

Performance Appraisal and Justice Perception of Employees with Multinationals in Ghana

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ABSTRACT

Much research has focused on the effect of performance appraisal on employee performance and productivity with a few focusing on employee perception of the appraisal process based on their justice perception and consequently on employee job satisfaction. Earlier studies did not examine in-depth this relation due to the occupational and geographic population and sample and corporate governance practices of the institutions in this context. Participants used in this research came from multi-national organizations which were considered to have credible appraisal systems and quite current procedures to examine the effect of organizational justice conflict. Using questionnaires, the study was analysed using regression to study the simultaneous effects of a few independent variables on a dependent variable. The study revealed that interactional justice has more influence than other types of organizational justice perceptions in assessing employee performance, which was the reverse of previous research. Employees are more interested in the process of interaction during the evaluation process and after the evaluation process. They want to understand the evaluation process to appreciate the feedback they receive after the appraisal process. This provides strong evidence for the relationship between employee perception of organizational justice in the performance appraisal system and work performance. This also gives credence to the significant relationship between performance appraisal satisfaction and work performance. The key implication for the organization is the important role of the employees' perceptions of the success or failure of a system. Therefore, it is imperative for the management of an organization to be well-informed of employee perceptions during the design and implementation of any appraisal system.

Keywords: organizational justice perception, performance appraisal system, job satisfaction, work performance.

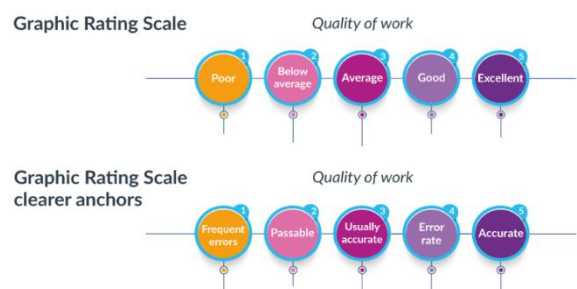
INTRODUCTION:

Performance appraisal has consistently been discovered to be directly correlated with appropriate performance achievements. Promotions, education, and career growth, as well as comments and complaints, are all included in performance reviews. An organization has specific, efficient techniques for performance appraisal if it cares about staff development and productivity. The ability to gauge performance effectively while working within time, technology, and financial restrictions are crucial (Jain, 2021). Many organizations regularly utilize performance appraisals to provide workers with comprehensive feedback on their work, and support decisions regarding salary raise, bonuses, suspensions, and termination which are mostly carried out quarterly, semiannually, or annually (Adam, 2022). Appraisals can be challenging; yet, considered vital in organizational management due to employees' inability to see appraisals positively always, however, anytime employees believe their appraisals are bias, they exhibit a negative attitude, and vice versa (Ibeogu & Ozturen, 2015a). Evaluating how efficiently an employee performs on the job and disseminating this intelligence is critical for increased productivity. The performance appraisal process is used by both local and multinational organizations to assess both themselves and their personnel (Nnah Ugoani, 2020). In addressing

employee fairness perceptions of performance appraisal, the author presented that employees perceived four different justice variables, which have not yet been officially accepted in the justice research (Narcisse & Harcourt, 2008).

The majority of employee performance appraisals use a graphical rating scale (also known as a Likert scale) system that specifies required attributes and behaviors for every task and then assesses employees on each of those on a numbered scale, as shown in Fig. 1. The characteristics could include punctuality, work quality, technical competency, teamwork, responsibility, commitment, and the like.

Figure 1: Graphic rating scale format



Source: (Jay, 2022)

Trying to distinguish between individual and organizational performance in performance appraisals can be challenging, and it can be deleterious if the evaluation's design doesn't take into account the tradition of a business or organization. Workers usually feel unsatisfied with their organizations' performance appraisal procedures(Sakhawat, 2020). The COVID-19 pandemic brought a different dimension of working and new terms were developed in most organizational sections called working from home. In 2022, (Kriegel, 2022) Forbes magazine presented the Top Three Trends In Performance Management citing them as the impact of hybrid work, more continuous feedback and check-ins, and using performance data gathered in real-time. These must be taken into consideration when appraising employing performance and what will be their judgment based on their performance outcomes. Employers can consider the

requirement of new skills, new competencies, and new attitudes to traverse the ever-changing and remote office as compared to the traditional performance appraisal reviews which raised a lot of unfair perceptions by the employees(Jain, 2021).

