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**PERFORMANCE MANAGEMENT AND EMPLOYEE JOB  
SATISFACTION OF PENSION FUND ADMINISTRATORS IN NIGERIA**

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## **Abstract**

The study examined the effect of performance management on employee job satisfaction of Pension Fund Administrators (PFAs) in Nigeria. A survey research design was employed and questionnaires administered on a sample size of 370 employees of the 22 PFAs in Nigeria was determined through Taro Yamani sample size formula from a study population of 4,983. The administered copies of questionnaire of 367 were properly filled and returned for used. Hypotheses were formulated and tested with the use of multiple regression analysis and Pearson correlation analysis. The results showed that adjusted  $R^2$  value of 0.747 (74.7%) established that performance management metrics actually contribute to variation in the level of employee job satisfaction of PFAs in Nigeria. The study recommended that continuous and effective performance management should be given utmost priority with the appropriate performance management software which ensures real time performance assessment.

**Keywords: Performance Management, Employees Motivation, Job Satisfaction, Performance Appraisal**

## **Introduction**

Employee quality and performance determine an organization's relevance and efficiency. Recruiting and maintaining pleased personnel who can efficiently accomplish the activities necessary to fulfill the organization's strategic goals is important to most firms' success. Performance management is essential for every company that wishes to keep its staff motivated and pleased in today's global village.

Performance management is critical in assessing an organization's overall output. This involves recognizing and correcting performance concerns at all levels of the business, such as critically reviewing each employee's abilities and knowledge to ensure they comprehend the essential quality standards. This is to ensure increased workplace efficiency, which is aligned with meeting business objectives (Oluoch & Ogolla, 2019).

Only through the combined efforts of its personnel can a business attain its aims and objectives. An amazing system for managing performance meets the need for staff to get clear constructive criticism. This is critical for identifying strengths, shortcomings, or areas of failure and taking immediate remedial action. Respond promptly and with little influence on the company. As a

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result, delivering relevant and meaningful performance feedback to employees is seen as a key means of achieving organizational objectives.

Employee performance management is crucial for an organization's efficiency and is beneficial to both employers and employees. This comprises measuring, reporting, and managing achievement at all organizational levels, from individual individuals to the entire business, with the purpose of enhancing performance (Marr, 2019). Furthermore, consistent performance management demonstrates that managers appreciate their staff. Employees are more ready to accept intelligent ideas when they believe their bosses are dedicated to their work, care about their objectives, and are worried about any challenges they may have while on the job (Lalwani, 2020).

The current trend of technology upgrading in all recent business fields is expanding quicker than ever, and organizations must spend in human capital development to continually improve in order for employees to stay up with this improvement. It is critical to invest extensively. A highly dynamic and competitive company environment necessitates the development of employee skills and expertise. In the Nigerian environment, most firms, particularly those in the financial industry, including pension fund managers, invest extensively in infrastructure, technology, information, and communications, but little or no training, if any, is offered for the people of the future. We are in charge of the infrastructure as well as the information and communication technologies.

This is one of the primary reasons why the majority of these firms underperform. As a result, even the finest pool of technological and financial resources, organizational goals cannot be reached in isolation and must be achieved by individuals working as a motivated and well developed team. Achieved. This reinforces the argument that people are the most essential asset, despite the fact that organizations often have multiple sorts of assets (Susan, 2020).

Furthermore, the concept that people are the lifeblood of a business is not unique to the pension sector, which is the subject of this study. Pension fund contributions in Nigeria have expanded dramatically in recent years, resulting in massive investment money in the capital and financial markets. As of March 2020, the Nigerian Pension Fund's asset worth exceeded N14 trillion (14 trillion Naira), equivalent to 8.08% of the country's GDP. It also increased job possibilities and strengthened the investment climate. Contributory pensions have the potential to boost Nigeria's GDP. While this is a commendable accomplishment, there is still space for even better performances that would place Nigeria on the same platform as Denmark, the Netherlands, Iceland, Switzerland, the United States, South Africa, and Liechtenstein. I have. Pension fund assets to GDP ratios are 220%, 194%, 178%, 126%, 120.5%, 95%, and 88%, respectively (OECD, 2020). Nigeria's pension sector has been hurt from incompetent and ineffective administration, as well as economical discontent. The biggest impediment is Nigeria's very successful staff deployment in the pension fund administration industry.

