

## Effects Of Extrinsic Motivation on Employees' Performance Appraisal

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### Abstract

*The recent call on organizations to restructure their appraisal system to reflect the present realities for job satisfaction at the workplace has become an inevitable issue. The absence of the appraisal system in any organization, public or private, is seen as a deliberate attempt to deny employees' performance evaluation. Therefore, this study seeks to examine the effect of extrinsic motivation on employees' performance of the AKSSEB. The study employed structured questionnaire as the research instrument, with one hundred fifty (150) sample size, using the convenient sampling technique. The findings revealed that bonuses given by the AKSSEB to their employees do affect the performance of the employees and that the effect of gift on the employees' performance of the AKSSEB was positive and significant. The researcher recommended that the state secondary education board should consider bonuses, whether quarterly or yearly and also that the board management should make legal framework to accommodate gift as an integral part of the employees' motivating factor.*

**Key words:** Extrinsic motivation, performance appraisal, gift, bonus

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### Introduction

The recent call on that organization to restructure the appraisal system to reflect the preset realities for job satisfaction at work place has become an inevitable issue. This is because the absence of appraisal system in any organization is seen as deliberate attempt to deny employees performance evaluation.

It is important to note that, in the 21<sup>st</sup> century, where knowledge management based economy has come to replace the traditional system of production where (land, labour, capital, etc) where seen as the ultimate factors for productive venture to take place. Performance evaluation should be seen as strategic approach for integration of human resources activities together with policies of business firms for optimal performance of their employees (Behrey and Parton, 2008). However, there are empirical evidences to suggest that so many business firms are not comfortable with their employees' performance evaluation plans, which Akwa-Ibom state secondary education board (AKSSEB) is not an exception. They are of opinions that performance evaluation systems have not yielded the desired result in stimulating motivation and improvement of employee's performance (Flectcher, 2001). This is because given the

critical role of performance evaluation. It is therefore right to suggest that, business firms or organizations to take drastic measures for more effectiveness and efficiency to achieve the desired result (Scott, 2009). Furthermore quarterly and yearly evaluation in a system and its elements can increase its efficiency and effectiveness (Shaemi et al, 2012) it can also provide management with decision –making information on human resources expand and progress report with employees erect stronger working relationships identifies performers needing enhancement for coaching/guidance support taking responsibility for their performance and improvement (Armstrong, 2005). To put the record straight, job performance is also part of human resources management (Muhammad and Owais, 2015). Therefore human resource management is the pivot in which the wheel of success in organization rotates around for the achievement of its goal and objectives, especially in the educational sector where Akwa-Ibom state secondary Education Board (AKSSEB) is a component. This is because, there are drastic changes occurring in the educational sector all over the world in recent time and the sector has much relied on employees good performance to drive the need changes (Kabak et al, 2014).

However, researchers show that many public sector employees much prefer extrinsic motivation such as pay bonus, commission, gift job, promotion , car benefits, housing, lunch etc than intrinsic motivation namely; social recognition, appreciation, meaningful work responsibility, good working environment etc (Wang and Guthrie, 2004; Hitt, 1992; Muhammed and Owais, 2015). It is optimistic that with proper integration of extrinsic components during appraisal procedure , and its full implementation and evaluation, employees will be motivated to give out their best in organization in which Akwa-Ibom state secondary education board (AKSSEB) should note as the matter of urgency (Luthans, 2000). To this end performance appraisal evaluation ought to be treated as an enduring developmental progression to a certain extent than a prescribed once-a-year review. It ought to be closely monitored by both worker and assessor to guarantee that the targets are mortal achieved (Maimona, 2011).

### **Statement of the Problem**

It is important to put the record straight that, there is no other inducement or motivational method that comes close to cash (Maimona, 2011). Such a Liner produces the leading view in the administration secretarial works that pay for-performance inducement organizations have motivational outcome. Some scholars are of the opinions that the main aim of motivation is to improve extrinsic motivation by sustaining a separate workers supplies circuitously through earnings of wages and advantages (Anthony and V, 2007) Cameron, 2001). Pool (1997) investigated the connection between exception motivation and job fulfillment and finds important optimistic suggestion showing that as effort motivation rises, job fulfillment growths. Extrinsic motivation is the position located on exterior plunders, such as extras and promotion (Herpen, Praag and K, 2005). It is worthy to note that, effective and efficient integration of extrinsic motivation elements during, before and after performance appraisal procedure can impact positively in organizational performance.

