaviour

Organizational Citizenship Behaviour (OCB) is regarded as a discretionary behaviour which though do not form part of the official jobs of an employee but contribute significantly to organizational performance (Shaad, 2019). OCB depicts the extent to which employees go beyond their assigned responsibilities to demonstrate extra work role behaviors. This item sought to examine the extent to which the respondents go beyond their required work assignments or their call to duty. Results of the assessment of the respondents' citizen behaviour has been presented in Table 4.5.

Table 4.5: Organizational Citizenship Behaviour

Ite	ems	N	Min	Max	Mean	Std. Dev
1.	Assist your supervisor with his or her work	78	1	5	3.59	.999
2.	Volunteer for things that are not required of me	78	1	5	3.50	1.182
3.	Orient new people even though it is not required	78	2	5	4.01	.764
4.	I take initiatives that help the organization.	78	2	5	4.10	.713
5.	I help others when their work load increases.	78	2	5	4.13	.795
6.	I make suggestions to improve upon my organization products and services.	78	2	5	3.97	.967

Results from Table 4.5 suggests that all the items under this construct had their mean value above 3.5 suggesting that the respondents rated their answers within the agreed rating. Item 5 (I help others when their work load increases) received the highest mean value. It received a

mean value of 4.13 indicating that most of the respondents rating on this item fell within the agree score. The second highest mean value went to Item 4; (I take initiatives that help the organization). It recorded a mean value of 4.10 suggesting that the respondents rating on this item fell within the agreed score. The third highest mean value went to Item 6; (I make suggestions to improve upon my organization products and services). It received a mean value of 3.97 suggesting that most of the respondents rating fall within the agree score. Even with the least rated item that is, Item 2 (Volunteer for things that are not required of me), it received a mean value of 3.50 indicating most of the respondents rating on the organizational citizen behavior were within the agreed score.

#### 4.3.2.1 Effect Performance Management Systems on Organizational Citizen Behavior

This objective sought to examine the influence of performance management system on organizational citizen behavior. The regression result on the relationship between performance management system and organizational citizen behavior has been presented in Table 4.6.

Table 4.6: Effect Performance Management Systems on Organizational Citizen Behavior

Predictors	Stand. β <sub>i</sub>	Std. Error	T	p-value
(Constant)	34.985	7.076	4.944	.000
PMS	.788	.351	2.247	.028
R	0.670			
$\mathbb{R}^2$	0. 449			
Adjusted R <sup>2</sup>	0.437			

a. Dependent Variable: Organizational citizen behavior

Note: \* depicts significance at 10% level; \*\* depicts significance at 5% level, \*\*\* depicts significance at 1% level and  $\beta_i$  stands for standardized beta coefficients

Results from Table 4.6 suggest that performance management system explained 43.7% of the difference in the respondents' organizational citizen behavior ( $\Delta R^2 = 0.437$ , F (1, 77) = 5.049, p<0.028). With the influence the independent variable had on the dependent variable, it can be observed from Table 4.6 that performance management system had a statistical significant relationship with organizational citizen behavior ( $\beta$ =0.788, t=2.247, p<.001). This indicates that seeing an improvement in the organization's performance management system will result in a concurrent improvement in the employee organizational citizen behavior.

Results from the study align with the study of de Menezes and Escrig (2019) as results from their study revealed that quality-planning and dissemination of performance feedback to employees had a positive relationship with organizational citizen behaviour. Again, this study results align with the conclusions of Shin and Konrad (2017) where performance management system such as fair performance appraisal, compensation and training posited a significant positive relationship with employee citizen behaviour. Similarly, result from the study corroborate the conclusion of Ali et al. (2012) as in their case a significant positive relationship was established between performance management systems such as training and development, target setting, fair rewards and employee citizen behaviour. Again, results from the study affirm the result of Munguti (2017) as their study observed a significant relationship between performance management system and employee citizen behaviour. Particularly, in their case, regular performance review, performance feedback and training of employees had a significant influence on employee citizen behaviour. However, result from the study is inconsistent with the study of Ahenkan et al. (2016) as in their study PMS reported a negative relationship with employee morale and organizational citizen behaviour.