Multinationals in Ghana

Ghana's economy is growing thanks to several international corporations, and the country also possesses plenty of resources that both domestic and foreign businesses may take use of. The presence of some international organizations in Ghana may facilitate business choices and aid a prospective investor in evaluating Ghana's business environment. These international organizations that employes many multinationals in Ghana are classified as shown in comparative Tab. 1.

Table 1: Table description

POSITION IN GHANA	GREENVIEW	YEN FACTS & LIFEHACKS
1	Olam Limited	Coca Cola
2	Tullow Oil	MTN
3	Unilever	KPMG
4	KPMG	Olam Limited
5	Total Petroleum Limited	Total Petroleum Limited
6	Vodafone	Ecobank
7	Guinness Breweries Limited (GGBL)	Benso Oil Palm Plantation Limited (BOPP)
8	Coca Cola	Fan Milk Limited
9	Fan Milk Limited	Guinness Breweries Limited (GGBL)
10	MTN	Unilever

Source: (Greenviews, 2023; Ndetei, 2022)

Recognizing that the goal and method of performance management evolve is crucial to comprehending the strategic importance of performance management in a global context. The human resource personnel structures and tactics are to blame for these developments (Birkinshaw, J., & Morrison, 1995). According to evidence (Peretiako, 2008) these frameworks and methods establish the types of personnel who will be employed in an international setting and the significance given to the goal and methodology of performance management (Maley, 2011). It has been determined that the growing cultural gap significantly influences the goal, standards, acceptance, and ethics of performance management of multinational employees (Fenwick, 2005). As a result, the global performance management approach must adopt a more expansive cultural perspective that values cultural variety.

Problem Statement

The adoption of irrational goals that demoralize employees or encourage them to engage in unethical behavior can result from a lack of confidence in the appraisal process. It can also cause problems between

subordinates and supervisors or a situation in which employees simply tailor their input to please their employer(Sakhawat, 2020).

(Sakhawat, 2020) discussed that, some labor analysts proclaimed how the usage of performance reviews has decreased the use of merit- and performance-based remuneration. When employees are evaluated unfairly based on their likeability rather than their accomplishments, performance appraisals might result. They may also prompt managers to give competent feedback to underperforming employees to preserve their working relationships. A multitude of biases introduced by unreliable raters might distort the outcomes of appraisals in favor of desired traits or features that align with the rater's views. Evaluations of performance that are effective in one culture or job function might not be applicable in another(Sakhawat, 2020).

A (O'Connell, 2020) survey discussed the Workhuman report stating that, in 2016, 82% of employees surveyed agreed their organisation applied for annual review while 65% in 2017, 58% in 2018, and further dropped to 54% in 2019. See Fig. 2 for the summary.

Figure 2: Annual review survey



Source: Workhuman (BLOZNALIS, 2022) (O'Connell, 2020)

Public views on the impact of performance evaluations on the productivity of employees vary; however, it has a positive effect on the overall effectiveness of the organization. In appraising the performance of employees, it is very critical to take into consideration the justice perception of the employees too. Many studies are concentrating on the impact of performance appraisal on employee performance and productivity, whereas several others focus on employee impression of the appraisal process based on their perception of justice and thus on employee work satisfaction. Meanwhile, some researchers have indicated that the conclusion of their performance appraisal at work has left many workers feeling uninspired and unfair. These demonstrated that previous studies did not investigate this relationship in depth due to the occupational and geographic population and sample, as well as the corporate governance methods of the institutions in this setting. The few that try to focus on performance appraisal and justice perception of employees did not concentrate on multinationals organizations however, this research emphasizes the revelation of the performance appraisal and justice perception of employees with multinationals in Ghana

Literature Review and Theoretical Framework

Performance Appraisal of Employees with Multinationals

(Yahiaoui et al., 2021) presented a qualitative approach that used institutional theory to examine how performance appraisal techniques are administered and institutionalized in multinational firm affiliates in the Middle East and North Africa region through supervisor interactions. According to the study's outcomes, among the four French multinational firms operating in Lebanon and Tunisia, performance appraisal criteria, evaluation, and feedback were altered based on sociocultural concepts during the attainment of incorporation. The psychological link between managers and staff, the risk of losing face, a high power gap, the intention to avoid conflict, and high-context interaction are examples of such values (Yahiaoui et al., 2021).