Being one of a corporation's most essential and dominating assets, this degree of staff training and development is crucial to enhancing and maintaining success. This implies that even the most thorough company plans and strategies will not provide successful outcomes unless they are implemented by the proper individuals. As a result, ensuring that personnel with the necessary skills, knowledge, and attitudes, whose personal objectives and aspirations are matched with those of the firm, are recruited throughout the organization is critical to the success rate of Pension Fund Managers in Nigeria. This is largely due to the fact that personnel from various departments are responsible for choices such as: B. Asset management of money, handling technology, maintaining infrastructure, and communicating with retirees. Regardless of the organization's richness in terms of technical breakthroughs and financial capacities, success is heavily reliant on competent people, who constitute around 85% of the organization's assets. People are regarded to be an organization's most valuable asset. As a result, some businesses are unable to acquire and keep a highly trained, qualified, and satisfied personnel, stifling their growth and development (Ajisafe & Balogun, 2015).

### **Statement of Problem**

Any corporation cannot prosper unless its personnel are happy; they are the heartbeat of any business. Workers that are satisfied with their occupations are more qualified and eager to devote their time and abilities to achieving peak performance at work. The inability of institutions to realize this truth results in enormous losses for governments, organizations, and people.

Even when performance management is an intended job, the absence of a follow-up strategy after an evaluation is one of the most common management blunders that leads to employee unhappiness. Companies should give employees with a follow-up plan as soon as the evaluation interview is over. It is far preferable to focus on addressing unpleasant conduct or performance right away, and to hold frequent meetings with employees to guarantee that unfavorable behavior does not reoccur. Begin by reviewing the If not accomplished, identify causes for non-attainment section (Salem, Essam, & Halim, 2013).

Furthermore, despite the evident need of performance management, its substance has evolved over time as some pension fund managers have been overwhelmed with bad performance management, which may be reflected in their failures. It has been widely assumed that the institution will implement effective performance management that will be utilized to assess employee eligibility for promotion, training, compensation reductions, pay rises, and so on. This, together with the enormous responsibility that comes with implementing an efficient performance

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management system, undermines management's attempts to properly manage performance and promote employee job satisfaction.

Based on the foregoing, the reason for conducting this research is to investigate the influence of performance management on employee job satisfaction among pension fund administrators (PFAs) in Nigeria.

### **Research Questions**

- i. To what extent does performance management metrics influence employee job satisfaction of PFAs in Nigeria?
- ii. What is the relationship between performance appraisal and employee motivation of PFAs in Nigeria?

### **Research Objectives**

The primary objective of this study is to examine the impact of performance management on employee job satisfaction among pension fund administrators (PFAs) in Nigeria. Specific goals are to:

- i. determine the influence of performance management metrics on employee job satisfaction of PFAs in Nigeria;
- ii. examine the relationship between performance appraisal and employee motivation of PFAs in Nigeria.

### **Research Hypotheses**

The following hypotheses stated in a null form, are proposed for the study.

H<sub>01</sub>: Performance management metrics have no significant effect on employee job satisfaction of PFAs in Nigeria.

H<sub>02</sub>: There is no significant relationship between performance appraisal and employee motivation of PFAs in Nigeria.

## **Literature Review**

### **Conceptual Clarifications**

#### **Concept of Performance Management**

Performance management is the process of establishing a work environment in which employees may reach their full potential. It is a solid implementation system that starts when a job is considered to be necessary and ends when a person leaves the firm. Performance management is a firm management method that enables executives to track and assess their employees' performance. It is a way of continual discussion between managers and subordinates that takes place throughout the year to promote corporate goals (Heathfield, 2020).

Performance management, according to Marr (2020), is monitoring, recording, and managing the growth of individuals and whole organizations in order to enhance performance. Essentially, it is one of the most significant components in the success of a business. A well-planned and performed performance management system allows a company to review, change, and enhance strategy execution and outcomes delivery.

The practice of constant communication between supervisors and subordinates throughout the year to assist the business accomplish its strategic goals is known as performance management. The communication process includes clarifying requirements, prioritizing, creating objectives, offering feedback, and assessing results (Lalwani, 2020). The goal is to guarantee that staff perform effectively throughout the year while dealing with any problems that may occur. A effective performance management system, then, is a constant process of detecting, measuring, and improving employee performance while aligning it with the organization's strategic objectives. Furthermore, it is a methodical description of the employee's strengths and limitations. As a consequence, it assists firms in conducting a thorough assessment of staff training requirements, defining growth objectives, and implementing suitable incentive systems. (Madison, 2016)

Leadership, interpersonal interactions, improvement recommendations, and teamwork are critical components of good performance management (Pollock, 2018). Both managers and staff must be committed to this. This necessitates continual communication at work between both parties regarding essential modifications and improvements, as well as performance reflection for future efforts. Over time, a lack of communication and feedback can diminish the efficacy of the performance management process. As a result, the greatest performance management systems emphasize constant, near-instantaneous evaluation and feedback, quick and efficient change, diversity, mentorship, and awareness of perceived deficiencies. A performance management process summary is therefore a clear statement of tasks, biases, performance assessment methodologies, and processes employed (Jong, 2016).