#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 5.1 Introduction

This chapter deals with the summary, conclusions and the recommendations drawn from the study results. Specifically, the chapter is organized into three main parts. The first part of the chapter presents the study summary. The second part of the chapter deals with the conclusions drawn from the study results and the final part of the chapter deals with the recommendations made from the study results.

#### **5.2 Summary**

The main objective of the study was to assess PMS and its influence on employee productivity. The study used Atwima Mponua Rural Bank as the case context. Accordingly, workers across all the eight branches of the bank constituted the study population. In order to ensure that the sample selected mimics all the employees working in the eight branches of the bank, multi-stage sampling was used. In all 97 workers were randomly, selected from the eight branches of the bank. The summary of the study has been presented under each given objective.

#### **5.2.1 Performance Management Systems**

Under this objective, the following results were identified:

- It was revealed that Atwima Mponua Rural Bank ensured that employees task and work expectations were clearly communicated to them on time.
- Again, it was established that feedback from performance review were clearly communicated by superiors to subordinates on time. Likewise, it was revealed that

any time an employee came short in completing their task, they were duly informed on time.

- Also, it was established that Atwima Mponua Rural Bank objectively applies its own
  processes to determine a person's suitability to a specific training and development
  program.
- However, it was revealed that the organization only performed its performance review on the yearly basis but not on a quarterly basis.
- Lastly, results from the study showed that even though, the organization ensured that
  their top performers get recognized yet the processes for rewarding employees were
  not clearly spelt out to the employees.

#### 5.2.2 Effect of Performance Management Systems on Employee Task Performance

• Results from the study revealed that performance management system had a significant positive relationship with task performance.

#### 5.2.3 Effect Performance Management Systems on Organizational Citizen Behavior

• Results from the study revealed that performance management system had a statistical significant relationship with organizational citizen behavior. This implies that seeing an improvement in the organization's performance management system will result in a concurrent improvement in the employee organizational citizen behavior.

#### **5.3 Conclusions**

Findings from the study suggest that a firm performance management system which includes practices such as, role definition, performance agreement (plan), personal development planning (act), performance (monitor) and performance review (review) play a significant role in shaping employee task performance and organizational citizen behaviour. For

instance, through role definition, the employee becomes well informed on what is expected of him or her in terms of the required job roles and performance targets. This in turn makes them efficient at what they do since every worker knows of what is expected of them.

#### 5.4 Recommendations

The following recommendations were drawn based on the study conclusions:

- As indicated earlier even though, Atwima Mponua Rural Bank ensured that their top performers get recognized yet failing to communicate to employees the procedure that guides the organization reward system will leave many in the state of uncertainty as they can't point out the things their employer clearly considers when seeking to reward an individual for his or her performance. On this score it is recommended to the human resource department of the bank to make these processes well known to the organization workforce.
- Again, it was established that the organization only performed its performance review on the yearly basis but not on a quarterly basis. Admittedly, undertaking performance review on yearly basis is not bad in itself. However, what has to be noted is that failing to review employees' performance on a regular basis will make it extremely difficult for managers to swiftly correct a performance defect on time. This means that a defect or worker deficiency cannot be corrected within the shortest time. Accordingly, to improve the performance of employees, it becomes important for the bank to change its performance review schedule from the yearly arrangement to a quarterly arrangement. With this, employees' performance can be reviewed every four months making it on average four times within the year. This will speed the time the

organization gets to identify a performance defect and consequently help the organization to correct a defect before they turn into a major catastrophe.

- Also, it was established that performance management system did not only have an impact on the employee task performance but also shape the employee organizational citizen behaviour. This suggests that the kind of practices the bank includes in its performance management system will have a significant influence on employee performance in diverse ways. Accordingly, it is recommended to the human resource department of the bank to pay particularly attention to their performance management system since the content and structure of it could have a substantial effect on the employee outcomes.
- Lastly, as this study confined itself to one institutional context, it limits the generalizability of the study results to other contexts. Accordingly, to improve the generalizability of the study, it is recommended that future studies should use multiple case instead of a single case to improve the generalizability of the study results.

