

Evaluating the Effectiveness of Performance Appraisal Systems in Enhancing Employee Performance. A Case Study of Greece

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Abstract: - The purpose of this research is to assess the impact of performance appraisal systems in improving employee performance in Greek organization. The key areas of study include goals and objectives, feedback and assessment systems, measures of performance, training, and incentives. The study used a cross-sectional survey design, and data were collected via an online questionnaire from 400 human resources (HR) professionals in Greece. Captured as much information as possible, the survey featured both multiple-choice and Likert scale questions. It emerges that 70.1% of the respondents concur that goals are well-defined and specific, feedback received is constructive and helpful, and the evaluation procedures are both fair as well as accurate. The availability and effectiveness of training and development programs were answered affirmatively by 83.1% of the respondents. When added together, these components comprised 57.3 percent of the variance in overall employee performance (R Square = 0.573). Each independent variable is a significant performance predictor; training and development have the highest positive influence ($\beta = 0.341$, $p < 0.001$). It is established that a comprehensive multi-faceted performance management system that includes goal setting, feedback, evaluation, training and development, and rewarding is useful in improving the performance of employees in organizations in Greece. These results have implications for advancing performance management systems and developing a superior workforce. The significance of this research is that it offers a more in-depth understanding of performance appraisal systems in the cultural environment of Greece as well as offering steps that should be taken by Greek managers and policymakers to improve employee motivation and organizational outcomes.

Key-Words: - Performance Appraisal Systems, Goal Setting, Feedback Mechanisms, Evaluation Methods, Employee Training and Development, Employee Performance, Greece.

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1 Introduction

1.1 Background to the Study

Organizational performance appraisal has been one of the main staples of many organizations for several decades as a performance evaluation methodology and management tool, [1]. Performance appraisal can be traced back to the early part of the 20th century when organizations

began to formalize the process of assessing the performance of an employee for organizational growth and achievement of organizational goals, [2]. Such systems have been evolving for a while, using various methodologies and technologies to enhance their performance and robustness. Globally, the practice of the usefulness of performance appraisal systems has been embraced in various industries and sectors. For instance, performance

appraisals have become very popular in the United States private and public organizations due to competitiveness and accountability pressures, [3]. Similarly, in Asia, organizations from Japan and South Korea use elements of performance appraisals based on performance improvement and staff development for human resource management, [4].

Performance appraisal systems in European countries also differ in terms of usage and implementation of the concept, [5]. Certain countries are more equipped with the right policies while others have certain problems regarding acceptance and efficiency. The European context is rather important as the specific performance appraisal practices differ and rely on legislation and cultural differences of specific countries, [6]. For example, in Scandinavian countries, performance assessments correlate with other personnel management activities for health and development, which is another general trend, [7]. On the other hand, the application of performance appraisal systems in Southern Europe including Greece has been slower than in other regions because of historical and cultural factors that affect business practices and perceptions among employees, [2]. The concept of performance appraisal has been premised on several theoretical frameworks concerning its relevance and operations. The most well-known theory is the Goal-Setting Theory which was developed by Edwin Locke and Gary Latham. This theory argues that translating general company objectives into specific and measurable targets can improve organizational performance by providing focus and drive, [8]. From this theory, it is evident that the keys to performance management systems contain clear goals consistent with organizational goals and objectives that give employees a sense of direction and responsibility. Furthermore, feedback mechanisms play a critical role in this regard as they allow the employees to monitor their performance and make any requisite changes to realize their objectives, [9], [10]. Ideally, performance appraisal systems consist of goals, feedback, assessment tools, training, and development, and rewards. All these components combine to foster a culture that supports ongoing improvement and excellence. For instance, while goal setting helps create awareness of employee expectations, feedback mechanisms offer timely and constructive critique of their performance, [11], [12]. Evaluation techniques whether of qualitative or quantitative nature provide a systematic way of reviewing performance while training and development enable the employees to gain new skills and improve their efficiency, [13]. Reward

and recognition systems on the other hand are used to encourage the employees through acknowledging their performance, [14].

Regarding the Greek context, performance appraisal systems have in the past encountered several problems. The Greek public sector, especially, has been an area of poor performance and resistance to change when it comes to the use of performance appraisals, [15]. The authors have established that Greek organizations fail to provide the needed organizational support and managerial engagement for productive appraisals, which leads to a low level of trust and acceptance among employees, [2]. Nonetheless, there have been some attempts to enhance the performance appraisal process in Greece. The onset of the economic crisis in 2009 led to changes in the Greek labor market, leading to the implementation of better human resource management practices that would help organizations improve performance and competitiveness, [16]. Therefore, some of the Greek organizations have tried to incorporate other more complex forms of staff assessment that include features such as 360-degree feedback and competency-based assessment of staff performance, [17], [18]. There have also been changes within the Greek public sector concerning performance management. For instance, the introduction of new legislation has seen the adoption of performance appraisal in public organizations with the view of improving accountability and performance, [19]. However, the efficiency of such changes demands engagement from both managers and employees in fostering performance, [20].

In the recent past, the use of performance appraisals has been embraced by many organizations in Greece with most being in the private sector. Managers are required to undergo training programs to equip them with the required skills and knowledge to perform appraisals and offer constructive feedback, [21].

Furthermore, there is a focus on integrating performance appraisals with other management initiatives like talent management and succession planning ensuring that appraisals enhance organizational strategic goals, [16]. Technology is also playing a role in the transition towards more effective performance appraisal systems in Greece. The flexibility that comes with the use of digital platforms and software in performance management has highly enhanced the appraisal process because it has made it easier to monitor performance, set goals, and offer real-time feedback, [22], [23]. These technological tools have also led to increased appraisal transparency and standardization to

eliminate the perceived favoritism among the employees, [2]. Nevertheless, some problems still persist today. The results indicate that organizational culture and employee attitudes remain key factors affecting the use and success of performance appraisals. There is still a negative perception of appraisals as a punishment rather than a performance improvement tool in most Greek organizations, [15]. It is important to eradicate such cultural and attitudinal barriers so that employees have no reason to regard performance appraisal systems as unfair or disadvantageous to them, [14].

