# The Impact of Performance Appraisal and Reward System on Employee Productivity: The Mediating Effect of Work Environment

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**Abstract**

This study investigated the effect of performance appraisal and reward system on employee productivity: the mediating role of work environment. The study was conducted at Komfo Anokye Teaching Hospital, Kumasi. The sample comprised of 350 employees from whom they were selected purposively from a population of 2800. The study adopted a descriptive survey and analysis such as exploratory and confirmatory factor analysis, discriminant validity and reliability analysis from Cronbach Alpha was estimated using SPSS (version 23) and Amos (version 23). From the hypothesis, the study concluded that performance appraisal and work environment have a direct positive effect on employee performance. The study also found performance appraisal to having a partial mediator to employee performance in the work environment. However, the work environment showed no mediating effect between reward system and employee productivity. The study investigated the mediating effect the of reward system which was found to be insignificant. This is an imperative for further study to critically analyzed it effect on other antecedents.

## 1. Introduction

The cornerstone for an organization's long-term competitive advantage is human resources. Because they operate in a dynamic and competitive business world, organizations must develop strategies to attract and retain talented people. Human capital is now often regarded as an organization's most precious asset, and motivation is essential to get the most out of human resources (Zaman, 2011). According to Baron (1983), motivation is a series of processes that deal with the force that energizes activity and propels it toward achieving objectives. As a result, various methods for boosting employee performance have been created and implemented around the world, including goal setting, feedback, work design, and reward and recognition.

Working environment, worker-employer relationships, training and development, job security, and a company's general policies and processes for rewarding employees, according to Hafiza et al. (2011), all have an impact on employee performance. However, a great number of studies (Pratheepkanth, 2011: Qureshi et al., 2010: Deeprose, 1994: Zaman, 2011) have revealed that reward systems cause employee happiness, which has a direct impact on the employee's performance. Employee incentive programs are one method for encouraging employees to improve their work habits and critical behaviors for the benefit of the firm. Well-designed pay and benefits packages may attract, retain, and encourage employees. It doesn't matter how good the pay and perks are if companies don't treat their employees fairly. Designing and managing incentive systems is one of the most demanding Human Resource Management (HRM) professions (Brian, 2006). Organizations must manage individual satisfaction through rewards that are connected to what is expected and how much is received. Employee satisfaction is influenced by comparisons to others in similar positions and organizations. Employees compare their own input/output ratio to that of their peers. Rewards must be timely and tied to positive outcomes. Employees must believe that high performance (or a particular type of behavior) will be rewarded. Firms must adopt a reward philosophy that considers the role of wage in the overall compensation package (Searle, 1990).

Motivation is the most important factor in getting individuals to do what they do. Innovative solutions and sufficient financial resources may be committed to tackling the essential issue once a clear understanding of what matters most has been established. Without this knowledge, a lot of well-intentioned effort could be wasted addressing issues that are not as vital to employees (Kreitner, 1998). As a result, employee-related issues are

seen as the driving force of every organization and must be given the attention they require, as they will have an impact on their performance as well as the organization's overall performance. The reward or remuneration received for one's efforts is one of the most critical concerns that any employee in an organization faces.

"All types of remuneration and rewards in terms of payment received by employees for the performance of their job" is what an employee's reward refers to (Belcourt, 1999). Wages, salaries, incentives, bonuses, and commissions are all part of employee compensation. Reward systems differ from one organization to the next and are subject to modification. It is prevalent to use different kinds of rewards in the organization regardless of their effects and consequences. reward system such as goals of the reward system, principles of giving reward, different types of giving reward, characteristics of reward and punishment, different types of reward to payment management methods, and individual and group incentive systems must be considered.

Motivating staff is, however, possibly the most difficult of all management tasks (Bowen & Radhakrishna, 1991). In an ideal world, the corporation would have enough resources to ensure that every person has meaningful work, but that isn't the case. People desire to believe that their actions are meaningful. Over time, our motivations will shift. What was considered significant 25 years ago may no longer be so today. Depending on our stage of growth, we are motivated by a variety of factors.