#### References

- Abbasi, A., Ali, H., & Chishty, U. (2020). Performance Management and Employee Productivity A Study on the Banking Sector of Pakistan. *Reviews of Management Sciences*, *I* (1), 1-16.
- Abdulkadir, D. S., Isiaka, S. B., & Adedoyin, S. I. (2012). Effects of strategic performance appraisal, career planning and employee participation on organizational commitment: An empirical study. *International Business Research*, *5*(4), 124-134.
- Aguinis, H. (2019). Performance Management. Chicago: Chicago Business Press.
- Ahenkan, A., Tenakwah, E., & Bawole, J. N. (2016). Performance management implementation challenges in Ghana's local government system Evidence from the Sefwi Wiawso Municipal Assembly. *International Journal of Productivity and Performance Management*, 67(3), 519-535.
- Ajala, E. (2017). A Relationship Study Between Organisational Justice and Job Satisfaction among Industrial Employees in Ogun State, Nigeria. *African Journal for the Psychological Study of Social Issues*, 26-41.
- Almohtaseb, A. (2017). The Impact of Performance Management System on Employee Performance: The Moderating Role of Balance Scorecard Usage. *International Review of Management and Business Research*, 6(2), 681-691.
- Armstrong, M. (2015). Armstrong's handbook of performance management: An evidence-based guide to delivering high performance (5th ed.). Kogan Page.
- Arnaboldi, M., Lapsley, I., & Steccolini, I. (2015). Performance management in the public sector: The ultimate challenge. *Financial Accountability & Management*, 31(1), 0267–4424.
- Audenaert, M., Decramer, A., George, B., Verschuere, B., & Van Waeyenberg, T. (2019). When employee performance management affects individual innovation in public organizations: The role of consistency and LMX. *The International Journal of Human Resource Management*, 30(5), 815–834.
- Awan, S., Habib, N., Akhtar, C., & Naveed, S. (2020). Effectiveness of Performance Management System for Employee Performance Through Engagement. *SAGE Open, DOI:* 10.1177/2158244020969383, 1–15.
- Babbie, E. (2007). The Practice of Social Research. Belmont, CA: Thomson/Wadsworth.
- Babel'ová, Z., Stare cek, A., Koltnerová, K., & Cagá nová, D. (2020). Perceived Organizational Performance in Recruiting and Retaining Employees with Respect to Different Generational Groups of Employees and Sustainable Human Resource Management. Sustainability, 12(574); doi:10.3390/su12020574, 1-23.
- Bacal, R. (2012). Performance Management (2nd ed.). New York: McGraw Hill Professional.

