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The Impact of Performance Appraisal on Employees' Productivity in Financial Institutions: A Case of the United States Banking Sector

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Abstract: This research investigated the impact of performance appraisal on employee's productivity in financial institutions, with a focus on the United States banking sector. In carrying out the study, an Expost-Facto design was adopted. The study was carried out in United State of America. The targeted population for the study comprised management staff, senior staff and junior staff in the banking institutions in United State of America. A stratified random sampling technique was used to select 15 management staff, 45 senior staff and 60 junior staff which gave a total of 120 respondents used for the study. The instrument used for data collection was a structured questionnaire titled "Performance Appraisal and Employees' Productivity Questionnaire (PAEPQ)". Face and content validation of the instrument was carried out by an expert in test, measurement, and evaluation in order to ensure that the instrument has the accuracy, appropriateness, and completeness for the study under consideration. The reliability coefficient obtained was 0.91, and this was substantially high enough to justify the use of the instrument. The researcher subjected the data generated for this study to appropriate statistical technique such percentage analysis to answer research questions and simple regression to answer hypothesis. The study found out that there is significant impact of performance appraisal on employees' productivity in financial institution in United States. Also it was found out that there is significant impact exerted by the independent variables i.e. Impact on the dependent variable which is productivity. On this basis the study concluded that for financial institutions to benefit from performance appraisal, they need to refine their systems to unleash employee potential and drive success. One of the recommendations was that financial institutions in the United States banking sector should prioritize the implementation of regular training programs for managers and supervisors responsible for conducting performance appraisals.

Key words: Performance appraisal, Employee productivity, Financial Institutions, United States and Banking Sector.

Introduction

Performance appraisals are a vital management technique used by organizations worldwide to assess and enhance employees' general performance and productivity. The value of accurate performance reviews cannot be overstated in the fast-paced financial industry, particularly in the US banking sector where fierce rivalry and constantly shifting customer needs are the norm. The phrase "performance assessment" refers to a broad range of structured processes that evaluate an employee's work, provide them with feedback, and assist them in aligning their career objectives with the organization's (Pulakos, 2009). Strong performance appraisal systems must be put in place in financial organizations like banks, because employee performance has a direct impact on client happiness, profitability, and overall organizational success.

The impact of performance assessments on employees' productivity in financial institutions is complex. First of all, performance reviews serve as a tool for recognizing and rewarding employees' achievements, which motivates them to maintain or raise their levels of output, according to DeNisi and Murphy (2017). Additionally, by using the feedback they receive during performance appraisal meetings to gain insight into areas for growth, employees can correct skill gaps and increase their effectiveness in carrying out job obligations (Meyer and Smith, 2000).

Performance evaluations also assist financial firms in creating a responsible and transparent culture where employees understand the criteria used to evaluate their work and the chances for advancement within the organization (Cardy and Selvarajan, 2006). Furthermore, by linking individual performance to corporate goals and objectives, performance appraisals promote group productivity and performance (Cascio and Aguinis, 2011). This links worker actions to the strategic goals of the organization. Performance reviews can be helpful, but how much of an impact they actually have on employees' productivity in the US banking sector will depend on a variety of factors, such as how the system is designed, the quality of the feedback provided, and the organizational culture surrounding performance management (Boswell and Boudreau, 2002). Therefore, in order to fully understand the nuances of performance appraisal implementation and how it affects employees' productivity in financial institutions, a complete analysis of these variables is necessary. In light of the foregoing, this study aims to investigate the impact of performance appraisal on employees' productivity within the United States banking sector and also to provide insights into the effectiveness of performance appraisal systems in enhancing employees' productivity and contributing to the overall performance of financial institutions in the United States.

Statement of problem

In the realm of financial institutions, particularly within the United States banking sector, the process of performance appraisal plays a pivotal role in shaping the efficiency and effectiveness of the workforce. However, despite its widespread implementation, there exists a gap in understanding the true impact of performance appraisal practices on employees' productivity. The problem at hand stems from the uncertainty surrounding the correlation between performance appraisal methods utilized within financial institutions and their resultant effects on the productivity levels of employees. While performance appraisal is intended to provide feedback, identify areas for improvement, and align employee goals with organizational objectives, the actual outcomes may not always align with these intentions. This disparity raises pertinent questions regarding the efficacy and fairness of existing performance appraisal systems in the context of financial institutions.