Performance can be thought of as a record of both a person's accomplishments and the outcomes they have attained. As a result, performance can be defined as the way that organizations, teams, and individuals carry out their tasks. According to Armstrong (2003), both inputs (behaviour) and outputs (results) must be addressed while managing the performance of teams and people. In other words, performance management encompasses both competency levels and accomplishments, as well as the creation and evaluation of goals. This backs up Balmer and Gray's (2000) claim that the capacity to attract and retain skilled and motivated personnel is the key to staying competitive in today's knowledge organizations. Employers must implement very good reward systems in order to retain rare skills and knowledge from the workforce.

## 2. Literature Review
### 2.1. Performance Appraisal
Over the last few decades, there has been a lot of research on performance evaluation (Bretz, Milkovich & Read, 2012; Fisher, 2009). According to academics, despite its apparent simplicity, performance evaluation is frequently used in performance feedback and to identify individual employees' strengths and weaknesses (Ruddin, 2005). In 74 to 89 percent of cases, businesses and sectors use performance appraisal methodologies (Murphy & Cleveland, 1991). Performance appraisal systems aid in human resource decisions, evaluation, and feedback (Cleveland, Murphy & Williams, 2009). The numerous programs were dominated by psychologists, who focused on the psychometric features of supervisory performance evaluation (Milkovich & Wigor, 2011). Employees' reactions to performance evaluations and how they conveyed their ideas on how performance reviews are done were studied by psychologists (Levy, 2000; Levy & Williams, 2004). The assessment framework, according to Nasud, is a critical tool for recouping the value of employees' efforts (Nasud, 2009). In order to fulfil the organization's common goals, performance appraisal produces a compensation system that integrates the efforts of the organization's executives and employees (Cleveland, Murphy, & William, 2009). In order to fulfil an organization's high-performance goals, performance evaluation is a vital component of human resource management. The information gathered and performance evaluations are used to hire and retain top talent, as well as train and develop current employees and motivate and retain a high-quality staff by providing suitable and timely remuneration (Lillian, Mathooko, & Sitati, 2011). Performance assessments usually incorporate a performance management system.

Performance appraisal is done using a variety of methodologies, which can be classified as traditional or non-traditional. The "Free Kind Method" is a conventional form of appraisal that simply involves the supervisor or superior overseeing and describing an employee's performance (IJBMR, 2012). In recent years, practices have increasingly used non-traditional appraisal methods (Dorfman, 2006; Locke & Latham). These methods are commonly used for appraisal procedures all across the world.
1. Center for evaluation
2. Rating scales based on behaviours
3. Accounting for human resources
4. Appraisals of 360-degree performance
5. Objectives-driven management

The assessment centre consists of informal activities, examinations, and assignments offered to a group of employees in order to assess their competencies (Ijbmr, 2012). Behaviorally Anchored Rating Scales are a new way of predicting essential areas of performance or a set of behaviour statements that represent important job traits, both good and poor (Dargham, 2000). Employee performance is measured in terms of their contribution and cost in the human resource accounting technique (Ijbmr, 2012). Anyone who has interacted with an employee in the organization is asked to provide 360-degree feedback on their performance. Self-appraisal,

superior appraisal, subordinate appraisal, and peer appraisal are all included in the 360-degree appraisal system. Traditional approaches, which focus more on organizing meetings between employees and supervisors and less on rankings and ratings, are less organized than these alternatives (Sharma, 2012).

*2.2. Employee's Performance*

Employees who do well are more likely to be promoted and have more opportunities than those who perform poorly (Vans cotter, 2000). "Performance is related to the fact that the individual was recruited to do a task and do it successfully" (Campbell 1993). The actions are only one facet of performance; it also encompasses the judgment and evaluation process (Ilgen & Schneider, 2011). The activities that can be observed and measured are defined as performance (Campbell, 2013). In order to achieve their goals and acquire a competitive advantage, businesses need high-performing employees (Frese, 2002). Borman and Motowidlo (2013) distinguish between work and performance. Work that was related to a person's abilities and in which the employee participated in activities that were aided by the technological core. Performance is not determined by technological core features; rather, it is determined by the psychological and social environments in which the organization operates in order to achieve its goals. It entails actions such as assisting coworkers or being a trustworthy employee (Frese, 2012). Personal characteristics are less important in performance appraisal than performance variables (Smither, 2008). Kane (2005) proposed that work-related behaviour should be used to evaluate performance. According to Murphy (2011), evaluating performance based on personal qualities has a number of drawbacks.