- Bies, R. J. (2001). Interactional (in)justice: The sacred and the profane. In J. Greenberg, & R. Cropanzano, *Advances in organizational justice* (pp. 89–118). Stanford CA: Stanford University Press.
- Biron, M., Farndale, E., & Paauwe, J. (2011). Performance management effectiveness: lessons from world-leading firms, . *The International Journal of Human Resource Management*, 22(06), DOI: 10.1080/09585192.2011.559100, 1294-1311.
- Bryman, A. (2012). Social Research Method. New York: Oxford University Press Inc.
- Busco, C., Giovannoni, E., & Scapens, R. W. (2008). Managing the tensions in integrating global organizations: The role of performance management systems. *Management Accounting Research*, 19(2), 103–125.
- Crabtree, A. D., & DeBusk, G. K. (2008). The effects of adopting the Balanced Scorecard on shareholder returns. *Advances in Accounting*, *24*, 8–15.
- Creswell, J. (2014). Research design: Qualitative, Quantitative, and Mixed Methods Approaches. Los Angelos: SAGE Publications Ltd.
- Cropanzano, R., Bowen, D., & Gilliland, S. (2007). The Management of Organizational Justice. *Academy of Management Perspectives*, 34-48.
- Cruz, I., Scapens, R. W., & Major, M. (2011). The localisation of a global management control system. *Accounting, Organizations & Society, 36*, 412–427.
- de Menezes, L., & Escrig, A. (2019). Managing performance in quality management: A two level study of employee-perceptions and workplace-performance. *International Journal of Operations and Production Management, doi: 10.1108/IJOPM-03-2019-0207*, 1-20.
- Decramer, A., Smolders, C., & Vanderstraeten, A. (2013). Employee performance management culture and system features in higher education: relationship with employee performance management satisfaction. *The International Journal of Human Resource Management*, 24(2), 352-371.
- Dewettinck, K., & van Dijk, H. (2013). Linking Belgian employee performance management system characteristics with performance management system effectiveness: exploring the mediating role of fairness. *The International Journal of Human Resource Management*, 24(4), DOI: 10.1080/09585192.2012.700169, 806-825.
- Dixit, S., & Sharma, K. (2021). Performance Management Practices: A Decisive Approach to Improve Employee Productivity. *Turkish Journal of Computer and Mathematics Education*, 12(3), 3318-3324.
- Dossi, A., & Patelli, L. (2010). You learn from what you measure: Financial and nonfinancial performance measures in multinational companies. *Long Range Planning*, 43, , 498–526.
- Elliot, V. H. (2016). Institutional entrepreneurship and change: A contemporary history of the Swedish banking industry and its performance management systems. *Journal of Accounting and Organizational Change*, 12(2), 223–251.

- Emerson, R. M. (1976). Social exchange theory. *Annual Review of Sociology*, 2, doi:10.1146/annurev.so.02.080176.002003, 335–362.
- Ferreira, A., & Otley, D. T. (2009). The design and use of performance management systems: An extended framework for analysis. *Management Accounting Research*, 20, , 263–282.
- Franco-Santos, M. (2018). Reviewing and theorizing the unintended consequences of performance management systems. *International Journal of Management Review*, 20(3), 696-730.
- Frenkel, S., & Bednall, T. (2016). How training and promotion opportunities, career expectations, and two dimensions of organizational justice explain discretionary work effort. *Human Performance*, 29(1), 16-32.
- Fu, N., Flood, P. C., Bosak, J. M., & O'Regan, P. (2013). Exploring the performance effect of HPWS on professional service supply chain management. Supply Chain Management: An International Journal, 18(3), doi:10.1108/SCM-04-2012-0118, 292–307.
- Gberevbie, D. E. (2017). *Public administration: A conceptual perspective*. Ibadan, Nigeria: Cardinal Publishers.
- Glavas, A., & Godwin, L. (2013). Is the perception of "goodness" good enough? Exploring the relationship between perceived corporate social responsibility and employee organizational identification. *Journal of Business Ethics*, 114(1), 15–27.
- Godener, A., & Eric, K. (2004). Use and impact of performance measurement results in R & D and NPD: an exploratory study. *R&D Management*, 2, 191–219.
- Hair, J., Risher, J., Sarstedt, M., & Ringle, C. (2019). "When to use and how to report the results of PLS-SEM". *European Business Review*, 31(1), 2-24.
- Jagoda, K., Lonseth, R., & Lonseth, A. (2013). A bottom-up approach for productivity measurement and improvement. *International Journal of Productivity and Performance Management*, 62(4), 14-28.
- Jones, L., Watson, B., Hobman, E., Bordia, P., Gallois, C., & Callan, V. J. (2008). Employee perceptions of organizational change: Impact of hierarchical level. *Leadership & Organization Development Journal*, 29(4), 294–316.
- Karim, S., & Nadeem, S. (2019). Understanding the unique impact of dimensions of ethical leadership on employee attitudes. *Ethics & Behavior*, 0(0) DOI: 10.1080/10508422.2019.1580582, 1–23.
- Kline, R. B. (2005). *Principles and practice of structural equation modeling (2nd ed.)*. New York: The Guilford Press.
- Koopman, J., Lanaj, K., & Scott, B. (2016). Integrating the bright and dark sides of OCB: A daily investigation of the benefits and costs of helping others. *Acad. Manag. J.*, *59*, 414–435.