Objectives of the study

1. To find out the roles of performance appraisal in financial institutions in United States.
2. To examine the impact of performance appraisal on employees' productivity in financial institution in United States.

Research questions

1. What are the roles of performance appraisal in financial institutions in United States?
2. What is the impact of performance appraisal on employees' productivity in financial institution in United States?

Hypothesis

1. There is no significant impact of performance appraisal on employees' productivity in financial institution in United States.

LITERATURE REVIEW

Concept of Employees Performance

Employees are a company's most valuable resource. Thus, it should come as no surprise to hear that a company's success or failure is greatly influenced by the everyday performance of its employees. Businesses need to figure out how to maximize employee performance and staff retention if they want to prosper in the current economic climate. In other words, an employee's performance is based on how successfully they complete tasks, fulfill their allocated responsibilities, and behave at work. The number, quality, and efficiency of the work are the three main performance criteria. Leaders can get a sense of how the company is operating by keeping an eye on staff performance. This not only helps to highlight what companies could be doing in the present to improve their business, but this information also feeds into future growth plans (Perkbox, 2024).

According to Gami (2023), employee performance refers to how well a worker performs their duties, completes assignments, and behaves while on the job. It comprises the quantity, quality, and speed with which they complete their work. According to him, furthermore, supervisors can gauge the performance of the organization by seeing how well employees carry out their duties. It helps with preparing for the future as well as figuring out what the company can do today to get better. It is advantageous for the organization to have a competent group of leaders. Talented individuals are more likely to stay with a company when they perform well. And, while a company can’t totally control output, they can play a large role in supporting employees to do their best by ensuring that they are well supported. When employees are happy, they perform better.

It is quite obvious that employee performance is a gauge of how well a worker does their job and conducts themselves in the workplace. employee performance has an impact on customer happiness, the firm's revenue, company culture, and employee retention rates, to mention a few outcomes, making it crucial to every facet of the organization. Worker performance encompasses the caliber, productivity, and efficacy of a worker's output. The way a worker performs also reflects how valuable they are to the company. Since employees are an investment, their performance serves as a proxy for their return on investment. It goes without saying that any company wants to work with and hire people who perform well (Lume, 2021).

Liotmos (2024) defines employee performance as an individual's ability to carry out their job obligations and responsibilities with efficiency. Many businesses evaluate the performance of their staff members on a yearly or quarterly basis in order to identify specific areas that require development and to promote continued success in areas where performance is either meeting or beyond expectations. Companies may provide learning and development opportunities, pinpoint areas for growth, and make sure that everyone is working toward the same objectives by routinely evaluating employee performance.

For any organization, one of the most important factors is employee performance. How well (or poorly) an employee completes their tasks and accomplishes their objectives is referred to as their employee performance. The number, quality, and efficiency of an individual's labor are all factors in an accurate assessment of their performance. Workers are the company's engine. While underperformers may have the reverse effect, high achievers might aid the organization in achieving its objectives more quickly. Their diligence, originality, and inventiveness motivate their colleagues and keep the business competitive. Employee performance monitoring is advantageous to the organization as well as the worker. It enables the business to provide employees with growth chances and demonstrates to each individual what they still need to improve (Visier, 2024).

Concept of Performance Appraisal

Performance appraisal is a methodical assessment of employees by supervisors or other individuals who have direct knowledge of their work. A performance assessment is a merit grading that assigns a person a better or worse ranking relative to others. This merit rating's primary goal is mostly to determine if a worker is qualified for promotion. It is a well-known fact performance appraisal is the regular review of an employee's job performance and overall contribution to a company. Performance appraisal is also known as "annual review, employee appraisal, performance review, or evaluation." Performance appraisal evaluates an employee's skills, achievements, and growth, or lack thereof. Terra (2024) mentioned that "performance appraisal is a systematic and periodic process of measuring an individual's work performance against the established requirements of the job."

Performance appraisal, as propounded by many management scientist, is a subjective evaluation of the employee's strengths and weaknesses, relative worth to the organization, and future development potential. The Editorial Team (2024) posited that "performance appraisal is a review businesses use to determine their employees's work performance." Performance appraisals can help identify an employee's strengths and determine areas for improvement. QuestionPro (2024) defined "performance appraisal as a process that systematically measures an employee's personality and performance, usually by managers or immediate supervisors, against predefined attributes like skillset, knowledge about the role, technical know-how, attitude, punctuality, and so on.