However, inspite of the leading role that extrinsic motivation components played on organizational performance, some organization still finds it very difficult to inculcate it, during performance appraisal procedure. There is also every possibility that, delay, bias and nepotism could occur as the managers or supervisors appraised the employees (subordinates) this could account for the reason why extrinsic motivation components could always be ignored during appraisal procedure. It is on this premise that researchers seek to examine the effect of

employees' performance appraisal procedure on extrinsic motivation of Akwa state secondary education board (AKSSEB).

### **Research Objective**

The main objective of the study is to investigate the effect of employee's performance appraisal procedure on extrinsic motivation in Akwa-Ibom state secondary school board (AKSSEB). The specific objectives were to;

1. Determine the effect of job bonus on employees performance
2. Examine the effect of gift on employee's performance for the staff of (AKSSEB).

### **Research Questions**

1. What is the effect of employees, job bonus on their performance
2. What is the effect of gift on employees performance for the staff of (AKSSEB)

### **Hypotheses**

The hypotheses were stated in null form to guide the study.

1. Employees job bonus has no significant effect on their performance
2. Employees' performance has no significant effect on gift for the staff of (AKSSEB).

### **Literature Review - Empirical Studies**

Shaemi, Abzari and Javani (2012) examined the effect of employees' performance Appraisal procedure on their intrinsic motivation. According to the researchers, rapid changes and developments as well as increasing communications and drastic developments in knowledge management, have made the existence of effective organizational performance evaluation system for the organization inevitable. Various models have been provided by the management experts for the performance evaluation so that organizations use them according to their type of organization mission, structure and manpower. The study adopted descriptive survey. The objective of the study was to investigate the influence of employee's performance evaluation process on their intrinsic motivation. The statistical population of the study was 80 employees of transportation organization in the Esfahan province. Instrument for data collection was questionnaire. The results indicate that the process of evaluating employees performance affected on their intrinsic motivation ( $P$ -value  $< 0.05$ ) and the effectiveness was positive, equals to 0.414.

Maimona (2011) investigated the impact of performance Appraisal on employees' motivation. The researcher postulated that appraisal is very significant tool inside the man supremacy management stipulation. It is conduct properly along with reasonably, it can carry out properly along with their ambition and the employees, determination accomplish their well-being. Performance appraisals are indispensable for the effectual supervision and costing of staff. The study concluded that performance appraisal has a collision employees' motivation with respect to remuneration. Motivation from side-to-side monetary inducement is support on the supplementary conventional outlook so as to wealth is the powerful vigor.

Akinbowale, Loures and Jinabhai (2015) examined the role of performance appraisal policy and its effects of performance appraisal policy and its effects on employee performance. The researchers postulated that performance appraisal policy has been viewed by organizations and

human resources practitioners as an effective tool for human resources management. However effective performance appraisal policy remains a practical challenge to managers and employees because of cognitive motivational and behavioural factors.

The researchers concluded that adequate performance of employees based on performance appraisal policy will result in improvement in employee performance. Furthermore, the researchers contended that promotion and salary increment of the employee maybe greatly influenced by properly organized and executed performance appraisal policy. In addition, it can improve communication and the quality of working life and make employees feel that they are valued by the organization.

### **Theoretical Underpinning**

The study was anchored with two-factor theory, the theory is also called motivation – hygiene theory, was proposed by Psychologist Frederick Herzberg (Herzberg. et al (1959). In the belief that an individual's relation to work is basic and that one's attitude towards work can very well determine success or failure. That certain characteristics tend to be consistently related to job satisfaction and others to job dissatisfaction. Intrinsic factors, such as advancement, recognition, responsibility and achievement seem to be related to job satisfaction. But that extrinsic factors such as supervision pay, company policies, bonus, gift, commission, and working conditions were ore valued by public sector employees than intrinsic factors, which Akwa-Ibom state secondary education board (AKSSEB) must take into cognizance so as to give the workers of the board the sense of belonging. According to Herzberg, the factors leading to job satisfaction are separate and distinct from those that lead seek to eliminate factor that can create job dissatisfaction may bring about peace but not necessarily motivation. They will be placating their workforce rather than motivating them. As a result, conditions surrounding the job such as quality of supervision, pay, company policies, physical working conditions, relations with others, and job security were characterized by Herzberg as hygiene factors. When they are adequate people will not be dissatisfied; neither will they be satisfied. If we want to motivate people on their jobs, Herzberg suggested emphasizing factors associated with the work itself or to outcomes directly derived from it, such as promotional opportunities, opportunities for personal growth, recognition, responsibility and achievement.