The theoretical foundations including the Goal-Setting Theory offer an explanation of how performance appraisals can improve employee performance by outlining the relevant processes, [15]. Current attempts to enhance the practice of appraisal in Greece correspond to the evolving understanding of its role in enhancing the performance and competitiveness of organizations. This research is intended to add to this knowledge by offering practical knowledge about the efficacy of performance appraisal systems in the Greek context, which management and policy-making bodies can utilize to support the development of effective performance appraisal systems.

1.2 Problem Statement

Performance appraisal systems are universally accepted as instruments for increasing employees' performance and linking individual efforts to organizational goals and objectives. However, there is still a question whether they proved to be effective and the answer depends on the cultural and organizational differences, [2], [24]. The key problems concerning performance appraisal in Greece are as follows: Performance appraisal systems in Greece encounter numerous concerns, with historical, cultural, and structural components detracting from their effectiveness and implementation, [15]. Persistent discrepancies between the objectives organizations have set for their appraisal systems and the actual efficiency of these systems are particularly evident in organizations in Greece, which raises questions on the appropriateness and usefulness of these systems, [14]. One such challenge is the variation in the implementation of performance appraisal systems across the sectors in Greece. Organizations in the public sector, for example, view appraisals as merely a formality with a minimal link to performance enhancement, [4]. This perception is detrimental to the overall credibility of the appraisal system since it demotivates the employees by reducing their commitment and willingness to

contribute positively to the process [6]. Also, while appraisals act as an effective means of evaluating performance, they often fail to deliver actionable developmental proposals that will improve performance due to the gap between the two, [13]. On the other hand, private sector organizations have been recorded to have differing levels of effectiveness in implementing the systems for personnel appraisal, with some organizations even experiencing immense challenges in formulating standard and consistent practices.

These difficulties are compounded by the fragmented nature of research on performance appraisal systems in Greece. While there are numerous studies conducted that investigate particular aspects including goal setting, feedback instruments, or incentives, it is very scarce when it comes to examining the effectiveness of appraisal systems as an integrated notion of employee performance, [11]. This lack of a comprehensive perspective on the subject results in a gap in knowledge, which hinders the development of acceptable appraisal systems as per the needs and organizational culture of the Greeks, [14]. Resistance to change due to historical and cultural factors also hinders the integration and use of performance appraisal systems in Greece. Bureaucracy and hierarchical organizations interfere with appraisals and make them seem punitive rather than developmental, [23]. Appraisal systems are less effective because employees are demotivated and unenthusiastic to engage in appraisal processes due to a lack of trust in the fairness and objectivity of these processes, [15]. These perceptions have created an organizational inertia resulting in an inability for Greek organizations to optimize their potential through effective appraisal practices [6]. Another research area that requires more attention is the lack of linkage between the outcomes of performance appraisal and other strategies that may include training and development or reward schemes. Even when training needs are identified in light of performance deficiencies, training schemes are often not associated with appraisal feedback in Greek organizations, [13]. Likewise, another crucial component of the appraisal system is rewards and incentives, which are widely reported to be discretionary in nature, resulting in lack of satisfaction with appraisals despite their important role in the organization, [6]. The lack of such connections makes performance appraisals less strategic and hinders the implementation of performance improvements among employees.

It was with these considerations in mind that this study aimed at investigating the usability of

performance appraisal systems in improving performance within organizations in Greece. In particular, it sought to explore how parts like goals, feedback, assessment tools, training, and incentives enhance or interfere with one another and overall influence employee performance, [11]. Therefore, by applying the systems approach to the analysis of performance appraisal systems in organizations, this research set out to offer specific recommendations for addressing cultural/structural/systemic issues and to help Greek organizations achieve improved performance through improved performance management, [15]. The study focused on the absence of research that assessed the integrated evaluation of performance appraisal systems in Greece and the importance of examining appraisal systems in conjunction with the human resource development and reward frameworks. Thus, the study expands knowledge in the area of appraisal and fills the identified gaps to ensure that the appraisal system in Greek organizations is fair, transparent, and effective in achieving its purpose.

1.3 Objectives of the Study

The aim of this research is the assessment of the role of performance appraisal systems in improving employee performance in organizations in Greece.

The study also sought to achieve the following specific objectives.

1. To assess the effect of goal setting on employee performance in Greek organizations.
2. To examine the influence of feedback mechanisms on employee performance.
3. To evaluate the effect of different evaluation methods on employee performance.
4. To determine the role of training and development in enhancing employee performance.

1.4 Research Hypotheses

Hypothesis 1. (H1). Goal setting has a positive effect on employee performance in Greek organizations.

Hypothesis 2. (H2). Feedback mechanisms positively influence employee performance.

Hypothesis 3. (H3). Evaluation methods significantly impact employee performance.

Hypothesis 4. (H4). Training and development programs enhance employee performance.

2 Literature Review

2.1 Theoretical Review

This study is guided by two prominent theories that provide a robust framework for understanding the effectiveness of performance appraisal systems: They include the Goal-Setting Theory together with the Expectancy Theory.