According to the Management Study Guide (2015) performance appraisal is the systematic evaluation of the performance of employees to understand the abilities of a person for further growth and development. Performance appraisals are done in orderly ways. Plum (2024) also added that performance appraisal is a systematic and objective process of evaluating an employee's job performance against pre-established standards and goals.

Concept of Employees' Productivity

As a matter of facts employee productivity is the evaluation of the value produced by each employee over a certain amount of time. According to Mallick (2020), employees' productivity is defined as an assessment of the value generated by an individual employee within a specific time period. Productivity has a direct correlation with business outcomes (both near-term and long-term) and return on investment (ROI). Obviously, without this correlation, an activity cannot be viewed as productive.

Employee productivity is often a measure of the level of efficiency of an employee in his ability to convert his time and effort into quality work. In other words, it is a measure of how much an employee is able to get done in a given amount of time with a given number of resources for the task. Employee productivity is vial as it directly impacts an organization's bottom line. The more productive employees are, the more work they can get done and the more profit an organization can make for a given period of time. Aino Health (2022) Employee productivity also has an indirect impact on an organization's ability to retain employees. More productive employees are less likely to become disengaged and leave their jobs. As a result, organizations that focus on improving employee productivity often see improvements in retention rates.

Employee productivity is a metric that is calculated based on the amount of output on a project versus the amount of time it takes. It can also be measured against a standard or "base" of productivity for a group of workers doing similar work. A measure of employee productivity will show how efficient the employees are for a task or project. This metric itself can be used to determine if a project needs more or less workers (Zistemo 2024). Employee productivity can also be seen as the amount of work (or output) produced by an employee in a specific period of time.

As stated by Personio (2024), employee productivity refers to the ability of employees to effectively and efficiently complete their job tasks in order to achieve the goals of the company. It can be influenced by factors such as compensation, work environment, work motivation, work discipline, and job satisfaction. Studies have shown that compensation, work environment, and work motivation have a positive and significant effect on employee productivity. Employee productivity is generally understood as the ability of an employee to take input (instructions, directions, requirements, etc.) and turn it into output. Effectively, it is the measure of how employees produce input and turn it into output in a given period of time.

Concept of Financial Institutions

Virtually everyone living in a developed economy has an ongoing or at least periodic need for a financial institution's services. Financial institutions often match savers' or investors' funds with those seeking funds, such as borrowers or businesses seeking to trade shares of ownership for funds. A financial institution, sometimes called a banking institution, can be best described as a business entity that provides service as an intermediary for different types of financial monetary transactions.

According to Aggarwal (2024) a financial institution as an establishment that conducts financial transactions such as investments, loans, and deposits. It plays a crucial role in the economy by channeling funds from savers to borrowers, facilitating the efficient allocation of resources, and supporting economic growth and development. Institutions include banks, credit unions, insurance companies, and investment firms. Financial institutions are known to be the places where these entities turn to when they want to do transactions, investments, savings, money exchange, or money management. There are various types of financial institutions to fulfill the different requirements of customers. They play a very important role of looking into the customer’s financial needs, be it an individual or a company, and offer relevant services.

Many experts describe a financial institution as a company engaged in the business of dealing with financial and monetary transactions such as deposits, loans, investments, and currency exchange. Financial institutions include a broad range of business operations within the financial services sector, including banks, insurance companies, brokerage firms, and investment dealers. Financial institutions are vital to a functioning capitalist economy because they match people seeking funds with those who can lend or invest them. Financial institutions vary by size, scope, and geography.

Ntara (2023) stated that a financial institution is an entity that facilitates monetary transactions between two or more parties. Well-known financial institutions include banks, investment organizations or dealers, and insurance organizations. These institutions deal with deposits and investments from customers. According to him financial institutions are significant as they give the marketplace money and assets so they can be efficiently distributed as capital whenever required. Financial institutions help individuals and businesses fulfill their monetary or financial requirements, either by depositing money, investing it, or managing it. Vaidya (2024) added that financial institutions offer a wide range of monetary or financial services to individuals and businesses.

Roles of Performance Appraisal in Organization

The following are the roles of performance appraisal in organization:

Contribution to business goals: Business goals are an essential part of establishing priorities and setting the company up for success over a set period of time**.** Performance appraisal systems play a significant role in contributing to the achievement of business goals across various industries. By effectively evaluating the performance of employees and aligning their efforts with organizational objectives, performance appraisal serves as a strategic tool for enhancement of productivity, driving innovation, and fostering growth. Performance appraisal provides employees with clear feedback on their performance, enabling them to understand expectations and areas for improvement, which highly contributes to the business goals (Herrity, 2023).