Performance appraisals are an excellent venue for formalizing and recording awards. Because most individuals prefer to be commended when they do a good job, evaluations focus on long-term goals and create an environment for evaluating and appreciating good or great performance. is required. One research (Gallup, 2016) found that an employee who receives regular feedback on their talents earns 8.9% more than he does. Employees that are happy are more productive. Sixty-nine percent of his staff stated they would work harder if their efforts were recognized. This implies that salaries are no longer an adequate motivator and retention tool, and that frequent feedback and reviews are required (Natural HR, 2019).

As a result, employee performance management has become a critical procedure for monitoring organizational behavior and assessing plan execution (Oluoch et al., 2019). To attain excellence in performance management, a harmonic alignment of corporate and individual goals is required. This is a well-thought-out plan to assure the company's long-term success through enhancing staff

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performance. As a consequence, a good performance management system helps a business better understand employee engagement and performance (Maina, 2015).

The performance management process, according to Lalwani (2020), consists of five major components; plan, track, improve, assess, and reward.

**i. plan:** Part of the plan is to set employee goals and communicate with them. The job description includes goals for attracting competent applicants as well as goals for hiring timeliness. You can assign percentages to each of these goals to assess progress, depending on your organization's approach to performance management.

**ii. Monitoring:** Managers must keep track of their employees' progress toward targets. The notion of continual performance management comes into play here. The correct performance management software allows you to track performance in real time and modify course as needed.

**iii. Development:** The development phase is all about making greater use of the data obtained during the monitoring phase to enhance employee performance. This may involve proposing refresher courses, providing assignments to assist enhance knowledge and performance on the job, or modifying an employee's growth path to increase performance or sustain excellence.

**iv. Rating:** Each employee's performance should be reviewed on a regular basis and during performance assessments. Evaluations are required to establish the state of an employee's performance and make necessary improvements. Both coworkers and bosses can submit these evaluations to receive 360-degree feedback.

**v. Recognition and Reward:** Acknowledging and rewarding outstanding performance is an important component of the performance management process and of employee engagement. It might be of either internal or external origin. The former refers to internal awards received by workers as a result of their effort. Accomplishment, job happiness, personal progress, and informal appraisal are some examples. The latter refers to administratively supplied external benefits. For example: Incentives, Promotions, Bonuses and Ancillary Benefits.

## **Concept of Job Satisfaction**

Work satisfaction, also known as employee satisfaction, is a measure of a person's contentment with their profession, whether or not they love their job, the quality of their work, or specific variables such as supervision. It's a weighing scale. Work satisfaction follows he falls into three groups; Emotion (or emotions), cognition (judgment), and conduct. According to research, job satisfaction ratings differ in how much they reflect feelings about work (emotional job satisfaction) or cognitive biases about work (cognitive job satisfaction). Work satisfaction is the level of joy and fulfilment that people seek in their jobs. It has been defined as employees' motivation and capacity to contribute in organizational progress (Silky, 2017).

Job satisfaction refers to the emotional reaction to many elements of employment. Employees who are content with their work have good views about their jobs, whereas dissatisfied employees

have negative attitudes toward their jobs. Employee judgments of how efficiently their jobs supply what they value impact job happiness. Work satisfaction is thus the total of the impacts created by participants' perceptions of job needs being met. Employee perceptions, beliefs, and attitudes have a significant impact on performance (Theresa & Henry, 2016).

Job satisfaction is described by Smith and Stone (2014) as an employee's emotional state regarding their employment, taking into consideration what they expect and what they actually benefit from. Employees with low intentions are more likely to be satisfied with their employment than those with high expectations. Satisfied. People's attitudes and sentiments regarding their employment are connected to job satisfaction. It may be described as the degree to which employees are satisfied with their jobs. Employee turnover is caused by a lack of employee satisfaction. The desire to sell is the desire to depart a business (Saghir, Asad, & Ishtiq, 2015).

According to Alshomaly (2017), one of the most significant elements influencing firm quality and productivity in an increasingly competitive market is worker happiness. As a result, businesses are placing a greater emphasis on employee perks, needs, personal aspirations, and preferences. According to current research, job satisfaction is governed by five factors: dedication, respect, fair remuneration, motivation, and life satisfaction (Shaw, 2020).

## **Theoretical Review**

### **Goal Setting Theory**

In his 1968 study, Edwin Locke claims that goal formulation is intimately connected to task performance and that particular, demanding objectives and proper feedback help to improve task performance. It also implies that our employees' own goals are vital in obtaining greater levels of performance. If you do not meet these objectives, you may need to enhance your performance or alter your objectives to make them more relevant. Improved performance, on the other hand, meets the aims of performance management systems (Mulwa & Weru, 2017).