The validity and reliability of attribute-based performance appraisal are more questioned, according to Jankoz (2004), because senior officers' perceptions may be prejudiced. An appraisal based on staff characteristics is of limited benefit (Squires and Adler, 2008). Fair appraisal, according to Malos (2008), is based on job-related behaviours rather than personal characteristics. Employees must believe that there is a huge opportunity for them in performance appraisals (Weick, 2001). The performance rating system, incentives, motives, and developments all suffer from a lack of fairness, resulting in negative consequences and frustration (Gilliland and Langdon, 2008).

This framework is developed in this study for use, particularly in the context of performance appraisal. Employees perceptions of fairness in the appraisal system are discussed in this context. Fair relative weighting in the basic aspects of the performance appraisal system is one of Rosenzweig and Nohria's (2014) procedural justice perceptions. Assigning rates, establishing criteria, and searching for appeals are three fundamental procedures in the assessment system. (Silverman and Wexley, 2014) stated that constructing behaviorally anchored rating scales is preferable to the assessment process' interview system. The equity hypothesis thinks that distribution is fair, which is related to distributive justice perception. Other criteria such as equity, want, or social position may inspire the rater, which may appear to individuals being rated as an unjust practice (Leventhal, 2010). Motivation, teaching, avoiding disagreement, and obtaining personal favour are some of the rater's personal objectives. Employees may accept a fair appraisal if they believe the rater is attempting to stimulate them and help them improve their skills. Employees can sometimes be treated unfairly in appraisals due to disagreements, avoidance, favouritism, or politics. The rater's fairness with the employee who is being evacuated is referred to as interpersonal justice. Employees are extremely sensitive to the behaviour of the organization's directors and spokespeople, according to (Greenberg, 2006). Fair explanations of performance expectations, standards, answers, and decision-making processes are all part of informational justice. Setting goals and standards, as well as receiving feedback, are two of the most common aspects of performance evaluation (Kamencu, 2011).

The Implicit Person Theory (IPA) describes our overall expectations about a person after learning about their core characteristics. When one believes, for example, that a joyful person is also pleasant rather than silent or shy. Implicit theories, according to Dweck (1986), are professional ideas about the flexibility of personal characteristics that influence a person's behaviour. The implicit person theory describes his or her personality and behaviour. The role of implicit person theory in a manager's performance evaluations was investigated in this study. Employees need to feel appreciated and recognized as a part of the organization's team, and performance appraisal is the source for that. According to Lee and Bruvol (2003), if performance is reviewed for employee growth, then employees will adjust to improve their level of performance. When examining organizational justice, many analysts use justice theory to distinguish between distributive and procedural justice. According to Moorman (2011), distributive justice refers to the fairness that employees receive in terms of results and outcomes, while procedural justice refers to the true fairness in the system that applies to defining results. According to Rahim et al., (2011), distributive and procedural justice have exclusive and shared relationships with organizations in organizational justice. Employees who believe the results of performance appraisals are unfair are more likely to leave the company, according to Boss (2011), and their morale and involvement will suffer. And it will alter their wrongdoing behaviour in order to exact retribution from the company.

