

Performance Management and Organizational Sustainability: A Study of Green-Energy International Limited, Otakaikpo, Ikuru Town, Andoni, Rivers State, Nigeria

Ikuru, Sampson Ernest, PhD

Sociology Department, Ignatius Ajuru University of Education, Port Harcourt

Asor Confidence Asor

Sociology Department, Ignatius Ajuru University of Education, Port Harcourt

ABSTRACT: Human resources are essential to the attainment of any organizational goals. It serves as a lubricant for the success of the organization by galvanising other factors of production for maximum productivity. A lot of organisations are winding-up because of their inability to hire the best brains for the running of the organisation. Therefore, this paper assessed the impact of performance management on organizational sustainability in Green-Energy International Limited, Otakaikpo, Ikuru Town, Andoni, Rivers State. The population of the study was drawn from 9 departments of the company, comprising 22 line managers, 130 senior staff, and 1422 junior staff (1574 staff), and a sample size of 319 staff was used for the investigation. The mean (X) and standard deviation (SD) statistical tools were adopted in the analysis of the research questions, while the chi-square (X²) statistical tool was used to analyse the research hypotheses. A decision was taken based on remarks on the views of the respondents. The mean of 2.50 and above were accepted, while the mean of 2.49 and below were taken as rejected. The findings show that the PM process increases the productivity of the employees of the company. It was recommended that managers should always be aware of unexpected benefits and take advantage of them if they arise from implementing the performance management system.

KEYWORDS: Performance, Evaluation, Measurement, Organisation, Sustainability.

I. Introduction

High competitiveness among the multinational oil and gas industries has always resulted in these establishments shopping for best performing personnel to man key position so as to meet organizational goals. In the current business world, humans are considered as the success factor for business. For this reason, having capable human resource on board is not an easy task for the firm and for the achievement of this objectives/the large firms have a separate department known as human resource department (HRD). Armstrong (2001) has stated that the main objective of HRD is

105	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

to perform four vital functions such as training and development. (T&D), recruitment and selection (R&S), performance management (PM) and reward management (RM).

Perrewe and Kacmar (1996) define training as a process which skills provides required knowledge and abilities to the employees of the organization for the performance of a particular tasks. Development is somehow different from training as it is the use of the knowledge, skills and abilities by the employees, which the employees can use for the performance of tasks today and in future (Anthony, Perrewe & Kacmar, 1996). From the above definitions it is clear that training is the provision of education, instructions and knowledge to the employees so that they can achieve their own targets and contribute in the achievement of the goals and objectives of the organization as well. On the other hand, development is the ability of the employees to transfer and implement the knowledge, skills, instructions and education, which they have gained during different training sessions. According to Armstrong and Baron (1998), PM is a strategic and integrated approach towards the performance of individuals and teams in the delivering of their best for the success of the organization. Performance appraisal is the continuous process of monitoring and ensuring that the organizational goals are achieved in an efficient and effective way (Tyson & York, 2002). PM is the vital factor for the success of an organization because in the current world, human resources are considered to be one of the essential factors for an organizational success. Employees should know from the start of the year what their desired goals, objectives and targets are so that during the year h[^] put his efforts in the right direction for the achievement of entire goals.

However, some are faced with the problem of not realizing the start of performance management practice and policy purpose, as employees may not be satisfied with the very way an appraisal on them may be conducted. These arises when management set goals that are not realistic and when the right type of employees are not motivated and recommend for training towards the achievement of the set goal.

Moreso, staff do not have job satisfaction from the company as they are not motivated. This implies that the organization is meant to suffer degradation where this human resource factor is not duly managed by stake holders. Therefore, tor productivity and high turnover in the company performance management becomes inherent for goal achievements.