The goal-setting hypothesis is based on the concept that defining specific and rigorous goals leads to greater results than "working hard". Locke defined five critical goal-setting criteria: clarity, difficulty, commitment, feedback, and task complexity. The goal-setting hypothesis predicts that people would exert effort to achieve their objectives, which will have an impact on their performance. As a result, achieving ultimate objectives takes a purposeful act of developing degrees of performance. Dissatisfaction with one's existing level of success motivates goal setting. Establishing objectives, then, necessitates the development of a framework that fosters activities and behaviors that improve bad performance. Establishing a goal will drive a person's behavior to change in order to achieve the goal. According to the idea, goal acceptance and commitment, goal definition, goal difficulty, and feedback on progress toward the goal are all required circumstances for effective goal accomplishment (Redmond & Janicek, 2016).



## **Empirical Review**

Ulle, Patil, and Varma (2018) evaluated the impact of performance management systems on employee job performance from the employees' perspective. The investigation centred on his Sushrutha eye clinic in India's existing performance management system. The primary purpose of this study is to examine if current performance monitoring systems impact employee job performance and what factors influence employee job performance within an organization. Primary data was gathered from her 50 respondents using questionnaires, while secondary data was gathered from various books, papers, and websites. SPSS software was used to collect and evaluate data in the form of tables and graphs. To examine if the performance management system influences employee work performance, ANOVA, t-test, descriptive statistics, and correlation were utilized.

Jean Creegan (2018) employed quantitative research methodologies in his study to investigate the link between three characteristics in the Irish retail business.

Job satisfaction and motivation, as well as a performance management system. This study's sole data source is from Irish stores, where he employs over 2,200 workers over 110 sites across Ireland, England, and Wales. After delivering the questionnaire to his 100 employees, he received 73 replies. SPSS software was used to examine the data. According to the findings, performance management is positively related to work satisfaction and motivation among individuals polled at the organization. This study's additional data suggests that both the utilization of performance management systems and the frequency with which they are performed may be enhanced.

Agyare, Yuhui, Mensa, Aidoo, and Ansah (2016) recruited 200 respondents from microfinance firms in Ghana for their study to analyze the influence of overall performance evaluation on artwork enjoyment and devotion. Questionnaires were used to collect data, and regression analysis and correlations were used to evaluate the results. Employee job satisfaction is unquestionably tied to and influenced by equality in the assessment system, according to the study, which relates value decisions with advancement, position readability, and overall performance feedback.

According to the findings of the observer, employee commitment is positively related to and prompted by the linkage of value determinations with income, the identification of educational gaps, the readability of the overall performance assessment purpose, and worker engagement in the development of appraisal instruments. The observation demonstrates that businesses adhere to overall performance-primarily based reward systems, provide additional education to personnel identified as needing it to improve the relevance of overall performance value determinations, and provoke and hold verbal exchanges between management and their subordinates, particularly concerning their overall performance.

According to a study conducted by Cross (2021) at the Trustfund Pension Limited headquarters in Abuja on the relationship between organizational performance and human capital development, effective human capital development is associated with increased productivity, efficient service delivery, and effective leadership. It has been discovered that excellent customer relationship management and the acquisition of competitiveness and IT skills boost organizational performance. The descriptive research approach was used to investigate 152 people. Using the Taro Yamane formula, a sample size of 110 was obtained with a 95% confidence level and a 5% error bar. The major data gathering method was a questionnaire. The survey was delivered in a total of 110 copies, with 80 of those copies returned. Pearson's moment correlation coefficient was used to test two hypotheses. The findings indicate a strong link between organizational success and human capital management. Teaching new hires the necessary knowledge and skills, updating the knowledge and skills of seasoned staff, addressing the challenges of technological innovation, obtaining the knowledge and skills required in a competitive market, and enhancing human capital are all critical components of human capital development. According to the report, human resource managers should ensure that the organization's human capital needs are effectively recognized, determined, and appraised.

Tuffaha (2022) examined the association between human capital and Nigerian deposit bank effectiveness from 2007 to 2019 using estimating methods including panel data and secondary data methodologies. The sample contained ten banks, including his five largest institutions, which control around 80% of Nigeria's banking assets. Human resource spending was utilized as a proxy for human capital, while after-tax profit was employed as a proxy for performance in the study. Human capital investments did not significantly increase bank performance, according to the findings. Because most banking operations are capital demanding, banks have grown less lucrative as a result. The authors relied heavily on secondary data, which may or may not contain volunteer information.