2.1.1 Goal-Setting Theory

Originated by Edwin Locke and Gary Latham, the Goal-Setting Theory states that employees who are assigned goals that are specific and challenging will perform better. In this theory, goals act as drivers in that they offers direction and a standard by which performance can be measured, [8]. According to this theory, goals should be specific, measurable, attainable, relevant, and time-bound and that goals influence performance by offering direction, promoting persistence, encouraging the development of strategies, and motivating people to work hard to achieve goals, [10], [25]. In the context of performance appraisal systems, Goal-Setting Theory draws attention to the process of setting specific and difficult goals for the employees. When employees have a clear vision of what the employer expects of them, they are likely to work hard toward meeting those expectations, [26]. This theory also emphasizes the importance of feedback in the achievement of goals. Performance feedback involves informing the employees on the extent to which they have been able to achieve the set goals to enable them to modify their efforts and approaches, [27]. Feedback is critical for motivation and ensuring workers remain productive and on the right track.

The Goal-Setting Theory in performance appraisals means that both the manager and the employee sit down and agree on the goals. This participative approach helps in setting goals that are not only consistent with the organizational requirements but also with personal career requirements therefore increasing commitment and performance, [2].

Various research has indicated that goal setting can improve employee performance by as much by as 16% by offering focus and direction, [8]. For example, [27] found out that implementing goal setting in the Australian public service enhances psychological empowerment and OCB. It is important in Greek organizations because performance management, including goal setting, has been affected by historical experiences and culture, [2]. These challenges can be addressed through goal setting since it enables the employees

to fully understand the expectations of the management and how their work contributes to the realization of organizational objectives, [21].

2.1.2 Expectancy Theory

Expectancy theory, developed by Victor Vroom, requires that people are motivated to act according to the expected results of the action. The theory posits that motivation is a function of three components: namely, perceived expectancy, perceived instrumentality, and perceived valence, [23]. Perceived control is the anticipation that one's effort will result in the target level of performance. Instrumentality is the extent to which a person believes that good performance will be rewarded. Valence is the perceived worth of the outcome or reward to the individuals. As a framework for performance appraisals, Expectancy Theory posits that an individual will work hard to achieve high performance if he/she is convinced that, expectancy, a high level of performance will be rewarded, instrumentality, and that the reward, valence, is important to him/her, [28]. This theory stresses the need to align performance appraisals with reward and recognition schemes. When the relationship between the performance of employees and the rewards given to them is well understood, then the employees are motivated to the best of their capabilities, [16], [29].

Promotion of expectancy through performance appraisal systems ensures that performance standards are well defined, and that the employee has what it takes to meet those standards. It reinforces instrumentality by guaranteeing that performance is properly evaluated plus high performers are always rewarded. Last but not least, they increase valence by providing incentives that are relevant and appealing to the employees, [30]. Another aspect of Expectancy Theory as regards to performance appraisals is that of fairness and transparency. Employees are more likely to be motivated when they feel that the appraisal is fair and the rewards given are deserved, [31]. The study by [17] also validates this assertion, revealing that the use of 360-degree performance appraisal systems in Jordanian banks was highly dependent on perceived fairness and transparency among employees.

So, the use of the Expectancy Theory in Greek organizations may alleviate some of the issues that arise in the process of performance appraisals. Previous works show that due to historical and cultural factors, there is perceived favoritism and discrimination in the appraisal system that negatively impacts the employee's morale and

productivity [2]. Since performance appraisals are to be equitable, clear, and connected to valued outcomes, Greek organizations can improve employee engagement and performance [20].

2.2 Goal Setting and Employee Performance

The Goal-Setting Theory proposed by Edwin Locke and Gary Latham promotes the use of clear and difficult goals to boost performance [8]. This theory postulates that when goals are well stated, employees gain direction on what to do, and this leads to an increase in their motivation and work output. In the area of performance management, goal setting is the process of setting goals that are related to organizational goals and the abilities of the employees. There is ample research evidence to support the causal relationship between goal setting and employee performance, [32].

[27] noted that goal setting enhances psychological empowerment and organizational citizenship behavior in the Australian public service. In the same vein, [10] revealed that engaging subordinates in goal formation improves commitment and performance and, thereby, organizational performance. It also has the added benefit of making the goals more likely to be owned by employees because they were actively involved in the process of setting the goals. These are some of the factors that affect the goal-setting process based on historical and cultural factors. In the past, Greek organizations experienced various problems, including excessive bureaucracy and resistance to change, which can become problems in the goal-setting process [2]. But in the recent past, there have been concerted efforts to enhance human resource management practices with goal setting for the enhancement of organizational performance. Nevertheless, understanding these challenges allows Greek organizations to address them and strive towards creating a culture of excellence, [16].

Studies also show that the level of goal definition and goal challenges are important for goal effectiveness. According to Locke and Latham's goal-setting theory, difficult and clear goals result in increased performance than abstract or easy goals, [8]. It is for this reason that specific goals offer effective measures of accomplishment while challenging goals offer stimulus for higher performance by the employees. However, in the Greek context, such goals can be helpful in providing the employees with direction and setting high standards to work towards in improving organizational performance, [20].

In the process of goal setting, feedback mechanism plays an important role because it gives

employees information on their performance in regard to the set goals. The feedback is important to the employees since it enables them to correct their ways of working and get back on the right track in order to achieve the targets set down, [23], [33]. This is especially useful in Greek organizations because feedback interventions can rectify past problems and enhance the performance of employees, [2]. [34] notes that to enhance the effectiveness of goal setting in performance appraisals, feedback should be timely, specific, and constructive.

2.3 Feedback Mechanisms and Employee Performance

The feedback mechanisms are an integral part of the performance appraisal systems that enable the employee to get information regarding his performance and aspects that require improvement. Feedback is an essential tool, as it can positively motivate and engage the employees besides promoting positive behaviors and dealing with performance deficiencies, [23], [33].