Research Questions

This paper is guided by two research questions which are:

- I. To what does effective management process increase the productivity of the staff of Green Energy?
- II. To what extent does performance management enhance training and development of staff of Green Energy

Objectives of the study

The objectives of the paper will include to;

- I. examine how PM will improve the productivity of the employees.
- II. determine whether PM enhances training and development needs of staff of Green Energy

106	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

II. Area of the study

Green-Energy International Limited, Otakaikpo, Ikuru Town, Andoni, Rivers State, Nigeria

Green Energy International Limited, based in Ikuru, Andoni Local Government, Rivers State, is the operator of the Otakikpo Marginal Field in OML 11. The Otakikpo Marginal Field (OMF) is located 60 kilometres south of Port Harcourt in Nigeria's Rivers State. It is located in the southern portion of SPDC's OML 11, approximately 35 kilometres east of Bonny Crude Export Terminal, between the coast to the south and Chevron's OML51 to the north. The field's operating base is in Ikuru, Rivers state's Andoni local government (Retrieved from: <https://greenenergy.ng/otakikpo-field/index.html> on 21/05/2) Green Energy International Ltd was allocated the field by the Federal Government of Nigeria (FGN) in February 2011. After receiving Ministerial approval in 2014, the business gave Lekoil Oil and Gas Investments Ltd a 40% participation stake in the Otakikpo field.

In 1980, the exploratory well Otakikpo 01 found the field. The first appraisal well, Otakikpo 02, was sunk in 1981, and the second, Otakikpo well 03, was drilled in 1986. The firm was established to investigate all prospects in the oil and gas value chain for the benefit of its stakeholders and the Nigerian economy as a whole (Retrieved from: <https://greenenergy.ng/who-we-are/index.html> on 21/05/2)

III. Review of Related Literature

Human resource forms an indispensable part of the organization. Hence, it is very important to examine the role of appraisal in the effective and efficient utilization of this resource. According to Bratton and Gold (2003), "Human Resource Management (HRM) is a strategic approach to managing employment relations which emphasizes that leveraging people's capabilities are critical to achieving competitive advantage, this being achieved through a distinctive set of integrated employment policies, programs and practices." HRM forms a core in understanding people's behavior towards their colleagues as well as their companies The model laid down by Fombrun, Tichy and Devanna (1984) of HRM gives a clear picture of the HRM process (Bratton and Gold, 2003). In this model; selection mean selecting the right candidate who would fulfill the organizational goals and objectives. Performance means the output of employee's, abilities which add value to the organization. Human resource development is highlighting the provision of necessary training session; this would help the employees to possess the relevant knowledge and skill to perform better in the organization. Due to this, the employees would improve individual skills as well as advance in the organization. Appraisal is highlighting the appraisal which depends largely upon the employee's capability to perform and would show the employee's competencies and talent.

The modern human resource system may be divided into four parts (1) acquisition of human resources, (2) recruitment and selection, (3) training and development, (4) motivation and compensation. Performance appraisal is involved in all the four parts and serves to tie them together by providing feedback information for all of the other parts (Latham and Wexley, 1977). Performance appraisal therefore is known as the powerful tool for managing human resources (Forbrum and Laud, 1983). Therefore, HRM process forms an important element in the organizational structure.

Why is PA necessary

Earlier, PA did not exist in the organization. Then why did the need of performance appraisal arise?

107	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Why was it necessary to include performance appraisal system in an organization? Can an organization run efficiently if there is no PA system? Wiese and Buckley (1998) gave an answer to this. They said that, a formal performance appraisal system serves as an asset in conducting formal decision process within the organization. It also helps employees in developing their career and increasing their commitment towards their organization. Murphy and Cleveland (1995) add that it is always advantageous to use a formal appraisal system in the organization. Performance appraisal provides information that is relevant for many personnel decisions, like increments in salaries, it introduces scope for promotion, transfers, training and development programs, as well as for employee development and performance feedback (Jacobs, Kafry, & Zedeck, 1980). Huber (1980) is also of the same opinion that millions of public and private employees have their performance appraised in order to determine salary, promotions, tenure, layoffs and development potential.

Purpose of performance appraisal

The most known purpose of performance appraisal is to improve performance of individuals. Performance appraisal has basically two important purposes, from an organizational point of view, it is the maintenance of organizational control and the measurement of the efficiency with which the organizations human resources are being utilized. (Cummings and Shwab.1973). But, there are also a variety of other declared purposes and desired benefits for appraisal, including: Improving motivation and morale of the employees, clarifying the expectations and reducing the ambiguity about performance, determining rewards, identifying training and development opportunities, improving communication, selecting people for promotion, managing career growths, counseling, discipline, planning remedial actions and setting goals and targets (Bratton & Gold, 2003:284, Bowles & Coates, 1993).