Developing employee skills and performances: Skills development is a learning process by which a company allows its employees to deepen their knowledge and improve their practice and promote productivity at the work place. In today's dynamic and competitive business landscape, the development of employee skills and performances is paramount for organizational success. Businesses that prioritize the growth and enhancement of their workforce invariably enjoy higher productivity, innovation, and employee satisfaction. Investing in employee development not only fosters a culture of continuous learning but also equips individuals with the tools needed to adapt to evolving industry demands.

Identifying training needs: To identify employee training and development needs, you must first set clear expectations for each role within your business. This creates a benchmark to monitor performance against. The identification of training needs has become a strategic imperative for organizations aiming to remain competitive and adaptive. By discerning the skill gaps and developmental areas within their workforce, companies can cultivate a culture of continuous improvement, enhance employee satisfaction, and bolster overall performance (Sands, 2023).

Boosts employee engagement: Employee engagement is the degree to which employees are motivated by, passionate about and invested in their work. Employee engagement is not merely a buzzword; it's a critical factor in fostering a positive workplace culture, driving productivity, and ultimately, achieving organizational success. Engaged employees are more committed, innovative, and motivated to contribute their best to the organization (Heinz, 2023).

Communicate and revisit performance expectations: Performance-based expectations refer to the job requirements, tasks, and responsibilities of each person in a team. Communicating and revisiting performance expectations is a fundamental aspect of fostering productivity, growth, and mutual understanding within any organization or team. Clear and consistent communication regarding performance standards not only sets a benchmark for success but also provides employees with the necessary guidance to excel in their roles. However, expectations can evolve over time due to various factors such as changes in goals, priorities, or market conditions. Hence, it's crucial to regularly revisit and adapt these expectations to ensure alignment and continued progress (Vidojevic, 2021).

Clarifies expectations: Clarifying expectations is to create shared vision and agreement about what is to be done up front. During performance appraisals, managers can reiterate their expectations for employees. Clarifying expectations is a cornerstone of effective communication in any organization, be it personal relationships, educational settings, or professional environments. Performance appraisals offer employees a clear understanding of their job responsibilities and what is expected of them (Kaur, 2021).

Types of Performance Appraisal

As stated by Kaur, (2021) there are various types of performance appraisal as can be seen below:

Self-assessment: This is a type of performance appraisal which involves an employee reflecting on their own work, skills, strengths, and areas for improvement. It is a process where employees evaluate their own performance against predetermined goals and standards set by the organization. This method empowers employees to take ownership of their performance and development. It encourages self-reflection, allowing individuals to recognize their achievements and identify areas where they need to enhance their skills or knowledge. Self-assessment typically involves employees filling out forms, questionnaires, or conducting self-evaluations based on specific criteria. These criteria often include job responsibilities, skills development, adherence to company values, and contributions to team objectives.

Peer assessment: Peer assessment refers to the evaluation of an individual's work or behavior by their colleagues or peers within the same organization or team. Unlike traditional top-down evaluations conducted by supervisors or managers, peer assessment fosters a more collaborative and inclusive approach to performance evaluation. In peer assessment, colleagues who work closely with the individual being evaluated provide feedback based on their observations and interactions. This method often involves structured mechanisms such as surveys, peer reviews, or 360-degree feedback systems, where multiple perspectives are gathered to provide a comprehensive view of the individual's performance.

360-degree feedback assessment: 360-degree feedback assessment is a comprehensive approach to performance appraisal that gathers feedback from multiple sources, including peers, supervisors, subordinates, and sometimes even external stakeholders, to provide a well-rounded evaluation of an individual's performance. In this method, individuals receive feedback from various perspectives, offering a holistic view of their strengths, weaknesses, and areas for development. It typically involves anonymous surveys or interviews where participants provide input on the individual's skills, behaviors, and competencies.

Negotiated appraisal: This newer trend utilizes a mediator and attempts to moderate the adversarial nature of performance evaluations by allowing the subject to present first. It also focuses on what the individual is doing right before any criticism is given. This structure tends to be useful during conflicts between subordinates and supervisors.