## 2.3. Theoretical Framework

The goals of the organization are split and include the employee work schedule. Employees focus on the supervisor during performance appraisals since they know what is expected of them (Casio, 2003). Employee performance is compared to the goals set out at the start of the assessment period (Lillian, Mathooko & Sitati, 2012). Employee performance and which employees have reached their goals are discussed in evaluations. Employees who are assessed on a regular basis are better able to focus on what is required of them, provide feedback, and motivate their coworkers (Casio, 2003). Positive feedback informs the employee that his or her task was completed satisfactorily while also highlighting areas for improvement. A good appraisal and supervisor must communicate to the employee how their performance of them can improve and motivated (Lillian, Mathooko & Sitati, 2012).
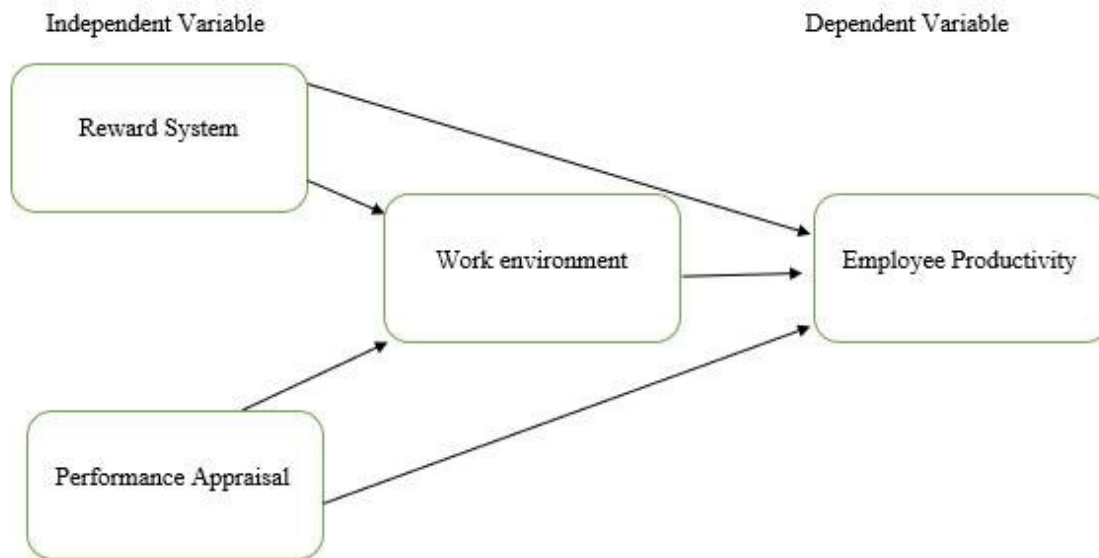


Figure 1. Conceptual Framework

## 3. Methods

### 3.1. Research Design and Approach

Because the data for the study was acquired at a specified point in time, the current study used a cross-sectional research methodology (Dogbe et al., 2021). The data was collected in the early part of 2022. It also used a quantitative research approach. The data collection instrument was a structured questionnaire.

### 3.2. Population, Sample and Sampling Technique

The participants in this study were the employees of Komfo Anokye Teaching Hospital. The hospital employed around 2800 people, including NABCO and National Service workers, at the time of the research in early 2022. The sample size used in this study was 350 from the population of 2800 respondents. The sample size was surveyed by the suggestion of Yamane (1973) who developed a formula for calculating the sample as

$$n = \frac{N}{1 + Ne^2}$$

Where $n = sample\ size$

$N = population\ size = 2800$

$e = error\ (0.05)\ confidence\ level\ 95\%$

$$n = \frac{(2800)}{1 + (2800)(0.05)^2}$$

$$n = 350$$

Table 1. Demographics of Students

| Demographics | Frequency (N) | Percentages (%) |
|---|---|---|
| *Gender* | *350* | *100.0* |
| Male | 195 | 55.7 |
| Female | 155 | 44.3 |
| *Age* | *350* | *100.0* |
| Below 25 years | 58 | 16.6 |
| 26- 30 years | 200 | 66.6 |
| 31 - 55 years | 22 | 6.3 |
| 36- 40 years | 3 | 6.8 |
| Above 45 years | 67 | 10.0 |

### 3.3. Data Collection Instruments

A standardized questionnaire with six sections was utilized to collect data for the study. Section A dealt with demographics; Section B with employee perceptions of performance appraisal; Section C with questions about the reward system; Section D with questions about the work environment; and Section E with questions about employee productivity; and Section F with questions about the SDR scale. Sections B to E were answered on a Likert scale of *1-Strongly disagree to 5-Strongly agree*. An electronic questionnaire (e-questionnaire) was adopted for the study.