Justice Perception of Employees with Multinationals

(Cook, J., & Crossman, 2004; Moorman, 1991) demonstrated that employees are thought to have a favorable attitude toward their jobs if they believe the assessment system is treated fairly at work. (Ibeogu & Ozturen, 2015b) investigated employee opinions of performance appraisals among Northern Cyprus bank personnel. Respondents' overall view of interpersonal justice, distributive fairness, and procedural justice in performance appraisal are positive. It further stated that, while respondents agreed on a positive evaluation of the Performance Appraisal system, indicators defining high satisfaction with the Performance Appraisal system were statistically low and non-significant. (Ibeogu & Ozturen, 2015b) proved that it could be due to the majority of these employees seeing Performance Appraisal to be mandatory or organizational procedures, and do not see how it affects their job or career. Furthermore, employee satisfaction with the Performance Appraisal System may be translated only when they perceive that a positive appraisal results in a salary raise, promotion, training and development, awards, and other monetary incentives such as benefits and insurance.

The Study's Construct of Empirical Study

Earlier studies did not examine in-depth this relation due to the occupational and geographic population and sample and corporate governance practices of the institutions in this context. Most employees will act compassionately toward the organizations they work for if they perceived they are fairly treated, including the willingness of people to express inequity distress by withholding organizational citizenship behavior, the relative importance of procedural justice compared to distributive justice as a determinant of organizational citizenship behavior (J. Greenberg, 1986; Jerald Greenberg, 1993). Employees have a resilient necessity to know how well they are performing and based on the empirical study, the main hypothesis is constructed as:

Main Hypothesis: The interactional justice perception of employees influences the performance appraisal system significantly and positively.

Methodology and Data Analysis

Methodology and Measuring Instruments

The study concentrated on using quantitative methods to gather information and assess how performance reviews affected employees' productivity and justice perception. To paint a thorough picture of the relationship between performance appraisal and the justice perception of employees, data from primary and secondary sources were gathered from the multinational employees in Ghana stated in table 1. The research items utilized are emphasized in Grennberg's (1993) organizational justice model involving the systematic, configural, informational, and interpersonal aspects of justice (Jerald Greenberg, 1993). Walsh (2003) defined the systematic as conceptual justice perceptions, whereas the configural relates to compositional justice perceptions. The cultural perspective of performance appraisal is influenced by informational and interpersonal factors. In evaluations,

they explicitly analyze the social perspectives of organizational justice (Walsh, 2003). The informational or cultural technique dealing with how appraisers communicate with appraisers was our primary emphasis because it reflects extremely sensitive or courteous evaluators are towards rates. It depicts perspectives on equity resulting from standards, clarity of performance requirements, assessor response, and judgment confirmation (Walsh, 2003).

The interpersonal aspects of justice within the organizational justice model are connected to the employees' treatment by appraisal supervisors proposed to be an interactional justice element that focused on employees' feelings toward their managers' treatment of them (Walsh, 2003). The informational and interpersonal justice perceptions are features of the interactional and social qualities of appraisal methods, where the interpersonal is connected to the employee's perceptions of the appraiser's control. The other section of the questionnaire incorporates employees' feedback interactions with their appraisal system. The interaction in discussion is acceptance, which was measured using modified components by (Tang and Sarsfield-Baldwin,

1996; Taylor, Tracy, Renard, Harrison, and Carroll, 1995) and is thought to indicate pleasure with the assessment instrument (Keeping & Levy, 2001; Walsh, 2003).

The questionnaire's other section incorporates employees' feedback interactions with their appraisal system. The interaction in discussion is acceptance, which was measured using modified components by (Taylor et al., 1995) and is perceived to show satisfaction with the performance appraisal (Walsh, 2003). The 5-point scale was employed in the study to assess the frequency to which the employees agreed with the supervisor's fairness and objectivity in rating their performance which is subjected to a short demographic section that contains personal data. Random sampling technique was used since it is the most suitable technique for acquiring employees accessible and eager to take the surveys (Welman and Kruger, 2001).

Data Analysis

Demographic Data

The detailed demographical data for the research is presented in Tab. 2 below.

Table 2: The Demographical Data

Variables		Frequency	Percentage (%)
Gender	Male	121	56
	Female	95	44
Age	20 - 29	58	27
	30 - 39	75	35
	40 - 49	32	15
	50 - 59	51	23
Multinationals	Ghanaians	112	52
	Foreigners	104	48
Staff Level	Junior level	91	42
	Middle Level	73	34
	Senior Level	52	24
Educational level	PhD	24	11
	Masters	65	30
	Degree	97	45
	Other	30	14

Source: Research Questionnaire

Reliability Testing

The study assessed the questionnaire's reliability by computing the Cronbach alpha reliability coefficient for each of the question categories, where Cronbach's alpha reliability coefficient generally varies between 0 and 1. The better the internal consistency of the scale items, the closer Cronbach's alpha coefficient is to 1.0. With values greater than 0.70, all Cronbach alphas are adequate for

testing respondents' judgments of satisfaction with the performance rating system.