Profile of Selected Banks in USA

JPMorgan Chase & Co.:

JPMorgan Chase & Co. is one of the largest and most influential banks in the United States, offering a wide range of financial services to individuals, businesses, and institutional clients. With roots dating back to 1799, the bank has a rich history of serving customers and driving economic growth. Headquartered in New York City, JPMorgan Chase operates globally with a strong presence in key financial markets. It provides banking, investment, asset management, and other financial services to millions of customers worldwide. Known for its innovation and commitment to excellence, JPMorgan Chase consistently ranks among the top banks in the world.

Bank of America Corporation:

Bank of America Corporation, headquartered in Charlotte, North Carolina, is another prominent player in the U.S. banking sector. Established in 1904, the bank has grown into one of the largest financial institutions in the country, serving millions of consumers, small businesses, and large corporations. Bank of America offers a comprehensive suite of banking products and services, including retail banking, wealth management, investment banking, and global markets operations. The bank is known for its extensive branch network and digital banking capabilities, providing customers with convenient access to financial services nationwide.

Wells Fargo & Company:

Wells Fargo & Company is a leading financial services firm based in San Francisco, California, with a history spanning over 160 years. Originally founded to provide banking services during the California Gold Rush, Wells Fargo has evolved into a diversified financial institution serving customers across the United States and globally. The bank offers a broad range of banking, lending, investment, and wealth management services to individuals, businesses, and institutions. Wells Fargo is recognized for its strong community presence, technological innovation, and commitment to customer satisfaction, making it one of the top banks in the USA.

The Impact of Performance Appraisal on Employees Productivity in Financial Institution

The following are the impact of performance appraisal on employee’s productivity in financial institutions:

Goal Setting and Clarity: Performance appraisal provides employees with their clear expected performance and goals aligned with organizational objectives. Apparently, through the appraisal process, employees receive feedback on their performance, identify areas for improvement, and set specific targets for enhancing productivity (Kuvaas, 2007). Clear goal setting fosters a sense of direction and purpose among employees, motivating them to perform at their best to achieve established targets.

Feedback and Development: Performance appraisal enables regular feedback and coaching sessions between managers and employees and enable the identification of strengths, weaknesses, and developmental needs (DeNisi and Murphy, 2017). Constructive feedback enables employees understand their performance relative to expectations, identify areas for skill enhancement, and develop action plans for improvement. Effective performance feedback encourages continuous learning and skill development, leading to increased employee competence and productivity or the benefits both the organization and the employee.

Recognition and Rewards: Performance appraisal serves as a basis for recognizing and rewarding employees for their contributions and achievements (Aguinis, Joo, and Gottfredson, 2013). Employees who consistently demonstrate high performance levels and exceed expectations may receive monetary incentives, promotions, or other forms of recognition. Rewarding exemplary performance reinforces positive behavior and motivates employees to sustain or enhance their productivity levels, contributing to overall organizational success.

Performance-Based Decision Making: Performance appraisal data provides valuable insights for making informed decisions regarding employee placement, training, and career development opportunities (Cascio& Boudreau, 2016). Objective performance assessments help in identification of high-performing employees who are suitable for leadership roles or specialized assignments, facilitating talent management and succession planning initiatives. By aligning employees' skills and capabilities with organizational needs, performance-based decision making promote workforce productivity and effectiveness.

Inhibiting Factors to Effective Performance Appraisal in Banking Sector

Inhibiting factors to the effective performance appraisal in banking sectors include;

Design of the Performance Appraisal Form: According to Beer (1987) many of the problems in performance appraisal stem from the appraisal system it self-the objectives it is intended to serve, the administrative system in which it is embedded, and the forms and procedures that make up the system. The performance system can be blamed if the criteria for evaluation are poor, the technique used is cumbersome, or the system is more form than substance. If the criteria used focuses solely on activities rather than output or results, or on personality traits rather than performance, the evaluation may not be well received. According to Deborah and Kleiner (2007) organizations need to have a systematic framework to ensure that performance appraisal is "fair" and "consistent".

Attitude of the Appraiser in the Performance Evaluation Process: Even if the system is well designed, problems can arise if the raters (usually supervisors) are not cooperative and well trained (Ivancevich, 2007).This is often because they have not been adequately trained or have not participated in the design of the program. In adequate training of raters can lead to a series of problems in completing performance evaluations, including:problems with standards of evaluation, Halo effect, Leniency or harshness, central tendency error, "Recencyof events" error, contrast effects, personal bias (stereotyping). According to Mark Cook (1995), Performance appraisals suffer from four major problems. Theseare Biases, politicking, impressions management and undeserved reputation. Biases could be done consciously or unconsciously because of age, ethnicity, gender, physical appearance, attitudes and fundamental values of the raters, and personal like or dislike.