Specifically, regarding Greek organizations, feedback mechanisms have been underutilized or implemented in a flawed manner so as to lead to dissatisfaction and disengagement of employees. Feedback processes may be done formally through a performance appraisal system, more regularly in the form of performance meetings, and can also be done through 360-degree feedback. All of these approaches have their advantages and limitations, and the outcomes of their implementation depend on various factors. Performance appraisals are more structured forms of feedback administration but may be perceived as negative, especially if not done in the right way, [2], [35]. While informal check-ins provide regular and timely feedback, they may not be as structured and comprehensive as formal check-ins, [23]. It should also be noted that 360-degree feedback, which involves feedback from subordinates, peers, and supervisors, can give a more accurate picture of performance, as well as eliminate biases, [17].

Challenges in the implementation of feedback mechanisms in Greek organizations include the following. Traditionally, there has been a notable absence of positive regard for constructive criticism and thus employees rarely receive direction on how to augment their efficiency, [15]. However, the recent attempts to enhance PM practices have identified the critical role of feedback regarding performance enhancement, [36]. According to [34], there is a call to provide timely, frequent, and precise feedback to improve the performance of the

employees. Another consideration with regard to feedback is the quality of feedback given. Positive feedback that is descriptive, behavioral, and linked to goals is likely to be well received and facilitate behavior change, [23]. Thus, enhancing the quality of feedback in Greek organizations can contribute to the amelioration of historical problems of inefficiency and demotivation to increase the efficiency of performance, [2].

Another important factor is the frequency of the feedback. As stated in the literature, the quantity and quality of feedback have been correlated with the engagement and performance levels of the employees, [23]. With regards to the organization in Greece, the times that feedback is provided can be optimized so that the employees of the organization are directed and are able to increase the quality of their performance progressively. This is especially important given the fact that Greek organizations have in the past had to deal with questions of bureaucracy and resistance to change, [2]. Besides, technology can also be used to improve the methods of delivering feedback. Technology and software used in performance management can also improve feedback delivery since it is timely, frequent, and specific, [22], [23]. Applying such technologies can help Greek organizations avoid previous problems and improve the effectiveness of feedback processes, [37].

2.4 Evaluation Methods and Employee Performance

The approach that is employed to assess the effectiveness of the employee is one of the most important factors that define the effectiveness of the performance appraisal systems, [38]. The commonly used methods of assessment include rating scale and ranking techniques which have been criticized for being subjective and sensitive to biases, [2]. On the other hand, contemporary models of performance evaluation including competency-based and behaviorally anchored rating systems (BARS) are more reliable and accurate, [16]. Competency-based assessments aim to establish the competencies that are relevant to performance in an organization. This approach may assist in determining exactly what aspects need improvement in the employees and subsequently offer the necessary training and encouragement, [13].

Thus, by emphasizing competencies, organizations can make sure performance appraisals are tied to the specific skills and behaviors that are crucial for effectiveness in the given position. BARS includes behavioral examples of various performance standards for each competency, which

enhances the clarity and consistency of performance evaluation by the evaluators, [31]. In using the BARS, the subjectivity and bias inherent in rating scales are minimized because the evaluators have explicit guidelines to follow. This can result in more accurate and unbiased assessments, which are crucial to building confidence among employees. In the context of Greek organizations, it can be concluded that the application of modern approaches to the evaluation of employees' performance can contribute to making the practical implementation of performance appraisals more accurate and fair, and thus, increase the efficiency of the method in the improvement of the employee performance, [20]. As it stands, when there is an emphasis on quantifiable data, specifically, during the appraisal process, the perceived level of bias is low, therefore, the organization-based trust high as postulated by [14]. This is especially so with Greek organizations, where history and culture influence the implementation and use of PAs and their consequences, [2].

However, the use of the technology in the performance assessments can even enhance the performance assessments. In particular, [23] mentioned that the use of the digital platform and software tools may be helpful in evaluation by allowing managers to track performance, establish goals, and provide feedback in real time. They can also assist in the use of other intricate evaluation approaches such as the competency-based evaluation and the BARS by providing templates to the assessors, [16]. The incorporation of 360-degree feedback in performance appraisals can also lead to a wider evaluation of the employees' performance, [39]. Thus, when ratings are gotten from sources like peers, subordinates, and supervisors, organizations can get an overall view of the performance issues of the employees and also prevent cases of self-serving bias. This could be helpful when applied to Greek organizations, however, the top-down approaches have been often criticized and dismissed, [2].

2.5 Training and Development and Employee Performance

Training and development are important subcategories of performance appraisal systems, which have a strong effect on the capability and performance enhancement of the employees. Proper training enables the employees to gain the right knowledge and skills to work in the most efficient manner thereby enhancing the performance of the organization, [13]. Training and development expenses have been proven to enhance job

performance, increase employee engagement, and lower the turnover ratio, [34]. In chapters on Greek organizations, the focus on training and development has risen steadily, especially in times of economic difficulties that call for increased performance. [21] also discuss how training programs have benefited employee performance in the Greek hotel industry. Technical skills are developed via these programs while soft skills like communication, teamwork, and problem-solving are also developed, thus boosting one's job performance.

It is important for training and development interventions to be tied to performance management systems so that employees are provided with the resources required to close any performance gaps that have been identified. This approach enhances the culture of learning and improvement within organizations, [17]. If training is need-based, which can be ascertained via performance appraisal, significant lifts in overall performance and job satisfaction can be realized, [40]. This has been supported by the increased incorporation of technology in training and development. Computer-based learning, webinars, and other forms of training materials provide versatility and convenience that may suit learners' needs and comfort, [41]. These technologies allow constant learning and development, where the employees can be up to date with current developments in the industry, [42].

However, training and development have a number of limitations, which include the quality of the training material, the qualification of the trainers, and organizational encouragement of learning, [43]. In Greece, it is important to match training programs and training needs to organizational requirements for best results, [16]. In addition, they can also act as an assessment tool when determining precise training requirements, which makes the development processes targeted, [34]. Studies show that training connected with performance appraisal results is better in managing deficiencies and improving worker performance, [44]. This alignment not only leads to the enhancement of individual capability but also the Organization's performance as it leads to developing a pool of skilled and competent human capital, [8], [45].