However, according to Armstrong and Baron, there is rise in more harder and judgmental forms of performance appraisal than softer and developmental approaches. Therefore, there has been a shift in performance appraisal away from using it for career planning and identifying future potential and increased use of it for improving current performance and allocating rewards (Redman and Wilkinson, 2001). Performance appraisal can be used as an effective tool to improve employees' job performance by identifying strengths and weaknesses of the employees and determining how their strengths can be best utilized within the organization and overcome weakness over the period of time. The next question that comes into mind is that who gets more out of the appraisal process, the organization or the employees? Who obtains more gain out of it? Both, i.e. the organization and employees or some one of them. The following studies give us an explicit understanding of the different purposes of performance appraisal in the organizational context and highlight the different key features of performance appraisal. It also helps us to know who benefits from the appraisal system.

McGregor (1972) in his paper, "An uneasy look at performance appraisal" said that formal performance appraisal plans are designed to meet three needs of the organizations for the individual. The following are his ideas about PA. Firstly, for both PA provides systematic verdict to back up salary increases, promotions, transfers, demotions or terminations. Secondly/ PA means of telling subordinate how he is doing and suggesting the changes in his behavior, attitudes, skills or job knowledge improvements, they let him know "where he stands" with the boss. Thirdly; PA is increasingly being used as a basis for coaching and counseling of the individual by the superior.

108	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Similarly, Murphy and Cleveland (1995) studied how performance appraisal is used in organization. They compared 'between individual' and 'within-individual' performances. The 'between individual' performances was able to provide information to make decisions regarding promotion, retention and salary issues. The 'within individual' performances was useful in identifying the training and development needs which includes ^performance feedback, identifying the strengths and weaknesses of employees as well as determining transfers. Another use of performance appraisal that was found out through this study was that of 'system maintenance' which was used to identify the organizational goals and objectives, to analyze the organizational training needs and to improve the personnel planning system of the organization. Finally, documentation purposes are to meet the legal requirements by documenting personnel decisions and conducting validation research on the performance appraisal tools.

Bowles and Coates (1993) conducted a postal survey of 250 West Midland companies in June 1992, where the organizations were asked questions pertaining to the use of performance management in the organization. These questions included the perceived function of PA in the management of work, its strengths and weaknesses, the role of commitment in the management of work. Through their survey, they found out that PA was beneficial in the following ways: PA was beneficial in developing the communication between employer and employee; it was useful in defining performance expectations and identification of training needs

Perception of PA in organization

It revolves if PA gives a positive impact or a negative impact to the employees. It shows whether the employees get motivated to perform better, if they receive a good feedback or do they get demotivated and loose interest in their job. So far, we have come across the purpose, uses of PA in the organization, but the perception that is the understanding of PA is not taken into consideration in most cases which is important for the employee as well as the organization. If the employees does not recognize this, then they would suffer unnecessarily in the organization. The reason being that, an employee has a certain level of expectation from his company when he joins it; he expects some kind of growth from it, also the organization expects a lot from him. But, a negative feedback of performance would largely hamper him mentally and make him loose his interest in his job. There would be change in his attitude, which would be problematic for him as well as the organization. He would be demotivated to achieve the organizational objectives. Many employees have a kind of view that, their promotion or salary increments largely depends on their performance. Employees therefore are in a dilemma and consider this situation as 'survival of the fittest'. They know for a fact that, their performance is only taken into consideration at the end of the day/and in-order to grow in the company they need to be proactive towards their work. The feedback the employee receives from his superior, may simply describe the level of performance achieved (Evans, 1986).

IV. Theoretical framework

This paper adopted Goal setting theory of motivation, propounded by Locke, ~~Edwin~~ (1968). It posit that goals setting is essentially linked to task performance. Also that specific and challenging goals along with appropriate feedback contributes to higher and better task performance. Feedback about the effectiveness of an individual's behavior has long been recognized as essential for learning and for motivation in performance-oriented organizations (ligen et al 1979). Feedback is considered as an important tool in performance appraisal process. Feedback can be a useful tool for development,

109	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

especially if it is specific and behaviorally oriented, as well as both problem- oriented and solution-oriented (Murphy & Cleveland. 1995).

One of the basic purposes of formal appraisal process is the provision of clear and performance based feedback to employees (Carroll & Scheiner, 1982). Some organizations use feedback as a development tool, while in some organizations it is used for merit evaluation and compensation adjustment (McEvoy & Buller, 1987; London, Wohlers & Gallagher, 1990). It is one of the contemporary theories of motivation which posits that assigning employee with specific and difficult goals will result in higher level of performance than assigning no goals, easy goals or do your best goal. Few people know what their best is and fewer managers can tell whether employees are truly doing their best. Goal setting theory assigns different and specific goals and gives people a number of shoot for a measuring stick that will tell them how hard they need to work and how long.