Appraisee's Attitude in the Performance Evaluation Process: Another factor influencing performance evaluation can also be attributed to the appraisee's. For instance, their attempt to create unnecessary impression and work area ingratiation is one of the major problems with respect to ratees.According to Mark Cook (1995), organizations occasionally exist in which subordinates gain credit for pushing ahead with management plans that are absurdly wrong, in pursuit of aims which are completely pointless, stifling criticism either of purpose or of method with cries of "commitment" and "loyalty". An extreme case of this trend may be termed the World War I mentality.

Linking Performance Appraisal to Pay/Reward: Performance-based rewards have a rich history in Banking, particularly in Kenya. It is quite notable that in the last ten years, a number of countries have adopted pay-for-performance strategies to modify the traditional salary scales. The distinguishing feature of a performance-based scheme is that it rewards or sanctions employees based upon some form of performance evaluation. Distinctions in performance-based reward programs are found in the skills assessed and the rewards provided. Most individually-based programs have used pecuniary rewards for high levels of performance, usually defined in terms of employee outcomes or skills and knowledge. More recently, some analysts have proposed that intrinsic rewards, such as seeing employees improve in performance, and increased feelings of well-being are better motivators for both the employer and the employee. For this reason, many analysts believe the salary scale system determines employee compensation on incomplete criteria.

Performance Feedback of the Appraisal System: To feedback to the employee generally aims at improving performance effectiveness through stimulating behavioral change. It is a fact that it is the manner in which employees receive feedback on their job performance a major factor in determining the success of the performance appraisal system. Hearing information about the self discrepant from ones self-image is often difficult and painful. Thus, because feedback may strike at the core of a person's personal belief system it is crucial to set conditions of feedback so that the appraisee is able to tolerate, hear, and own discrepant information. Only if conditions facilitate the acceptance of feedback information then the likelihood of change increases. The feedback event should be a confidential interaction between a qualified and credible feedback giver and appraisee to avoid denial, venting of emotions, and behavioral and mental disengagement. In such an atmosphere discrepancies in evaluations can be discussed and the session can be used as a catalyst to reduce the discrepancies (Jacobs et al., 1980 and Byrne et al., 2012).

METHODOLOGY

In carrying out the study, an Expost-Facto design was adopted. The study was carried out in United State of America. The targeted population for the study comprised management staff, senior staff and junior staff in the banking institutions in United State of America. A stratified random sampling technique was used to select 15 management staff, 45 senior staff and 60 junior staff which gave a total of 120 respondents used for the study. The instrument used for data collection was a structured questionnaire titled “Performance Appraisal and Employees’ Productivity Questionnaire (PAEPQ)”. Face and content validation of the instrument was carried out by an expert in test, measurement, and evaluation in order to ensure that the instrument has the accuracy, appropriateness, and completeness for the study under consideration. The reliability coefficient obtained was 0.91, and this was substantially high enough to justify the use of the instrument. The researcher subjected the data generated for this study to appropriate statistical technique such percentage analysis to answer research questions and simple regression to answer hypothesis.

Research Questions 1: The research question sought to find out the roles of performance appraisal in financial institutions in United States. To answer the research question, percentage analysis was performed on the data, (see table 1).

Table 1: Percentage analysis of the roles of performance appraisal in financial institutions in United States.

ROLES	FREQUENCE	PERCENTAGE (%)
Contribution to business goals	28	23.3**
Development of employee skills and performances	15	12.5
Identification of training needs	18	15
Boost to employee engagement	21	17.5
Communication and revisit to performance expectations	26	21.67
Clarification of expectations	12	10*
TOTAL	**120**	**100%**

****   The highest percentage frequency**

***　The least percentage frequency**

SOURCE: Field Survey

The above table 1 presents the percentage analysis of the roles of performance appraisal in financial institutions in United States. From the result of the data analysis, it was observed that the role tagged "Contribution to business goals" 28(23.3) was rated as the highest role of performance appraisal in financial institutions in United States, while "Clarification of expectations" 12(10) was rated the least. The result therefore is in agreement with the research findings of Herrity (2023), who noted that performance appraisal provides employees with clear feedback on their performance, enabling them to understand expectations and areas for improvement, which highly contributes to the business goals.