2.6 Reward and Recognition and Employee Performance

Incentive programs are one of the most critical aspects of ensuring that employees remain motivated all the time, [46]. These systems associate

performance with material and non-material incentives like bonuses, promotions, and recognition, which are critical for strengthening desired behaviors and motivating employees to aim at higher performance levels, [28]. Reward programs also recognize employees' efforts and ensure that they are valued in the organization, thereby boosting morale within the company, [47], [48]. Consequently, the application of reward and recognition systems in Greek organizations has not been uniform. Some organizations have concrete structures to map performance to rewards whereas in others, it becomes an issue to deal with. A study conducted by [14] shows that well-designed rewards increase the level of motivation and productivity among employees pointing to the fact that Greek organizations need to focus on proper reward and incentive practices.

Non-financial incentives like recognition and promotions ought not to be overlooked. Research has also evidenced that such incentives can foster significant levels of performance and promote a healthy organizational climate, [19]. In particular, public recognition can increase the perceived value among the employees and boost their obligation to achieve organizational objectives. However, the outcomes of reward systems have to be fair and transparent for them to be effective. Employees will be motivated and satisfied when the reward system is perceived as being fair and based on merit, [49].

For instance, linking the rewards with the performance appraisals and making sure that they are fairly given helps in building trust and motivation among employees, [15]. Therefore, when discussing Greek organizations, understanding and managing the cultural and organizational challenges associated with rewards serves as critical. Past issues of favoritism and opaqueness eroded the efficiency of reward management in some Greek organizations, [20]. To overcome these challenges, there is a need to embrace fairness, transparency, and proper alignment with organizational goals, [16]. The utilization of modern technology in the reward system also has a positive effect on the programs. The use of digital platforms in monitoring and rewarding performance guarantees timely and effective acknowledgment of employees' accomplishments leading to improved high-performance culture, [30]. These technologies can also enable personalization of the motivational rewards to fit the employees' tastes and [7], [50].

2.7 Dependent Variable: Employee Performance

Employee performance is the dependent variable in this research which entails the effects of the various factors within the performance appraisal system. This can be evaluated in relation to the quantity and quality of work and the extent to which the employee contributes towards the achievement of organizational objectives, [38]. In regard to Greek organizations, increasing the effectiveness of performance is essential for increasing organizational effectiveness and competitiveness in view of the economic crisis and the necessity for performance upgrades. Research evidence has revealed that sound performance appraisal systems enhance the performance of employees by providing direction, regular feedback, and incentives, [2].

Annual performance appraisals also involve an establishment of goals and objectives where they enhance understanding of organizational expectations and the relationship between employees' performance to the achievement of organizational goals. Traditional feedback systems allow employees to be corrected within a certain timeframe to address issues affecting their performance, [34]. In addition, the incorporation of contemporary technologies and big data analysis in performance appraisal systems can increase the validity of the performance standards. It enables organizations to gain insights into the performance of the employees and know which areas they need to work on [23]. Automated systems of performance evaluations have been noted to provide an impartial analysis of the employee's performance levels thus enhancing fairness, [17].

It has been identified that in the Greek organizations there are certain historical and cultural factors that hinder the process of performance appraisals thus the need to work on them to get the best out of the employees. Scholars have noted that to increase the utility of PAs, the process should be more transparent, fair, and in tune with organizational objectives, [15]. This perception can go a long way in determining motivation, engagement, and performance among the employees in the organization, [16].

However, integrating performance appraisals with training and development programs can help employees receive the support they require to overcome areas of weakness and improve performance, [13]. This holistic approach makes performance appraisals not only a form of assessment but also a learning process that enhances the overall performance of an organization, [40].

According to [30], performance appraisal justice also has a significant impact on performance. Employees who feel the appraisal process is fair demonstrate better job performance and engagement. To sum up, promoting procedural justice, distributive justice, and interactional justice in the appraisal process can improve the satisfaction and performance of employees, [49], [51]. Also, competency-based evaluations and behaviorally anchored rating scales (BARS) can enhance the reliability and objectivity of performance assessments, [16]. While competency-based evaluations are concerned with evaluating skills, knowledge, and behaviors that are relevant to the performance of a specific job, BARS involves the identification of different degrees of performance with regard to each identified competency, [31]. They assist in minimizing bias and offer a more accurate evaluation of the employees' performance.

3 Materials and Methods

3.1 Research Design

The researcher employed a cross-sectional survey design in order to assess the effectiveness of the performance appraisal systems in improving employee performance within organizations in Greece. An online questionnaire was developed and distributed through email which had multiple choice questions and Likert scale questions. The researchers employed this method to enable them to integrate the several trends identified from the data. The survey was conducted online, and the participants were randomly selected from all the HR professionals working in Greece, and across Europe.

3.2 Sample

A target population of 200,000 Human Resources professionals in the employment sector of Greece was used and 400 respondents were selected for the study which included mostly Human Resource professionals in Greece. This was done using the [52] formula (Equation 1), [53].

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

where:

n = sample size sought

N = population

e = level of significance

1 = constant

Using a 5% (0.05) level of significance

Sample size

$$n = \frac{200,00}{1 + 200,00(0.0025)}$$

$$n = 399.57 \cong 400$$

Simple random sampling was utilized to obtain the appropriate sample for this study.

3.3 Data Collection

The researcher administered an online questionnaire to obtain data from the selected sample. Based on the objectives of the study, the questions were developed in a way that they incorporated a five-point Likert scale. In the previous agreement, the survey questionnaire was distributed to the Greek HR professionals. The distribution was something under the researchers' discretion. The survey questions were sent to the respondents through their email at the same time. When the email containing the survey was sent to the participants, they were given one week to fill out the survey. After the participation deadline, the researcher merged a raw data file from participants for data analysis. The various variables in this research were measured using a Likert scale with ratings ranging between strongly agree and strongly disagree.