V. Research Methodology

A descriptive survey method was used for the study. The population of the study was drawn from nine (9) departments using the (administration, account, cost control, human resource, safety, and engineering. Quality Assurance and Quality Control QA/QC purchase/warehouse) of the company comprising of 22 line managers, 130 senior staffs and 1422 junior staffs totaling (1574 staffs) and a sample size of 319 staffs was used for the investigation. Both primary (questionnaire) data and secondary data (books, journal etc.) were adopted. The questionnaire instrument was administered on the respondents and their responses collected. Mean (x) and standard deviation (sd) statistical tools are adopted in the analysis of the research questions.

VI. Presentation and Analysis of Data

Data were presented in a tabular form based on the objectives of the paper.

Research Question 1: To what does effective management process increase the productivity of the staff of Green Energy?

Table 1: Effective performance management process increases the productivity of the staffs of the company.

S/NO	Respondents' Frequencies				Total	Mean	Sd	Remark
	VHE	HE	LE	VLE	N	X		
1.	108	93	67	51	319	2.8	9.0	Accepted
2.	121	104	53	41	319	3.0	9.4	Accepted
3.	106	98	45	70	319	2.8	9.1	Accepted
4.	117	103	58	41	319	2.9	9.3	Accepted
Total	452	398	223	203	1276	2.88		Accepted

Source: Field Survey, 2022

Table 1 shows that, all the items were remarked accepted as the minimum mean was 2.8 (items 1 and 3) while the maximum mean is 3.0 (item 2). The range of standard deviation is 0.4.

Research Question II: To what extent does performance management enhance training and development of staff of Green Energy?

Table 2: PM process enhances training and development of staff.

S/NO	Respondents' Frequencies				Total	Mean	Sd	Remark
	VHE	HE	LE	VLE	N	X		
5.	131	109	52	27	319	2.9	9.8	Accepted
6.	129	113	47	30	319	3.1	9.8	Accepted
7.	143	102	48	26	319	3.1	10.0	Accepted
8.	135	121	28	35	319	3.1	10.2	Accepted
Total	538	445	175	118	1276	3.1		Accepted

Source: Field Survey, 2022

Table 2 reveals that all the items were remarked accepted as the minimum mean is 2.9 (item 5) and the maximum mean is 3.1 (items 6, 7, & 8). The range of the standard deviation is 0.4.

VII. Discussion of Findings

From the analysis of data in table 1, it was discovered that, 108 and 93 respondents have very high extent and high extent that, they agree that the appraisal process used in their company is adequate. 67 and 51 respondents have low extent and very low extent to the opinion. 121 and 104 respondents have very high extent and high extent that, they agree to a quarterly process, 53 and 41 respondents have low extent and very low extent to the suggestion. 45 and 70 respondents have low extent and very low extent to the view. 117 and 103 respondents have very high extent and high extent that, appraisal improve staff commitment to the company goals, 58 and 41 respondents have low extent and very low extent to the notion. This is supported by the view of Murphy and Cleveland (1995) who posited that, 'between individual' performances are able to provide information to make decisions regarding promotion, retention, and salary issues. They mentioned that the 'within' individual performances was useful in identifying the training and development needs of employees as well as determining transfers.

Table 2 shows that 131 and 109 respondents have very high extent and high extent that, they will like their company to include training and development in the appraisal process. 52 and 27 respondents have low extent and very low extent to the idea. 129 and 113 respondents have very high extent and high extent that, training and development help employees understand how the appraisals process works. 47 and 30 respondents have low extent and very low extent to the suggestion. 143 and 102 respondents have very high extent and high extent that, training and development appraisals help develop other skills set to lead employees. 48 and 26 respondents have low extent and very low extent to the opinion. 135 and 121 respondents have very high extent and high extent that, training and development will improve the company effectively and interest 28 and 35 respondents have low extent and very low extent to the opinion.

This implies that appraisals methods adopted by the management did not favour staff or employee acceptance. This is supported by the view of Evans (1986) who said, "the feedback an employee receives from his superior may simple describe the level of performance achieved.