Research Questions 2: The research question sought to find out the impacts of performance appraisal on employees' productivity in financial institution in United States. To answer the research percentage analysis was performed on the data, (see table 2).

Table 2: Descriptive statistics of the impacts of performance appraisal on employees' productivity in financial institution in United States.

Variable	N	Arithmetic mean	Expected mean	R	Remarks
Productivity	120	16.83	12.5	0.95*	*Strong to Perfect Relationship
Impact		15.25	12.5		

Source: Field Survey

The above table 2 presents the result of the descriptive analysis of the impacts of performance appraisal on employees' productivity in financial institution in United States. The two variables were observed to have Strong to Perfect Relationship at 95%. The arithmetic mean for employees' productivity (16.83) was observed to be greater than the expected mean score of 12.5. In addition to that, the arithmetic mean as regards the impact (15.25) was observed to be greaer than the expected mean score of 12.5. The result therefore means that there is remarkable impact of performance appraisal on employees' productivity in financial institution in United States. The result therefore is in agreement with the research findings of Kuvaas (2007), who noted that through the appraisal process, employees receive feedback on their performance, identify areas for improvement, and set specific targets for enhancing productivity.

Hypothesis One: The null hypothesis states that there is no significant influence on the impact of performance appraisal on employees' productivity in financial institution in United States. In order to answer the hypothesis, simple regression analysis was performed on the data (see table 3)

TABLE 3: Simple Regression Analysis of the impact of performance appraisal on employees' productivity in financial institution in United States.

Model	R	R-Square	Adjusted R Square	Std. error of the Estimate	R Square Change
1	0.95a	0.90	0.90	0.72	0.90

***Significant at 0.05 level; df= 118; N= 120; critical R-value = 0.113**

The above table 3 presents the calculated R-value (0.95) as greater than the critical R-value of 0.113 at 0.5 alpha levels with 118 degrees of freedom. The R-Square value of 0.90 predicts 90% of the impact of performance appraisal on employees' productivity in financial institution in United States. This rate of percentage is highly positive and therefore means that there is significant impact of performance appraisal on employees' productivity in financial institution in

United States. It was also deemed necessary to find out the impact of the variance of each case of independent variable as responded by each respondent (see table 4).

TABLE 4: Analysis of variance of the impact of performance appraisal on employees' productivity in financial institution in United States.

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	536.300	1	536.300	1048.324	.000b
Residual	60.366	118	0.512		
Total	596.667	119			

a. Dependent Variable: productivity

b. Predictors: (Constant), Performance appraisal

The calculated F-value (1048.324) and the P-value as (.000b). Being that the P-value (.000b) is below the probability level of 0.05, the result therefore means that there is significant impact exerted by the independent variables i.e. Impact on the dependent variable which is productivity. The result therefore means that there is significant impact of performance appraisal on employees' productivity in financial institution in United States. The result therefore is in agreement with the research findings of Kuvaas (2007), who noted that through the appraisal process, employees receive feedback on their performance, identify areas for improvement, and set specific targets for enhancing productivity. The significance of the result caused the null hypotheses to be rejected while the alternative was accepted.

Conclusion

Performance appraisal is vital in US banking, it is crucial for productivity in a competitive field. Assessing and improving employee performance is essential amid evolving customer needs. It boosts motivation, skill growth, and aligns efforts with goals, fostering transparency and accountability. However, its impact varies based on system design, feedback, and culture. Thus, studying these factors is key to enhancing effectiveness. Financial institutions can benefit from performance appraisal by refining their systems to unleash employee potential and drive success.

It was also concluded that performance appraisal in financial institutions in United States contribute immensely to business goals. Finally, there is significant influence of performance appraisal on employees' productivity in financial institution in United States.

Recommendations

1. There is need for the financial institutions in the United States banking sector to prioritize the implementation of regular training programs for managers and supervisors responsible for conducting performance appraisals for effective and successful assessment.
2. They should consider implementing a 360-degree feedback system alongside traditional top-down performance appraisals. This approach allows employees to receive feedback from multiple sources, providing a more comprehensive and holistic assessment of their performance.
3. It as highly recommendable that US based financial institutions should promote a culture of continuous feedback and development beyond the annual or biannual performance appraisal cycle.

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