3.4 Data Analysis

The data collected using the developed questionnaire was coded and then transferred to SPSS (ver. 23) for analysis. The data was analyzed with the use of descriptive statistics that produced frequencies and percentages. For performing regression analysis and determining the significant levels, ANOVA statistics such as adjusted R² and beta values were employed. In order to determine the overall level of predictive validity of the different independent variables on the given dependent variable of interest, regression analysis was conducted. In this case, it was possible to identify different predictive values through a multiple regression model (Equation 2), [54],[55].

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \quad (2)$$

Where:

Y = Employees' performance

β_0 = Constant (coefficient of intercept)

X₁ = Goal setting

X₂ = Feedback mechanisms

X₃ = Different evaluation methods

X₄ = Training and development

ϵ = Represents the error term in the multiple regression model

$\beta_1, \beta_2, \beta_3,$ and $\beta_4 =$ represent the three independent variables' regression coefficients.

The null hypothesis was accepted or rejected based on the decision rule, which stipulates that if $p < 0.05$, the null hypothesis should be accepted, and if $p > 0.05$, the null hypothesis should be rejected. The study's hypotheses were tested at the 5% level of significance (0.05).

4 Results

This section presents the interpretation of the different results obtained after analyzing data collected from the selected study participants.

4.1 Demographic Characteristics

The results concerning the demographic characteristics of the selected respondents are shown in Table 1.

Table 1. Demographic characteristics of the participants.

Characteristics	Frequency	Percentage (%)
Gender		
Male	283	70.7
Female	117	29.3
Age bracket in years		
Below 30 years	17	4.3
30–40 years	239	59.8
41–50 years	122	30.5
Above 50 years	22	5.5
Years spent in the HR Sector		
Less than 5 years	28	7.0
5-10	197	49.2
More than 10 years	175	43.8
Total	400	100

Source: Authors' own work (2024).

The participants are predominantly male, accounting for 70.7% of the sample, whereas females account for only 29.3%. This gender distribution indicates that the surveyed Greek organizations have a predominantly male Human Resources profession. This trend may affect the study as gender differences can shape views and experiences regarding performance management techniques. According to the age distribution, the largest percentage of the respondents are between 30-40 years of age constituting 59.8% of the total sample. This implies that a great number of HR professionals are at a productive age, which may bring both dynamism and experience to these positions. The second highest age bracket is 41-50 years which amounts to 30.5% while 51 years and above 5.5% and below 30 years 4.3%. This age

distribution shows that there is a higher percentage of experienced workforce in the HR sector which may impact the stability and direction of the HR practices to a great extent. About years in the HR sector, 49.2% of the respondents have 5 to 10 years of experience, which means that the participants of the group are rather experienced in the field. 43.8% of the respondents have served in their current positions for more than 10 years, another sign that they are experienced and may be loyal to their positions. Thus, only 7.0% of them have less than 5 years of experience showing that fresh talent is limited among such professionals. This distribution also shows that many of the participants may be experienced workers who already know about different performance appraisal systems and their efficiency.

4.2 Descriptive Results

The study also looked at the various aspects of goal setting as presented in Table 2.

Table 2. Descriptive statistics for goal setting

Statement	%	SD	D	N	A	SA
Clear and specific goals are set	%	0.0	6.5	23.4	58.5	11.6
Goals are challenging yet achievable.	%	2.6	6.5	11.7	79.2	0.0
Goals align with organizational objectives.	%	0.0	5.2	14.3	65.5	15.0
Regular updates on goal progress	%	1.3	4.2	20.1	61.4	13.0
Employees are involved in the goal-setting process	%	1.3	8.5	18.0	61.1	11.1

Key: SD=Strongly disagree, D=Disagree, N= Neutral, A=Agree, and SA=Strongly agree. Source: Authors' own work (2024)

A majority of the respondents (58.5%) believe that there are clear specific goals within organizations, and 11.6% of them strongly agree. This shows that for most respondents the goal setting is well articulated hence the employees know what is expected of them. The specificity of the goal is important when it comes to orientation and direction, which is consistent with the Goal-Setting Theory in line with Locke and Latham. Furthermore, 79.2% of respondents partially or strongly agree with the statement that set goals are difficult but realistic, whereas none of them strongly disagreed. This balance between aspiration and achievability is important because it encourages employees to work hard without overwhelming themselves. Appropriate targets motivate employees to work to their full potential and develop themselves further. Additionally, only 6.5% of

respondents disagree with this statement, whereas 65.5% agree and 15.0% strongly agree, indicating a high degree of strategic fit. If the personal goals of the personnel are in line with the organizational goals, it will help to ensure that the endeavors of the employees are directed towards the achievement of organizational goals and objectives, which will improve both personal and organizational performance. Concerning the receipt of updates on goal progress, 61.4% of the respondents agreed, and 13.0% of them strongly agreed, pointing out the need for update frequency. It also brings order on how employees should be updated on their progress and the right time to apply changes for improvement. Finally, there is a consensus with 61.1% supporting the statement that employees are involved in setting goals and 11.1% strongly agree showing that there is participation in goal setting. Some of the benefits of engaging employees in the formulation of organizational goals include.

The feedback mechanisms were also analyzed in relation to employee performance in the study and Table 3 shows the feedback mechanisms.