- Koopmans, L., Bernaards, C. H., Schaufeli, W. B., de Vet Henrica, C., & van der Beek, A. J. (2011). Conceptual frameworks of individual work performance: a systematic review. *Journal of Occupational and Environmental Medicine*, 53(8), 856–866.
- Krejcie, T., & Morgan, J. (1970). "Determining Sample Size for Research Activities". *Educational and Psychological Measurement, 30*, 607-610.
- Laura, R. (2016). "The Impact of Performance Management System Characteristics on Perceived Effectiveness of the System and Engagement" (2016). Master's Theses. 4702. San Jose: San Jose State University, DOI: https://doi.org/10.31979/etd.qh7m-s97u https://scholarworks.sjsu.edu/etd theses/4702.
- Liden, R. C., Wayne, S. J., Zhao, H., & Henderson, D. (2008). Servant leadership: Development of a multidimensional measure and multi-level assessment. *The Leadership Quarterly*, 19(2), http://dx.doi.org/10.1016/j.leaqua.2008.01.006, 161–177.
- Marr, B. (2006). Strategic Performance Management, (1st edn). Elsevier Ltd.
- Miles, M., & Huberman, A. (1994). *Qualitative Data Analysis (2nd edition)*. Thousand Oaks, CA: Sage Publications.
- Mizrahi, S. (2017). Public policy and performance management in democratic systems theory and practice. Switzerland: Palgrave Macmillan.
- Mondy, R., Noe, R., & Premeaux, S. (2002). *Human resource management (8th edn)*. Upper Saddle River, NJ: Prentice Hall.
- Narayan, A. K. (2016). An ethical perspective on performance measurement in the public sector. *Pacific Accounting Review*, 28(4), 364–372.
- O'Keefe, D. F., Messervey, D., & Squires, E. C. (2018). Promoting ethical and prosocial behavior: The combined effect of ethical leadership and coworker ethicality. *Ethics & Behavior*, 28(3), doi:10.1080/10508422.2017.1365607, 235–260.
- Ohemeng, F., Amoako-Asiedu, E., & Obuobisa-Darko, T. (2018). The impact of employee perception on the successful institutionalisation and implementation of performance management systems in developing countries: The perspective from Ghana's public service. *Public Admin Dev.*, 38, 75–86.
- Ohemeng, K. L. (2009). Constraints in the implementation of performance management systems in developing countries: The Ghanaian case. *International Journal of Cross-Cultural Management*, 9(1), 109–132.
- Onsarigo, O. I., Omari, S., & Wanyonyi, W. (2021). Effect of Performance Management Systems on Employee Performance in State Corporations in Kenya: A Study of Kenya Meat Commission. *Reviewed Journal of Human Resource Management*, 2(1), 1-15.
- Onyekwelu, O., & Dunkwu, A. (2019). Performance Management and Employee Productivity in Selected Large Organizations in South East, Nigeria. *IJRDO- Journal of Business Management*, 5(3), 57-69.