### **Conceptual Framework**

The concept of performance appraisal is seen as the assessment structure that aids the organization's to gain insight, the worth and magnitude of manpower's performance. At the present time, performance assessment can also be seen as inseparable component of organization must achieve its goal and objectives. This is because of its imperative feature inhuman capital administration and component of the control process in management (NASUD 1999). For the purpose of clarity, development of the evaluation progression is an imperative subject of discussion in the government administrator structure which is once a year conducted in the governmental organization, a great amount of moments is spend, and as well as disbursement route for accomplishing the intention similar to individuals augmentation, as well as improvement, promotion and assignments in administrative position, urging and penalty, revenue amplify, recruits presentation reactions as well as influential for instructive requirements (Najafi et al, 2010, Naser, 1999).

On the other hands motivation can be seen as the processes that account for an individual's intensity, direction and persistence of effort toward attaining a goal (Mitchell, 2001). But in

general sense it is concerned with effort toward attaining any goal, for the purpose of this study, researchers narrowed the focus to organizational goals in order to reflect our interest in work related behavior. Managers or directors or organization, especially the inexperienced managers or directors often label employees who seem to lack motivation as lazy. Such label assumes that an individual is always lazy or is lacking in motivation (Jones, 2001). Our knowledge of motivation tells us that this is not just true. What we know is that motivation is the result of the interaction of the individual and the situation. Certainly, individuals differ in their basic motivational drive. For instance, the same worker who finds it difficult to type organizational memo within 30 minutes may devour over 1000pages memo of eight hours working day. For this worker, the change in motivation is driven by the situation. So as we analyze the concept of motivation, keeping in mind, that the level of motivation varies both between individuals and within individuals at different times (O'Reilly, 1999).

### Methodology

The study adopted a descriptive survey design. The purpose of adopting descriptive survey was to collect detailed and factual information through structured questionnaire with the aimed of finding the effect of employees performance appraisal procedure on their extrinsic motivation. The respondents that formed the sample size for the studies were the employees of Akwa-Ibom state secondary Education Board (AKSSEB), Nigeria. Convenience sampling method was adopted. The sample size for the study was 150 using researcher's judgment. The questionnaire was specially designed to accomplish the objectives of the study, and was individual into two sections. Section A collected basic demographic information from respondents such as Age, gender, Academic qualification, working experience, et section B structured questions according to the objective of the study, 5 points modified likert scale battery of strongly disagree (2), undecided (1) the descriptive statistics such as frequencies, percentages were used for the analysis of research questions, while the hypotheses testing were done with simple regression model. The hypotheses were tested at 0.05 level of significance.

### 4 Data Analyses and Presentation of Result/Findings

Data collection was done through the use of the questionnaire (which served as the major research instrument and was administered randomly to the respondents. The collected and collated data were analyzed using the descriptive statistics and the simple regression model.

#### 4.1 Demographic Characteristics of Respondents in the Study Area

To ascertain the background of the respondents, their demographic characteristics were elicited. These include their age, gender, and academic qualification. Tables 1 below showed these demographic characteristics.

**Table 4.1 Demographic Characteristics Distribution of Respondents**

Variables	Frequency	Percentage (%)
<b>Age</b>		
20 – 24years	16	10.7
25 – 29years	28	18.6
30 – 34years	23	15.4
35years and above	83	55.3

<b>Total</b>	<b>150</b>	<b>100</b>
<b>Gender</b>		
Male	58	38.7
Female	92	61.3
<b>Total</b>	<b>150</b>	<b>100</b>
<b>Education Level</b>		
WASSCE/NECO	24	16.0
OND/NCE	30	20.0
HND/BSC/B.Ed	66	44.0
MBA/MSC/M.Ed	30	20.0
<b>Total</b>	<b>150</b>	<b>100</b>
<b>Experience</b>		
2 – 5years	81	54.0
6 – 9years	34	22.7
10 – 13years	28	18.7
14years and above	7	4.6
<b>Total</b>	<b>150</b>	<b>100</b>

**Source: Field Survey Data, 2018**

The result from Table 1 showed that 10.7% of the respondents in the study area are within the age range of 20 – 24years, 18.6% of them are within the age range of 25 – 29years, 15.4% of the respondents are within the age range of 30 – 34years, while the remaining 55.3% are within the age range of 35years and above.