### **Conceptual Framework**

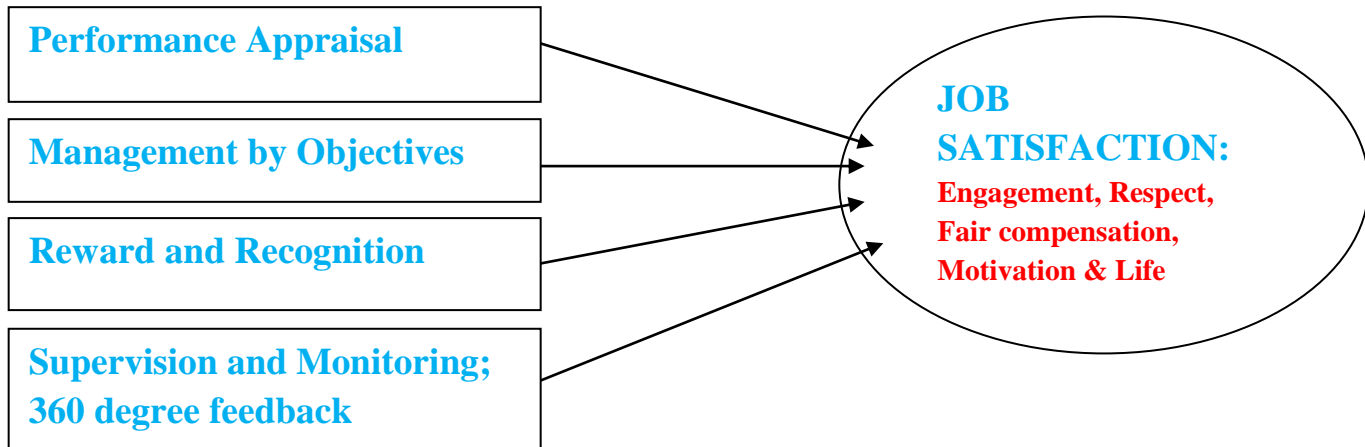
The performance management system is the independent variable. It includes elements like as performance review, goal-based management, incentives, and recognition. Observe and track the dependent variable, employee job satisfaction. A conceptual framework will be created based on this.

**Independent Variable**

**Dependent Variable**

**Performance Management System**

**Employee Job Satisfaction**



**Source:** Author’s Conceptualisation Framework, 2021

**Methodology**

The purpose of this study was to create a research study design in order to acquire the essential information directly from targeted participants (PFA workers) on the influence of performance management on employee job satisfaction among pension fund administrators in Nigeria. Adopted using Taro Yamaya's (1976) sample size method, her 370 workers in the PFA represent the whole population of her 4,983 employees in 22 pension fund managers in Nigeria (PENCOM, 2020). Just 353 of the 370 surveys he distributed were entirely completed and returned, giving him a 95% response rate. The surveys were distributed using a multi-stage sampling process. Using the Statistical Package for Social Science, correlation and multiple regression analyses were done to assess the stated hypotheses (SPSS).

Table 1: Staff Strength and sample size proportion of the 22 pension fund administrators

S/N	Pension Fund Administrators	Year of Establishment	Staff Strength	Sample
1.	AIICO Pension Managers Limited	2006	182	14
2.	APT Pension Fund Managers Limited	2004	187	14
3.	ARM Pensions Managers Limited	2005	320	25
4.	AXA Mansard Pension Limited	2006	179	13
5.	Crusader Sterling Pensions Limited	2004	184	14

6.	FCMB Pensions Limited	2005	321	24
7.	Fidelity Pension Managers	2007	197	15
8.	First Guarantee Pension Limited	2006	180	13
9.	IEI-Anchor Pension Managers Limited	2004	92	7
10.	Investment One Pension Managers Limited	2007	192	14
11.	Leadway Pensure PFA Limited	2004	399	30
12.	Nigeria University Pension Management Company (NUPEMCO)	2019	29	2
13.	NLPC Pension Fund Administrators Limited	2005	175	13
14.	NPF Pensions Limited	2013	211	16
15.	OAK Pensions Limited	2014	104	8
16.	Pensions Alliance Limited	2005	300	22
17.	Premium Pension Limited	2005	410	30
18.	Radix Pension Managers Limited	2017	34	3
19.	Sigma Pensions Limited	2004	332	25
20.	Stanbic IBTC Pension Managers Limited	2004	100	7
21.	Trustfund Pensions Plc	2005	717	53
22.	Veritas Glanvils Limited	2007	138	10
Total			4,983	370

**Source:** Human resource department of the aforementioned PFAs

### Sample size and Sample Techniques

The sample size for the study was drawn from the population that comprises the total number of staff of the 22 Pension Fund Administrators in Nigeria which was 4,983. The sample size was determined using Taro Yamane (1967) sample size determination formula.