### 3.4. Data Validity and Reliability

Firstly, an Exploratory Factor Analysis (EFA) was run in SPSS (v.23) to assess if measurement items properly loaded onto their corresponding latent variables.There were four (4) first-order variables, which were, reward system (RS) which had 9 measurement items, work environment (WE) with 9 measurement items, employee productivity (EPR) with 10 measurement items, and performance appraisal with nine (9) measurement items. During the EFA,measurement items with poor factor loadings (less than 0.5) and items loading on different constructs were deleted from the analysis. After the EFA, reward system had 3 retained items, work environment had 3 retained items,employee productivity had 4 retained items, and performance appraisal had 3 retained items.

The total variance extracted (TVE) from the EFA was 70.428% which is higher and met the minimum requirement of 50% (Table 2). The Kaiser-Meyer-Olkin (KMO) measure of sampling Adequacy should be at least 0.6 which the current study achieved 0.726 indicating high sample adequacy. Also, Bartlett's Test of Sphericity should be statistically significant in order to show the strength of correlations among the variables to guarantee EFA. The results attained ($X2$ = 2035.644; DF= 78; sig. 0.000) showing EFA was appropriate, as there existed enough correlation among the variables. The correlation Determinant should also not be equal to zero (0), as an indication of positive definiteness in the data used for the estimation (Amoako et al., 2020). The Determinant obtained for EFA was 0.003 which is not equal to zero (0).

Table 2. Exploratory Factor Analysis

| Measurement Items | Components | | | |
|---|---|---|---|---|
| | 1 | 2 | 3 | 4 |
| RS55 | .860 | | | |
| RS77 | .911 | | | |
| RS99 | .816 | | | |
| WE2 | | .658 | | |
| WE3 | | .884 | | |
| WE6 | | .793 | | |
| EPR5 | | | .893 | |
| EPR6 | | | .687 | |
| EPR7 | | | .733 | |
| EPR9 | | | .775 | |
| PA4 | | | | .810 |
| PA5 | | | | .873 |
| PA6 | | | | .833 |
| Total Variance Explained | | | 70.428% | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | | | .726 | |
| Bartlett's Test of Sphericity | Approx. Chi-Square | | 2035.644 | |
| | Df | | 78 | |
| | Sig. | | .000 | |
| a. Determinant | | | .003 | |

## 3.5. Confirmatory Factor Analysis (CFA)

Secondly, a Confirmatory Factor Analysis (CFA) was run in Amos (v.23), to further check the reliability of the measurement items in loading unto their respective latent variables. Results of the CFA are presented as Table 3 and Figure 2. From the results, the standardized factor loadings for the measurement variables were all greater than 0.5, as expected. This shows that all measurement items significantly explained their latent variables. Cronbach Alpha (CA) was also run using the retained variables, and results presented indicated that all latent variables had an alpha score of higher than the minimum requirement of 0.7, which shows that there was a high internal reliability among the measurement variables (Sarsah et al., 2020).