- Organ, D. (2018). Organizational citizenship behavior: Recent trends and developments. *Ann. Rev. Organ. Psycho. Organ. Behav.*, 80, 295–306.
- Payambarpour, S. A., & Hooi, L. W. (2016). The impact of talent management and employee engagement on organizational performance. *International Journal of Management Practice*, 8(4), 311–336.
- Peng, A., & Dongkyu Kim, D. (2020). A Meta-Analytic Test of the Differential Pathways Linking Ethical Leadership to Normative Conduct. *Journal of Organizational Behavior (in-press), doi: 10.1002/job.2427*, 1-51.
- Pulakos, E. D., & O'Leary, R. S. (2011). Why is performance management broken? . *Industrial and Organizational Psychology*, 4(2), 146–164.
- Qureshi, J., Shahjehan, A., Rehman, Z., & Afsar, B. (2010). Performance management systems: A comparative analysis. *African Journal of Business Management*, 4(9), 1856-1862.
- Rastislav, R., & Petra, L. (2016). Strategic Performance Management System and Corporate Sustainability Concept Specific Parametres in Slovak Enterprises. *Journal of Competitiveness*, 8(3), 107 124.
- Sanfey, A., Rilling, J., Aronson, J., Nystrom, L., & Cohen, J. (2003). The neural basis of economic decision-making in the ultimatum game. *Science*, 300(5626), 1755–1758.
- Saunders, M., Lewis, P., & Thornhill, A. (2009). Research methods for business students (5th ed.). . Harlow: Pearson Education Limited.
- Shaad, H. (2019). A proposed instrument for assessing organizational citizenship behavior in BFSI companies in India. Cogent Business & Management, Taylor & Francis, Abingdon, 6, http://dx.doi.org/10.1080/23311975.2019.1625702, 1-20.
- Sharma, N. P., Sharma, T., & Agarwal, M. N. (2016). Measuring employee perception of performance management system effectiveness. *Employee Relations*, 38(2), 224–247.
- Smith, B. D. (2008). The people make the place: Dynamic linkages between individuals and organizations. New York: Lawrence Erlbaum Associates.
- Smith, M., & Bititci, U. (2017). "Interplay between performance measurement and management, employee engagement and performance". *International Journal of Operations and Production Management*, 37(9), 1207-1228.
- Smither, J. W., & London, M. (2009). *Performance Management: Putting Research into Action*. New York: John Wiley & Sons.
- Teeroovengadum, V., Nunkoo, R., & Dulloo, H. (2019). Influence of organizational factors on the effectiveness of performance management systems in the public sector. *European Business Review*, 31(3), 447–466.
- Thursfield, D., & Grayley, K. (2016). Exploring performance management in four UK trade unions. *Employee Relations*, 38(5), 789–804.

- Treviño, L. K., Brown, M., & Hartman, L. P. (2003). A qualitative investigation of perceived executive ethical leadership: perceptions from inside and outside the executive suite. *Hum. Relat.* 56, doi: 10.1177/0018726703056001448, 5–37.
- Trougakos, J., Beal, D., Cheng, B., Hideg, I., & Zweig, D. (2015). Too drained to help: A resource depletion perspective on daily interpersonal citizenship behaviors. *J. Appl. Psychol.*, 100, 227-311.
- Zamini, A. (2014). Job satisfaction and organizational justice as predictors of attitude concerning organizational reform. LUNDS: A Master's Thesis submitted to the Department of Psychology, LUNDS UNIVERITET.
- Ziyaminyana, N., & Pwaka, O. (2019). An Investigation into the Impact of Performance Management Systems on Employee Productivity: The Case Study of Information and Communication Technologies (ICT) Companies in Harare, Zimbabwe. *European Journal of Business and Management*, 11(33), 23-40.
- Ziyaminyana, P., & Pwaka, J. (2019). An Investigation into the Impact of Performance Management Systems on Employee Productivity: The Case Study of Information and Communication Technologies (ICT) Companies in Harare, Zimbabwe. *European Journal of Business and Management*, 11(3), 23-40.
- Zondo, R. W. (2018). The influence of a 360-degree performance appraisal on labour productivity in an automotive manufacturing organisation. South African Journal of Economic and Management Sciences, 21(1), 17-31.

## Appendix A

# AKENTEN APPIAH MINKAH UNIVERSITY OF SKILLS TRAINING AND ENTREPRENEURIAL DEVELOPMENT

<u>Topic: PERFORMANCE MANAGEMENT SYSTEMS AND ITS INFLUENCE ON</u>
<u>EMPLOYEE PRODUCTIVITY</u>

#### **Dear respondent**

The aim of this study is to assess PMS and its influence on employee productivity. The results of the study would help employers to deal effectively with its PMS. Your responses, though voluntary, are greatly appreciated and would be treated with utmost confidentiality. Thank you.