Table 3. Descriptive statistics for feedback mechanisms

Statement	%	SD	D	N	A	SA
Regular feedback is provided	%	0.0	23.4	5.2	15.6	55.8
Feedback is constructive and useful.	%	1.3	2.6	11.7	72.7	11.7
Feedback helps improve performance.	%	0.0	4.2	10.5	69.1	16.2
Feedback is specific and actionable.	%	0.0	7.5	12.8	67.9	11.8
Feedback includes both strengths and areas for improvement.	%	0.0	6.3	15.2	61.9	16.6

Key: SD=Strongly disagree, D=Disagree, N= Neutral, A=Agree, and SA=Strongly agree. **Source:** Authors' own work (2024)

Still, 55.8% of the respondents confirmed that it is common to have feedback regularly while 23.4% disagreed, meaning that the frequency of feedback can be improved. Feedback is critical since it enables employees to know their performance appraisal as they seek to make improvements immediately. 69% of the respondents provided constructive and useful feedback and 11% strongly agreed thus indicating that feedback quality is usually good. Praise should therefore be specific, achievable, and procedural in nature rather than praising the personality characteristics of the employees. Regarding the statement that feedback assists in enhancing performance, 69.1% of

respondents somewhat concur, with 16.2% of respondents strongly concurring. Feedback processes help the employees to receive information that would assist them improve on their performance and attain personal and organizational objectives. A majority, 67.9% said that they received specific and actionable feedback and among them, 11.8% said that they strongly agreed. Specific feedback gives one a clear picture of what they should do in order to change and thus makes feedback effective. Furthermore, the kind of feedback made up of positive and negative aspects received the approval of 61.9% with 16.6% strongly approving. Learner-centered feedback that points to what the learner is doing well and what needs improvement is essential to learner motivation and skill development. These results sum up the general efficacy of feedback mechanisms in the surveyed organizations but there is the possibility to enhance the frequency of feedback. Giving frequent constructive feedback to employees is also beneficial because it keeps employees on the right track and continually growing.

The study also assessed the Effect of Different Evaluation Methods on Employee Performance and the descriptive statistics for evaluation methods are as follows; Table 4.

Table 4. Descriptive statistics for evaluation methods

Statement	%	SD	D	N	A	SA
Evaluation methods are fair and accurate.	%	0.0	2.6	11.7	74.0	11.7
Comprehensive evaluation techniques are used.	%	3.9	6.5	11.7	61.0	16.9
Evaluations are consistent across employees.	%	2.6	3.9	15.6	61.6	16.3
Evaluation criteria are clearly communicated.	%	1.3	5.2	10.5	70.1	12.9
Evaluations are conducted at regular intervals.	%	0.0	6.5	13.4	66.7	13.4

Key: SD=Strongly disagree, D=Disagree, N= Neutral, A=Agree, and SA=Strongly agree. **Source:** Authors' own work (2024)

Regarding the fairness and accuracy of the evaluation methods, 74.0% of the participants agree, while 11.7% agreed very strongly, which reflects confidence in the fairness and accuracy of the appraisal process. One of the most important aspects of the performance appraisal process is the honesty and accuracy of the evaluations. Regarding comprehensive evaluation techniques, 61.0% of the respondents agreed, and 16.9% strongly agreed, which could indicate that there exists thoroughness in the kind of evaluation being undertaken. Using

methods involving the assessment of different dimensions of performance helps to avoid certain distortion or error sources. Regarding consistency in evaluations among employees, 61.6% of the respondents agreed, while 16.3% strongly agreed. Regular appraisals also guarantee that every employee is evaluated using the same parameters and recommendations making the whole process fairer. Also, 70.1% believe that the evaluation criteria are clear, and 12.9% strongly believe that it is true. Clarity of the criteria used in the evaluation enhances understanding by the employees on how their performance is being rated, hence enhancing acceptance. It was observed that 66.7% of the respondents were aware that the evaluations were conducted at regular intervals out of which 13.4% strongly agreed. Constant assessments open frequent feedback and improvement sessions, which give attention to issues as they occur. These outcomes imply that evaluation activities are primarily considered fair, comprehensive, and standardized, while the aspect of communication seems to be well-developed. However, there is always an opportunity for further improvement to make these methods more effective.

The study also established the significance of training and development in the performance of employees, and Table 5 displays the descriptive statistics of training and development.

Table 5. Summary of descriptive statistics for training and development.

Statement	%	SD	D	N	A	SA
Training programs are available.	62.3	2.6	1.3	13.0	62.3	20.8
Training programs are relevant to job needs.	64.7	1.3	4.2	15.6	64.7	14.2
Training is effective in improving skills.	69.9	0.0	5.2	12.7	69.9	12.2
Continuous development opportunities are provided	65.3	0.0	7.5	16.2	65.3	11.0
Training programs are aligned with career growth.	63.5	0.0	6.3	18.1	63.5	12.1

Key: SD=Strongly disagree, D=Disagree, N= Neutral, A=Agree, and SA=Strongly agree. **Source:** Authors' own work (2024)

Regarding the assertion that training programs are available 62.3% of respondents agree with this statement while 20.8% strongly agree. The existence of training programs guarantees that employees are sufficiently equipped with the tools in order to improve their performance in the company. As to the relevance of training programs to the needs of jobs, 64.7% of the respondents agreed, while 14.2% strongly agreed, meaning that training is well-

focused. Those training programs which directly relate to the needs of the job are likely to pose positive impacts on employee productivity. The respondents agreed with the statement that training enhances skills at 69.9% with 12.2% strongly agreeing to indicate that training programs are useful. Training intervention exposes employees to new knowledge and skills that enable them to perform their tasks better. Recurrent training and development were recognized by respondents with 65.3% agreeing with the statement and 11.0% strongly agreeing with the statement. Promoting learning that provides the employee with ways to stay abreast with the current trends and growth in the industry helps to promote constant growth and innovation. On the statement that training programs are aligned with career advancement, 63.5% agreed while 12.1% them strongly agreed. Linking training initiatives to career advancement makes employees understand the long-term returns of training, promoting higher levels of engagement. These findings underscore how training and development are relevant and valuable for improving employee skills and career mobility. The practical application of pertinent, efficient, and ongoing training interventions can improve workers' performance and development.