Table 3. Confirmatory Factor Analysis

| Model Fit Indices: $CMIN = 232.621$; $DF = 98$; $CMIN/DF = 2.374$; $CFI = .933$; $TLI = .918$; $RMR = .007$; $RMSEA = .063$; $PClose = .022$ | Std. Factor Loading |
|---|---|
| **Performance appraisal** AVE=0.580; CR=0.841; CA=0.794; | |
| Suitable training and data regarding the performance appraisal system are offered to raters. | 0.631 |
| The Appraisal System gives me the chance to communicate my ideas, concerns and prospects for the overall goal of the organization. | 1.005 |
| Performance appraisal provides the scope for my expressions of developmental needs. | 0.697 |
| Appraisal impacts by helping me to better understand my job, skills, and a platform for self-reflection. | 0.653 |
| *Reward system* **AVE=0.706; CR=0.876; CA=0.853;** | |
| You are satisfied with the recognition received for your performance in doing a good job. | 0.796 |
| I am free to discuss work-related problems with my immediate manager or supervisor. | 0.987 |
| There are good staffs in my word unit (in terms of cooperation, friendly and good teamwork among work unit). | 0.715 |
| *Work environment* **AVE=0.579; CR=0.802; CA=0.709;** | |
| You are satisfied with the facilities and equipment provided by the organization. | 0.618 |
| The company provides the right equipment to do a job well. | 0.776 |
| My company is located at a strategic location | 0.867 |
| *Employee productivity* **AVE=0.565; CR=0.789; CA=0.758;** | |
| You have been productive over your entire working life experience | 0.951 |
| confident in your work-related | 0.613 |
| You are able to make work-related decisions have I felt over the years | 0.644 |
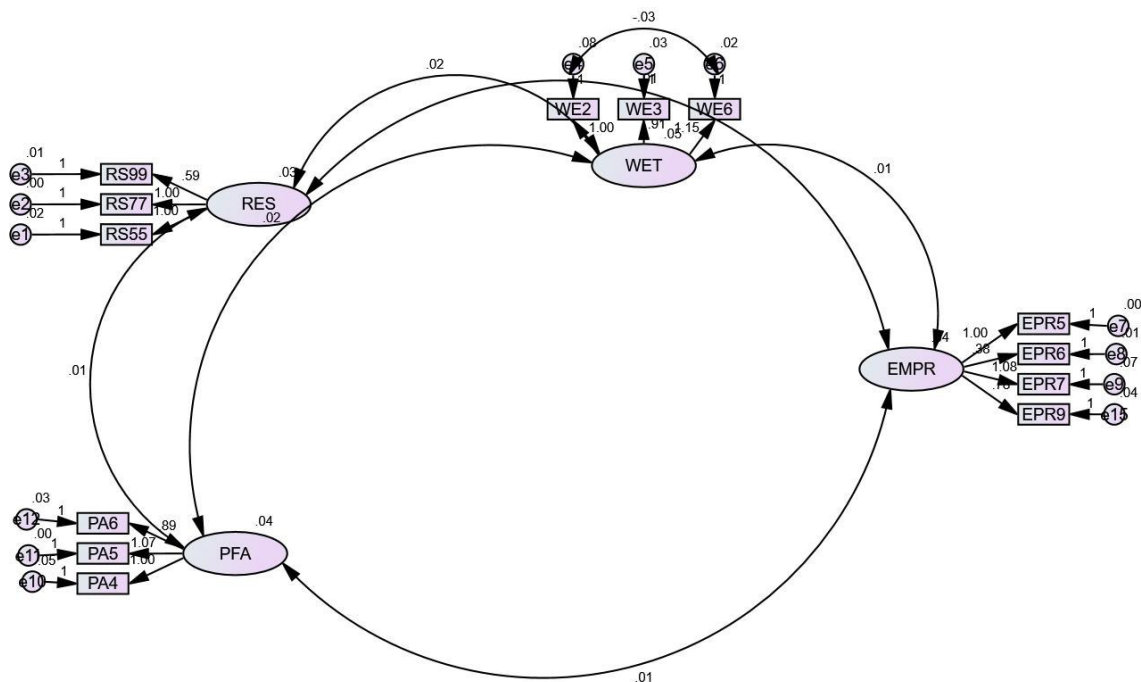


Figure 2: Confirmatory Factor Analysis (CFA)

## 3.6. Discriminant Validity

Average Variance Extracted (AVE) and Composite Reliability (CR) were calculated to critically examined the

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convergent validity and reliability on the final observed variables that estimated the CFA. The convergent validity measures how well each observed items correlate on the same construct with the other observed variables (Pomegbe et al., 2020). The expected value of the AVE and the CR should be at least 0.5 and 0.7 respectively. For further analysis of the study and achieving a convergence validity, the AVE and CR were calculated and the results confirms a least AVE= 0.565 and CR= 0.789 which support the conditions for AVE and CR by Fornell and Larcker (1981). The discriminant validity was assessed using the approach of other researchers like Bamfo et al. (2018) who explained that discriminant validity is obtained when √AVE has a value above the correlation coefficient which the coefficient values were generated from the CFA output using the covariance. Table 4 discusses the √AVE against corresponding correlation of the latent variables. From Table 4, since √AVE is greater than the correlation values of the latent variables where the highest √AVE value is 0.840 with the highest correlation coefficient value as 0.07. This explains that discriminant validity is achieved.