Findings

The following findings are highlighted from the paper:

- I. The major finding of this study shows that despite the shared interest of the employees

111	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

towards training and development, Performance Measurement enhances training and development of staff of Green Energy.

- II. Also, the finding shows that Performance Measurement process increases the productivity of the staff of Green Energy.

VIII. Conclusion/Recommendation

In conclusion, performance management systems can assist an organization to achieve synergistic result. With performance appraisal in the organization, the employee is in a position to know his strengths and weaknesses and can consolidate his strong areas and improves weaknesses. The appraisal system should be wide-ranging in nature. It should provide a thorough developmental process to the employees. The performance management system of Green Energy is motivating the employees to perform well. However, the performance management system is not well connected with the training and development needs of the employees, as such, management need to evaluate the process methods. These factors are encouraging to improve the productivity of the under performers and motivating the above performers to give their best output for the company.

Therefore, the research was designed to explain how the performance appraisal system of a company could be used effectively and efficiently in the future. The following recommendations are vital for the readers

- Managers should always be prepared to make changes in the performance management system if the system does not work exactly as planned.
- Managers should always be aware of unexpected benefits and take advantage of them if it arises from the implementation of performance management system.
- Without commitment from top management, a performance management system will not function properly because the organizations goals cascade down into individuals goals. Top management needs to be supportive of the system
- Employees need to understand how they and the organization can benefit from the system so from the beginning get themselves involved. Workshop ideas with them and continually ask for their input and feedback.

Green Energy should adopt 360 degree feedback process also in the appraisal process which would help in gaining an 'all-round' job evaluation.

REFERENCES

1. Armstrong, M. (2001). *A handbook of human resource management Practice*. Kogan Page, London
2. Bratton. J. & Gold, J. (2001), *Human Resource Management: Theory and Practice*, 2nd edition, McMillan Business, Suffolk
3. Bryman P. & Bell, T. (2003), *Business Research Methods*, Oxford University press, Oxford
4. Bowles, M. & Coates, G. (1993). Image and substance: *The management of performance as rhetoric or reality? Personnel Review*, 22 (2), 21-39
5. Carroll, S., and Schneier, C. (1992), *Performance appraisal and review systems*. Scott Foresman

112	ISSN 2690-9626 (online), Published by "Global Research Network LLC" under Volume: 3 Issue: 5 in May-2022 https://grnjournals.us/index.php/AJSHR
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY).To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Publishing, Glenview

6. Cummings, L. & Shwab, D. (1997), *Performance in organization: Determinants of appraisal*. Prentice Hall, London
7. Evans, A. (1996), Organizational behaviour: The central role of motivation. *Journal of Management*, 12 (2), 57-79
8. Fombrun, C. & Laud, R. (1994), *Strategic issues in performance appraisal: Theory and practice*. Prentice Hall, London
9. Jacobs, R., Kafry, D., & Zedeck, S. (1980). Expectations of behaviourally anchored rating scales. *Personnel Psychology*, 33(4), 595-640
10. Latham, G. & Wexley, K. (1997), Behavioural Observation Scales, *Personnel Psychology*, 30(4), 255-68
11. Ligen, D. Fisher, C. & Taylor, M. (1997), Consequences of Individual Feedback on Behaviour in Organization, *Journal of Applied Psychology*, Vol. 64 (4), pp 349-71
12. London, M., Wohlers, A. and Gallagher, P. (1999), 360 Degree Feedback Surveys: A Source of Feedback to Guide Management Development, *Journal of Management Development*, 9(5), 17-31
13. McEvoy, G. & Buller, P. (1997), User Acceptance of Peer Appraisals in an Industrial Setting, *Personnel Psychology*, 40(2), 785-797
14. McGregor, D. (1972). An uneasy look at performance appraisal. *Harvard Business Review*, 50 (5), 32-39
15. Murphy, K. & Cleveland, J. (1995), *Understanding performance appraisal: social, organizational and goal-based perspectives*. Sage, Thousand Oaks, CA
16. Redman, T., Snape, E., Thompson, D. & Van, F. (2000). Performance appraisal in an NHS Hospital. *Human Resource Management Journal*, 10(3), 48-62
17. Tyson, S. & York, A. (2002). *Essential of human resource management*. 4th edition. Butterworth Heinemann, Oxford