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

Where;

n= the sample size

N= the population size

e= the acceptable error term

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95% confidence level and  $p=0.5$  are assumed

$$n = \frac{4,983}{1 + 4983 (0.05^2)}$$

$$n = \frac{4,983}{1 + 4983 (0.0025)}$$

$$n = \frac{4,983}{1 + 12.4575}$$

$$n = \frac{4,983}{13.4575}$$

$$n = 370.275$$

$$n = 370.1$$

Therefore, 370 was the sample size for this study, and it is allocated in proportion to the staff strength of each of the 22 Pension Fund Administrators with the aim of serving questionnaire that is commensurate to the size of the population using Kumar (1976) sample size proportion determination formula presented below:

$$N_h = \frac{N H * n}{N}$$

Where  $N_h$  = Stratum allocation

$n$  = sample size

$N$  = Overall population

$NH$  = Stratum population

A stepwise sampling method was employed to choose respondents whose data would help the study achieve its objectives. Similarly, targeted sampling strategies were employed to acquire data from respondents who were difficult to locate yet crucial for studies of interest. The stratified sample approach accommodated varied levels of employees in the organizations analyzed and selected from a homogenous group identified during the study endeavor using basic randomization procedures.

### Model Specification for the study

#### Hypothesis One

*H<sub>01</sub>: Performance management metrics have no significant effect on employee job satisfaction of PFAs in Nigeria.*

Statistical tool: Multiple Regression Analysis

This hypothesis is mathematically expressed thus;

$$EJS = \alpha_i + \beta_{i1}PAP_{i1} + \beta_{i2}MBO_{i2} + \beta_{i3}MON_{i3} + \beta_{i4}RWR_{i4} + \varepsilon_{i1}$$

Where;

EJS =Employee Job Satisfaction (Dependent variable)

PAP=Performance appraisal (Independent variable)

MBO= Management by Objective (Independent variable)

MON=Monitoring (Independent variable)

RWR=Reward and Recognition (Independent variable)

$\alpha$ = Constant variable

$\varepsilon$ = error terms

### **Hypothesis Two**

*H<sub>02</sub>: There is no significant relationship between performance appraisal and employee motivation of PFAs in Nigeria.*

Statistical tool: Pearson Correlation Analysis

### **Data Analysis and Discussion of Findings**

#### **Test of Hypothesis One**

*H<sub>01</sub>: Performance management metrics have no significant effect on employee job satisfaction of PFAs in Nigeria.*

**Statistical tool: Multiple Regression Analysis**

Table 1-4 present the regression results on the effect of performance management metrics on employee job satisfaction of PFAs in Nigeria

**Table 1 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.864 <sup>a</sup>	.747	.744	.249

a. Predictors: (Constant), RWR, MBO, MON, PAP

Source: SPSS Printout 2022

Table 1 provides a model description for the tested hypothesis, and the correlation coefficient indicates that performance management indicators are strongly, positively, and jointly related to employee job satisfaction (EJS) in Nigerian PFAs. It also shows that the R-square value of 0.864 (86.4%) implies that performance management indicators accounted for 86.4 percent of employee job satisfaction (EJS) in PFAs in Nigeria, with an exogenous variable not included in the model accounting for the remaining 14.6 percent. Additionally, the modified R<sup>2</sup> value of 0.747 (74.7%) demonstrated that performance appraisal (PAP), Management by Objective (MBO), monitoring (MON), and Reward & Recognition (RWR) all contribute to the variation in employee job

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satisfaction (EJS) across Nigerian PFAs. This is sufficient for establishing the model's goodness of fit and generating statistical predictions.

**Table 2** ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.808	4	15.952	256.628	.000 <sup>b</sup>
	Residual	21.632	348	.062		
	Total	85.439	352			

a. Dependent Variable: EJS

b. Predictors: (Constant), RWR, MBO, MON, PAP

Source, SPSS Printout, 2022

The F-statistics value of 256.628 in table 2 with a probability value of 0.000 indicates that the independent variables [performance appraisal (PAP), Management by Objective (MBO), monitoring (MON), and reward and compensation (RWC)] have a significant effect on the dependent variable [employee job satisfaction (EJS)]. Research found that the exploratory factors of performance appraisal (PAP), Management by Objective (MBO), monitoring (MON), and reward & Recognition (RWR) explained the variability in employee job satisfaction (EJS) in Nigerian PFAs.

**Table 3** Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.185	.210		29.506	.000
	PAP	.369	.038	.788	9.605	.000
	MBO	.128	.031	.226	4.060	.000
	MON	.880	.029	1.959	30.730	.000
	RWR	.645	.062	.601	10.332	.000

a. Dependent Variable: EJS

Source, SPSS Printout, 2022

The estimated equation of the model is expressed as:  $EJS = \alpha_i + \beta_{i1}PAP_{i1} + \beta_{i2}MBO_{i2} + \beta_{i3}MON_{i3} + \beta_{i4}RWR_{i4} + \varepsilon_{i1}$