The result revealed that 61.3% of the respondents are male, while the remaining 38.7% of them are female. This implies that majority of the respondents are male.

The result also revealed that 16% of the respondents had their education up to WASSCE/NECO level, 20% of them had their education qualification up to the OND/NCE, 44% of them had their education up to the HND/B.Sc/B.Ed level, while another 20% of them had had an education up to the MBA/M.Sc/M.Ed. This is an indication that majority of the respondents are educated beyond the secondary level (i.e. up to the tertiary level) which implies that they are well educated.

The result further revealed that 54% of the respondents have had experience within the range of 2 – 5years, 22.7% of them have had experience within the range of 6 – 9years, 18.7% of them have had experience within the range of 10 – 13years while the remaining 4.6% of the entrepreneurs have had entrepreneurial experience of 14years and above.

#### 4.2 Effect of Job Bonuses on Employees' performance of AKSSEB

The effect of job bonuses on employees' performance was analyzed with the simple regression model and presented in Table 2 below.

**Table 2 Computation of Simple Regression for Effect of Job Bonuses on Employees' performance of AKSSEB**

Variables	Coefficient	Std. Error	t-value
Constant	0.546***	0.179	3.042
Job Bonuses	0.894***	0.042	21.199
R <sup>2</sup>	0.752		
F-value	449.405***		

\*\*\* Statistically Significant at 1% level

Source: Field Survey Data, 2018

The result from Table 2 shows the regression estimate of the effect of bonuses on employees' performance of AKSSEB. The result shows that the determination (R<sup>2</sup>) was 0.752. This implies that 75.2% variability of the performance of employees of AKSSEB was explained by the model, while the remaining 24.8% could be attributed to error and omitted variables. The F-values of 449.405 was significant at 1% level, which indicates that the model is adequate for use in further analysis as it indicates a requirement of best fit.

The result shows that the effect of job bonuses of AKSSEB employees on their performance was positive and statistically significant at 1% level. This implies that bonuses given by the board to their employees do affect the performance of the employees in a positive way.

#### 4.3 Effect of Gift on Employees Performance of AKSSEB

The effect of gift on employees' performance of AKSSEB, which was analyzed with the simple regression model, is presented in Table 3 below.

**Table 3 Computation of Simple Regression for Effect of Gift on Employees' performance of AKSSEB**

Variables	Coefficient	Std. Error	t-value
Constant	1.173***	0.209	5.609
Gift	0.738***	0.049	15.170
R <sup>2</sup>	0.609		

F-value 230.121\*\*\*

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\*\*\* Statistically Significant at 1% level

**Source: Field Survey Data, 2018**

The data from Table 3 shows the regression estimate of the effect of gift given by the AKSSEB on the employees' performance. The result shows that the determination ( $R^2$ ) was 0.609. This implies that 60.9% variability of the performance of the employees of the AKSSEB was explained by the model, while the remaining 39.1% could be attributed to error and omitted variables. The F-values of 230.121, which was significant at 1% level, implies that the model is adequate for use in further analysis as it indicates a requirement of best fit.

The result shows that the effect of gift on the employees' performance of the AKSSEB was positive and statistically significant at 1% level. This implies that the every gift given by the management of the board to the employees does positively affect the performance of the employees.

## **5 SUMMARY OF FINDINGS**

This study examined effect of extrinsic motivation on employees' performance appraisal of AKSSEB. It specifically **ascertained** the effect of job bonuses on the employees' performance; ascertained the effect of gift on the performance of employees of the AKSSEB.

The findings from the results showed that bonuses given by the AKSSEB to their employees do affect the performance of the employees, as it indicates a positive and statistical significance at 1% level. The findings also revealed that that the effect of gift on the employees' performance of the AKSSEB was positive and statistically significant at a 1% level.

### **5.1 Conclusion**

From the study, it was revealed that bonuses and gifts given by the management of the AKSSEB do positively affect the performance of the employees of the board. It is therefore concluded extrinsic motivation of the employees of the AKSSEB affect the employees' performance.

### **5.2 Recommendations**

Based on the findings of the research, the following recommendations were suggested by the researcher.

1. The researcher recommended that the state secondary education board should consider bonuses, whether quarterly or yearly, since it is one the factors that motivate performance of the employees.
2. The board management should also make legal framework to accommodate gift as an integral part of the employees' motivating factor.



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