Table 4. Confirmatory Factor Analysis

| Variables | RES | PFA | WET | EMPR |
|---|---|---|---|---|
| RES | **0.840** | | | |
| PFA | 0.01 | **0.761** | | |
| WET | 0.02** | 0.07 | **0.760** | |
| EMPR | 0.02** | 0.01 | 0.01** | **0.751** |

** ~ *P-value significant at 1% (0.01)*
*√AVE are bold and underlined*

## 4. Results

According to the path hypothesis, a bootstrap of 5000 sample and a confidence level of 95% was analyzed through Bias-Corrected (BC) percentile method. Figure 3 represents the diagram of the structural hypothesized paths for the study. The path hypothesis was used to examine the indirect effect (mediation effect) of the research being studied. Table 5 evaluate the various direct effect of the hypothesis of the study as the path analysis. The path analysis gives a way of disintegrating the correlation among the various independent variables against the dependent variable which supports existing theories by other researchers. This was analyzed using Structural Equation Model (SEM) from Amos (ver. 23). Table 5 presented the direct effect of the control variables (gender, age, level of education) and the independent (latent) variables (reward system, work environment, performance appraisal) against the dependent variables (employee productivity).

Table 5 explains the direct effect which was used in analyzing the demographics; age and gender ad level of education. From the above analysis, age and gender had no correlation with employee productivity. They reported as statistically insignificant with age (β= -0.012; C. R= -0.573; P- value= 0.56) and gender (β= 0.017; C. R= 0.765; P- value= 0.444). On the other side, the level of education is predicted statistically significant which explained that the highest level of education of an employee will have a greater impact on the output or the performance employee. The results of level of education showed (β= -0.057; C. R= -2.523; P- value= 0.012).

Results of the analysis showed that the relationship between performance appraisal of an employee and employee productivity had a p- value of 0.002 which was statistically significant at 5% and confirms that performance appraisal of an employee has a direct positive influence on the output of an employee (β=0.198; C. R=3.153). H1: *Performance appraisal have a direct impact on employee productivity (PFA → EMPR).* This explains that performance appraisal contributes to performance by 19.8%. H2: *Reward system has a direct impact on employee productivity,* ascertained that the relationship between allowance and productivity was statistically insignificant with a p-value of 0.073>0.05. This implies that there an is 11.8% influence of all monetary and non-monetary stems put in place to enhance productivity. This is shown in table 5 as (β=0.587; C. R=4.394). In addition to the above, the work environment has a direct impact on employee productivity (β=0.149; C. R=2.417). Thus, a conducive work environment propels an employee according to our study to produce about 14.9% productivity in a given work environment.

H3: *Performance appraisal has an indirect impact on employee productivity through the work environment.* This was calculated using the lower and upper bound (BC). The indirect effect recorded a lower bound of 0.009 and an upper bound of 0.179. The results showed that the mediation effect was statistically significant which supports that there is a 55% impact on performance appraisal to influence productivity through the work environment. There is however a partial mediation effect since both Lower and Upper BCs are all positive with zero (0) not intersecting them. H4: *Reward system has an indirect impact on employee productivity throughout the work environment.* This reported that the direct effect was insignificant confirming that the reward system does not influence employee productivity (RES → EMPR). This was seen from the direct effect analysis such that the relationship between the reward system and employee productivity had a p-value of 0.073 > 0.05 which reported that this relationship is insignificant and that there was a break in one of the paths and therefore, we cannot further hypothesize to check its mediating effect.

Table 4. Confirmatory Factor Analysis

| Direct Path | Std. Estimate | C.R. | P-Value |
|---|---|---|---|
| Gender → EMPR | 0.017 | 0.765 | 0.444 |
| Age → EMPR | -0.012 | -0.573 | 0.567 |
| Level of Education → EMPR | -0.057 | -2.523 | 0.012 |
| PFA → EMPR | 0.198 | 3.153 | 0.002 |
| RES → EMPR | 0.118 | 1.791 | 0.073 |
| WET → EMPR | 0.149 | 2.417 | 0.016 |
| RES → WET | 0.391 | 5.353** | 0.000 |
| PFA → WET | 0.371 | 5.214** | 0.000 |
| **Indirect Effect** | **Std. Estimate** | **Lower BC** | **Upper BC** |
| PFA → WET →EMPR | 0.55 | 0.009 | 0.179 |