Table 3 demonstrates that the coefficient values for all performance management measures, including performance appraisal (PAP), Management by Objective (MBO), monitoring (MON), and reward & Recognition (RWR), positively and significantly affect employee job satisfaction (EJS) of PFAs in Nigeria. When all other factors are set to zero, employee job satisfaction in Nigerian PFAs is equal to 6.185, as indicated in the table. When performance appraisal (PAP), Management by Objective (MBO), monitoring (MON), and reward & Recognition (RWR) are

increased by one unit, it increases by 0.788, 0.226, 1.959, and 0.601 respectively, while all other variables stay unchanged. Additionally, the standardized beta coefficient for performance appraisal (PAP) is 0.788, with a t-test value of 9.605 at the 5% level of significance, as shown in the table. This hypothesis proposes that performance appraisal (PAP) is a positive predictor of employee job satisfaction (EJS) in Nigerian PFAs. The standardized beta coefficient for Management by Objective (MBO) is 0.226, with a t-test value of 4.060 at 5% significance level. Research suggests that Management by Objective (MBO) is a strong predictor of employee job satisfaction (EJS) in PFAs. Monitoring (MON) has a standardized beta coefficient of 1.959, with a t-test value of 30.730 at the 5% level of significance, implying that monitoring (MON) is positively meaningful in predicting employee job satisfaction (EJS) in PFAs. The standardized beta coefficient for reward and recognition (RWR) is 0.601, with a t-test value of 10.332 at the 5% level of significance, implying that RWR is considerably useful in predicting employee job satisfaction (EJS) in PFAs. As a result, it is clear that the values for all performance management indicators were favorably and significantly related to employee work satisfaction in Nigerian PFAs. As a result, the null hypothesis was rejected and the alternative hypothesis, which asserts that performance management indicators have a substantial influence on employee job satisfaction in Nigerian PFAs, was accepted.

**Test of Hypothesis Two**

*H<sub>02</sub>: There is no significant relationship between performance appraisal and employee motivation of PFAs in Nigeria.*

**Statistical tool: Pearson Correlation Analysis**

		EJS	PAP
EJS	Pearson Correlation	1	.742**
	Sig. (2-tailed)		.000
	N	353	353
PAP	Pearson Correlation	.742**	1
	Sig. (2-tailed)	.000	
	N	353	353

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Researcher’s Computation, 2022**

The correlation statistics in table 4 suggest that there is a substantial association between performance assessment and employee motivation in Nigerian PFAs. With  $r=0.742$ ,  $n=353$ ,  $p<0.05$ , a positive and substantial link was discovered between performance assessment and employee motivation of PFAs in Nigeria. According to the positive correlation coefficient, the degree of employee motivation in Nigerian PFAs is related to performance assessment. As a result, the null hypothesis is rejected, and the alternative hypothesis, which revealed a substantial association between performance assessment and employee motivation in Nigerian PFAs, is embraced.



**Table 5 Descriptive Statistics of Employee Motivation**

	N	Minimum	Maximum	Sum	Mean		Std. Deviation	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error
EM01	337	1	5	1182	3.51	.063	1.163	-.448	.265
EM02	337	1	5	1302	3.86	.055	1.011	.243	.265
EM03	337	1	5	1289	3.82	.061	1.122	.224	.265
EM04	337	1	5	1255	3.72	.053	.969	.199	.265
Valid N (listwise)	337								

Source: Field Survey, 2022

The data shown above represent the mean and standard deviation for each item in Table 5. The average of the items is larger than half of the Likert 5-point scale (i.e. 2.5). According to the replies to the individual questions, the first component had the lowest response rate with a 3.51 mean score; "Rewards and recognitions inspire my desire for improved performance". Following item number two, respondents agree, for example, that "a sense of accountability for outcomes is crucial for productivity," with a mean value of 3.86. The participants agree that "A boost in my morale via professional progression can increase my efficiency on the work" at a mean score of 3.82. A mean score of 3.86 and a standard deviation of 0.05 were obtained for the overall relevant construct. This demonstrates that respondents generally agreed with the question for all of the construct's elements, with a standard deviation of 0.55.

**Table 6. Descriptive Statistics of Employee Job Satisfaction**

	N	Minimum	Maximum	Sum	Mean		Std. Deviation	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error
EJS01	337	1	5	1303	3.87	.055	1.013	1.536	.265
EJS02	337	1	5	1193	3.54	.066	1.207	-.287	.265
EJS03	337	1	5	1215	3.61	.071	1.312	-.466	.265
EJS04	337	1	5	1171	3.47	.059	1.083	.073	.265
Valid N (listwise)	337								

Source: Field Survey, 2022

Table 6 illustrates the mean and standard deviation. The items' mean exceeds 50% of the Likert 5-point scale (i.e. 2.5). The responses to the individual items found that the first component had the lowest response rate with a 3.87 mean score; "Fair and ongoing performance reviews boost my job satisfaction". Respondents agree, for example, that "Staff are encouraged and stimulated to constantly put in their best through incentive and recognition in this organization," with a mean

value of 3.86. The participants agree that "A boost in my morale via professional progression can increase my efficiency on the work" at a mean score of 3.82. The overall mean score of the relevant construct was 3.87, with a standard deviation of 0.066. This demonstrates that respondents generally agreed with the question on all of the construct's elements, with a standard deviation of 0.06.