**Instructions:** Please tick (V) the response that best describe your view.

#### Section A: Background

1.	Gender:	Male [ ]	Female [ ]
2.	Age Range:	20-30 [ ] 31-40 [	] 41-50 [ ] 51-60 [ ] Above 60 [ ]
3.	Highest Academic	e Qualification: SS	CE/WASSCE [ ] Diploma/HND [ ] Bachelor's
	Degree [ ] Mast	ter's Degree [ ] P	PhD [ ]
4.	Indicate your curr	ent position at this	organization
5.	How many years l	have you being in tl	his organization: 1-5 [ ] 6-10 [ ] 11-15 [ ] 16-20
	[ ] 21 and above	[]	

# SECTION B: EMPLOYEE PERCEPTION OF THEIR ORGANIZATION PERFORMANCE SYSTEM

This section seeks to measure how the assurances of distributive and procedural justices in your performance management systems influence work outcomes. With respect to your experience please indicate the level of your agreement or disagreement with the following statement by using the scale (SA – Strongly Agree, A – Agree, N – Neutral, D – Disagree, SD – Strongly Disagree)

	PERFORMANCE SYSTEM	SA	A	N	D	SD
1.	My organization processes for rewarding employees are done in a clear					
	and unbiased manner.					
2.	My organization promotion processes are characterised by high					
	favouritism.					
3.	Workers who have performed well get recognized.					
4.	The promotion and reward processes of this organization is based on					
	whom you know at a higher authority.					
5.	Our reward and compensation system are well designed and well					
	implemented.					
6.	My organization has in place adequate processes and structures to					
	guide its reward and compensation system.					
7.	My organization objectively applies its own processes to determine a					
	personnel suitability for training and development opportunities.					
8.	I feel treated fairly whenever I am due for promotion.					
9.	Employees tasks and work expectations are clearly communicated to					
	them on time					
10.	1					
	superiors to subordinates on time.					
11.	Any time I fell short in completing a task I am duly informed on time.					
12.	Manager works directly with subordinates to set work targets					
13.	Employee are well informed on what has to be accomplished as well as					
	how their performance will be evaluated.					
14.	Any time I fell short in completing a task because of deficiency in a					
	certain skillset I am in the future trained on these new capabilities.					
15.	Performance review meetings are open and frank, encourage all the					
	involved parties to exchange their views					

#### **SECTION C: EMPLOYEE PRODUCTIVITY**

This section seeks to measure how your organization performance management systems influence your work output. With respect to your own personal feelings please indicate the your level of agreement or disagreement with each statement by using the scale (SA – Strongly Agree, A – Agree, N – Neutral, D – Disagree, SD – Strongly Disagree)

	PRODUCTIVITY	SA	A	N	D	SD
1.	Arrive at work on time					
2.	I managed to plan my work so that I finished it on time					
3.	I kept in mind the work result I needed to achieve					
4.	I was able to set priorities					
5.	I was able to carry out my work efficiently					
6.	I managed my time well					
7.	On my own initiative, I started new task when my old tasks were completed					
8.	I worked towards the end result of my work					
9.	I kept in mind the results that I had to achieve in my work					
10.	I had trouble setting priorities in my work.					
11.	I was able to separate main issues from side issues at work					
12.	I was able to perform my work well with minimal time and effort					
13.	It took me longer to complete my work tasks than intended					
14.	Assist your supervisor with his or her work					
15.	Volunteer for things that are not required of me					
16.	Orient new people even though it is not required					
17.	I take initiatives that help the organization.					
18.	I help others when their work load increases.					
19.	I make suggestions to improve upon my organization products and					
	services.					
20.	Attend functions that are not required but that help improve the image					
	of organization					
21.	Take undeserved breaks					
22.	Spend a great deal of time on personal phone conversations					
23.	Give advance notice if unable to come to work					