** ~ P-value significant at 1% (0.01)
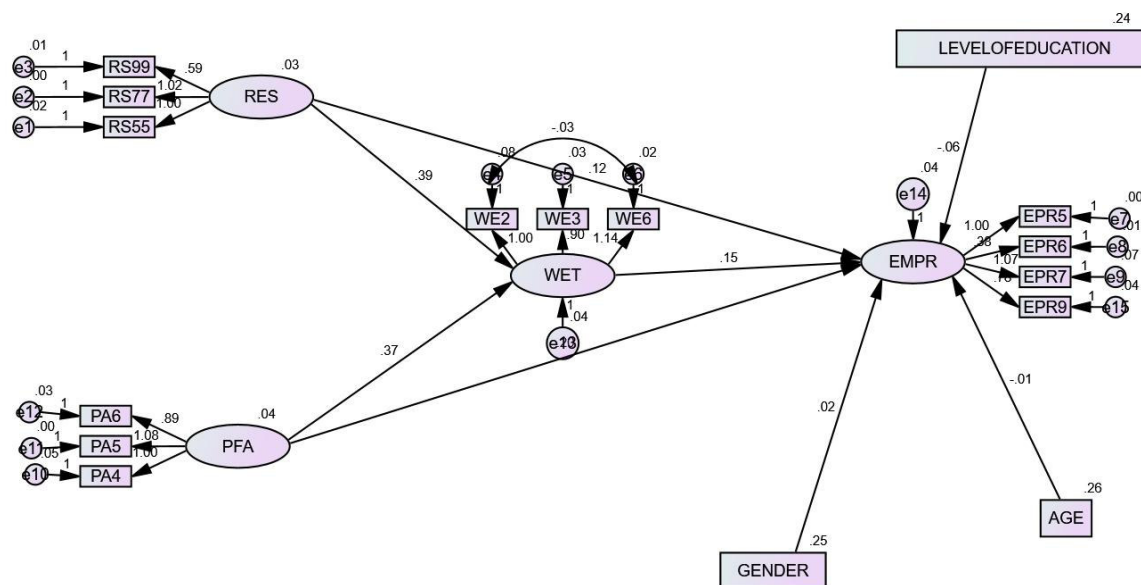
* ~ P-value significant at 5% (0.05)



Figure 3. Path Summary

## 5. Discussion of Results

Researcher as of now asserts that in order to achieve productivity in an organization, priority must be set on performance appraisal and reward system and the kind of work environment that is available for an employee work performance.   Hafiza et al (2011) examined the relationship between reward system and employee performance. They concluded that there was a strong correlation between reward system and employee performance. However, this current study was not supporting their conclusion. Although it was seen that reward system contributes about 11% to employee productivity but it has no impact on productivity.

The findings of this study also showed a statistically significant among performance appraisal and employee productivity. This explains that contributes performance appraisal to employee performance by 19.8%. The findings from this study support related work by Rosenzweig and Nohria's (2014). They concluded by stating that performance appraisal and employee productivity has a significant impact or direct effect.

Moreover, this study also focused on the mediating analysis (indirect path) effect. Work environment was analysed as an indirect effect on performance appraisal and employee performance. This was statistically significant at 5% confidence interval. This explains that performance appraisal was mediating employee productivity. However, the indirect path (mediating effect) of reward system to employee productivity was examined as statistically insignificant since the relationship between reward system to productivity was not significant, we could not further check its mediating analysis.

## 6. Conclusion

The study concluded that performance appraisal and work environment have a direct positive effect on employee performance with their significance below 5%. The study also found performance appraisal as having a partial mediator to employee performance through work environment. However, work environment showed no

mediating effect between reward system and employee productivity.

## 7. Recommendations
The findings of the study suggest the following recommendation:
1. It was recommended that reward strategies must be utilize by management of a company to promote performance.
2. The study made use of causal analysis and therefore recommended for the account of longitudinal study of data.

## 8. Limitations
Since the study was conducted in Kumasi Metropolis, its findings cannot be generalised to other part of the country to reflect employee success.

## Declaration of Interest
We declare that there was no potential or real conflict of interest that could affect the reliability of the study.

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