**Table 7 Descriptive Statistics of Performance Appraisal**

	N	Minimum	Maximum	Sum	Mean		Std. Deviation	Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error
PEA	337	1	5	1236	3.67	.056	1.028	.007	.265
MBO	337	1	5	1182	3.51	.063	1.163	-.448	.265
CMP	337	1	5	1302	3.86	.055	1.011	.243	.265
MON	337	1	5	1289	3.82	.061	1.122	.224	.265
EJS	337	1	5	1255	3.72	.053	.969	.199	.265
Valid N (listwise)	337								

Source: Field Survey, 2022

The mean and standard deviations are shown in Table 7. The items' mean exceeds 50% of the Likert 5-point scale (i.e. 2.5). The responses to the individual items indicated that the first component had the lowest response rate at 3.51 mean score; "It is necessary to have an effective performance appraisal in place for overall employees' assessment and job satisfaction". For the first item, respondents agree, for example, that "it's vital to consistently review performance and provide feedback to staff members," with a mean value of 3.72. The respondents think that "Measuring individual performance and comparing it with criteria that have been set is a wonderful method to develop a culture of working towards common goals" at a mean score of 4.04. The overall score for the relevant construct was 3.86, with a standard deviation of 0.055. This demonstrates that, with a standard deviation of 0.05, respondents largely agreed with all of the construct's components.

**Table 8 Performance Scale Reliability**

Sub-scale components	Cronbach's Alpha	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Employee competency	0.777		
1. EC01		0.403	0.769
2. EC02		0.324	0.786
3. EC03		0.502	0.751

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4.	EC04		0.505	0.749
	Employee motivation	0.734		
1.	EM01		0.742	0.602
2.	EM02		0.332	0.741
3.	EM03		0.469	0.699
4.	EM04		0.301	0.576
	Employee job satisfaction	0.841		
1.	EJS01		0.643	0.812
2.	EJS02		0.389	0.812
3.	EJS03		0.622	0.816
4.	EJS04		0.295	0.776
	Employee commitment	0.912		
5	ECo01		0.489	0.752
6.	ECo02		0.339	0.694
7.	Eco03		0.566	0.736
6	Eco04		0.535	0.832

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Source: SPSS Output (2022)

Every single Cronbach's Alpha that has been reported falls within the acceptable level of reliability (Batabyal, Asit, 2017)) and thus used for the estimation. Therefore the reliability of the instrument is assured.

### Discussion of findings

Employee motivation was shown to be favorably related to performance assessments, according to the research. Real employee engagement stems from employees' confidence and perception that their success is objectively judged by the quality of their job, rather than by artificial elements like senior management inside the firm or ties with family. Kelski (2007)

Employees feel good about their experience when a performance management system establishes clear performance expectations through a set of logical goals and a well-defined set of abilities. Goal setting based on outcomes. This displays management's willingness to acknowledge and profit on its employees' accomplishments. Setting precise and well-defined goals, as a consequence, provides workers with a road map to follow and better equips them to carry out their tasks and obligations (Tekeste, 2017).

Furthermore, we discovered that our study was consistent with earlier research. They have always thought that when the outcomes of performance management systems are utilized to give incentives, raises, and promotions, employees are better happy with their jobs (Salem et al., 2013). As a result, it is critical to give employees with possibilities for awards and assessments based on performance management system results, thereby enhancing employee motivation and

satisfaction. This reduces employee dissatisfaction, which can lead to a lack of trust and poor attitudes about work.

This study's findings also revealed that 'monitoring' was positively associated to employee work satisfaction. This implies that if leaders assess employee objectives on a regular basis, offer the tools and information they require for direction, acknowledge strong performance, and provide frequent feedback on performance progress, workers will be satisfied. It entails being pleased with your effort. As a consequence, management and employees may build open and honest communication and connections, increasing organizational performance and growth. This is consistent with prior studies conducted by his Lalwani in 2020. March 2019, as well as Salem et al., 2013.

### **Conclusion and Recommendations**

As a consequence of the study's findings, the Nigerian PFA's performance management had a substantial influence on employee work satisfaction, and there was a high link between performance ratings and staff motivation. As a result, the study investigates the significance of utilizing the correct performance management software that delivers real-time performance evaluation and feedback to recruit and retain pleased employees who are committed to the organization's strategic goals. It suggests that effective and efficient performance management be prioritized.

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