RESULTS AND DISCUSSIONS

Results

To identify predictors of satisfaction with the performance appraisal system, hierarchical multiple regression was

applied. Employee perceptions of informational justice were the most prevalent among all tested models. Within all variables introduced during the regression analysis, informational justice shows a significant correlation with performance appraisal system satisfaction. Additionally, among the exogenous variables determinants, perceptions of informational justice match this condition with high t-statistics ($P=0.03$, $t=2.76$), indicating that informational justice is a determinant of performance appraisal system settings. The perception of distributive justice has an adjusted R-value of 0.092, signifying a 9.2% contribution to the whole model, moreover, the adjusted R-value increased to 0.114 when the procedural justice perception was added to the model, this signified an 11.4% contribution to the whole model. Upon adding the perception of informational justice and interpersonal justice to the model, the adjusted R-values increased significantly to 0.148 and 0.167 respectively to indicate 14.8% and 16.7% contributions. The perception of distributive, procedural, informational, and interpersonal justice models synopses a significantly high effect with 0.521 or 52.1%.

The Pearson correlation statistical analysis revealed that there was a low significant association between the perception of distributive justice and satisfaction with the performance appraisal system, with a value of 0.158. The Pearson correlation used is to check for the relationship between the perception of procedural justice and satisfaction with the appraisal system among multinationals in Ghana, however, the result shows a low correlation coefficient of $R=0.179$ with the mean score for all satisfaction perceptions ranging between 3.4 - 4.0 "approved." Meanwhile, the perceptions of justice scales were likewise in the range of 3.4 - 3.8. The Pearson coefficients between the various perception of justice and employee satisfaction with the performance appraisal ranged from 2.84 to 3.45, indicating a "strong connotation" between the scales under consideration.

DISCUSSIONS

The general reaction from employee engagement revealed favorable feedback, demonstrating how employees appreciate the performance appraisal system with a good working relationship with their supervisors, however, all comments fall within the 'agreed scale' rating with an above-average score on the Likert scale. Besides this, the findings indicate the existence of assistance and direction among the appraised employees as a result of the interaction between supervisors and subordinates that senior executive level tethered to interacting with guidance and support during performance appraisal as the appraisers are often senior officials, in addition, to place the supervisors under pressure to succeed and meet their organizational goals.

The perception of distributive justice presented a very minor contribution to the model as compared to the procedural justice perception that was added to the model, it slightly increased to 11.4% demonstrating a minor significant influence on the performance appraisal approval. There was a sudden increase when the perception of informational justice and interpersonal justice were added to the model showing that interaction

between the supervisors and subordinates, as can be shown, plays a very significant role in the perception of employees on the performance appraisal and justice satisfaction, which is indicative of informational and interpersonal justice. All the models together presented a relatively high with 0.521 or 52.1% influence can be suggested that performance appraisal and justice perception of employees with multinationals must focus on the interaction or feedback of the performance appraisal for employees to feel satisfied as compared to some other external factors that could support the system. The Pearson correlation statistical analysis results show that, although multinational employees consider performance appraisals to be relevant to their work performance, justice perception is very important to the contribution of a favorable performance appraisal.

CONCLUSION

Employees are more interested in the interaction process both during and after the review process. They want to understand the evaluation process so they can appreciate the feedback they receive after the evaluation. This demonstrates a substantial link between employee perceptions of organizational justice in the performance rating system and work performance. This also lends validity to the considerable association between job performance and performance appraisal satisfaction.

This study's limitation has to do with data privacy issues (Kissi Mireku et al., 2018) when dealing with multinational employees regarding detailed information access to their performance appraisal instruments. This affected the questionnaire response rate, whilst other organizations did not enable their employees to fill out the surveys, instead presented a few filled ones from their human resources department. However, the research was very successful since most of them took part in the exercise and collaborated immensely.

The primary conclusion for the organization is the importance of employees' opinions of a system's success or failure. As a result, an organization's management must be aware of employee perceptions during the design and implementation of any assessment system.

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