4.3 Regression Analysis

This section provided an explanation concerning the relationship between the different variables of the study.

Table 6. Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.614 ^a	0.573	0.594	0.03142

^a Predictors: (constant): goal setting, feedback mechanisms, evaluation methods, training and development.

Table 7. ANOVA analysis

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	30.031	4	7.507	238.812	0.002
Residual	41.105	342	0.120		
Total	71.136	346			

Dependent variable: employee performance. Predictors (constant): goal setting, feedback mechanisms, evaluation methods, training and development.

The model summary provided in Table 6 indicates that the independent variables (goal setting, feedback mechanisms, evaluation methods, training, and development) account for 57.3% of the variance of the employee performance as indicated by the R Square value of 0.573. This implies that

these variables positively correlate with the level of employee performance hence indicating that these are strong predictors of employee performance.

From the ANOVA Table 7, it is clear that the regression model is significant at 0.05 level of significance ($F(4,342) = 238.812$) which means that this model fits the data well. The fact that the model is significant means that overall, the independent variables have a large effect on the level of employee performance.

Table 8. Regression coefficients

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
	B	Std. Error		
(Constant)	0.318	0.142	2.438	
Goal Setting	0.243	0.057	0.315	3.736 0.002
Feedback mechanisms	0.041	0.057	0.215	1.246 0.001
Evaluation methods	0.169	0.067	0.117	3.195 0.003
Training and development	0.182	0.049	0.341	3.561 <0.001

Dependent variable: employee performance.

The regression results presented in Table 8 indicate that all the independent variables have a significant influence on employee performance since their p-values are less than 0.05. Goal setting has a significant positive impact on the performance of the employees ($\beta = 0.315$, $p = 0.002$) which suggests that the achievement of clear, specific, and difficult targets increases performance. Another factor is feedback mechanisms ($\beta = 0.215$, $p = 0.001$) showing that performance is enhanced with frequent, constructive, and practical feedback. Evaluation methods ($r = 0.117$, $p = 0.003$) have a positive relationship to employee performance; therefore, timely, accurate, and a fair assessment method should be adopted. The results also reveal that training and development have the highest significant positive impact on performance ($\beta = 0.341$, $p < 0.001$), which emphasizes the importance of providing sustained and relevant training to improve the skills and productivity of the employees. The regression results indicate that all the hypotheses are supported. Specifically, goal setting ($\beta = 0.315$, $p < 0.05$), feedback mechanisms ($\beta = 0.215$, $p < 0.05$), evaluation methods ($\beta = 0.117$, $p < 0.05$), and training and development ($\beta = 0.341$, $p < 0.05$) all significantly and positively affect employee performance. This demonstrates that clear and challenging goals, constructive feedback, fair evaluation methods, and effective training programs are critical for enhancing employee performance in Greek organizations,

confirming the positive impact of each component hypothesized in the study.

5 Discussion

This study evaluated the effect of performance appraisal systems in improving employee performance in Greek organizations. Performance appraisal system is a useful procedure employed in the assessment and enhancement of employees by means of goal setting, feedback and evaluation tools, training, and incentives. As Goal-Setting Theory and Expectancy Theory were used in this research, the discovered components suggest the impact on employee performance in organizations in Greece, [56]. Supported by the Goal-Setting Theory, the authors stated that clear and challenging goals enhance performance because of focus and motivation, [8]. The results of the study indicate that most of the participants concur with the proposition that goals and objectives are set in organizations; therefore, the research supports the postulation that goal clarity enhances performance, [10], [25]. In addition, there is a need to adequately address the level of ambition by raising the standards of performance and at the same time making them realistic to the employees, [57]. This balance ensures that employees challenge themselves in order to achieve the company's goals without feeling under pressure, [27]. In this way, there is a clear fit between personal interests and organizational needs that guarantees that employee performance contributes to the overall organizational success, [16]. Updating goals frequently allows for constant communication and for employees to remain encouraged and aware of their goal status, [34]. Frequency, constructive nature, and specificity of feedback are essential components of performance appraisal systems, [23]. The survey revealed that the majority of the respondents concur with the statement that feedback is provided regularly although the frequency of feedback needs enhancement. Feedback is important to provide real-time information about performance and correct mistakes immediately, [17]. Constructive and useful feedback, as shown in the study, showed that the quality of feedback is good. Positive feedback that is descriptive and prescriptive allows organizational members to understand precisely what they must do to enhance their performance [23]. Additionally, the study established the positive correlation between feedback and performance suggesting that feedback is useful in enhancing performance, [2].

The techniques applied in the assessment of employee performance do affect the efficiency of performance review processes. One of the main drawbacks of the conventional approaches, including rating scales, is that they are deemed subjective and possibly biased, [2]. On the other hand, contemporary approaches to evaluation including competency-based evaluation and BARS provide a more credible rating of performance, [16]. The survey revealed that a significant number of the participants have confidence that the evaluation methods used in the appraisal process are fair and accurate. Issues of fairness and accuracy are key to building and sustaining the credibility of the performance appraisal system, [14]. The following was established from the responses whereby a significant number of respondents agreed on the use of the following techniques: The standardization of the evaluations employed also guarantees that all employees are treated fairly, [15].

Training and development are crucial elements of performance appraisal systems, with far-reaching implications on employee competencies and productivity. Organizational training enables employees to possess the required competencies and knowledge for them to work effectively, [13]. According to the study, many of the respondents concurring with the fact that training programs are available informs that the majority of the employees access training. The fact that the respondents perceived training programs as relevant to job needs means that there is a need for targeted training. Training that corresponds to the needs of certain positions is more effective in terms of enhancing employee performance, [21]. Furthermore, it was established that training works in enhancing skills, thus supporting the idea that training enhances performance, [34]. Ongoing training guarantees that the employees are abreast with new trends and developments in the field thereby encouraging constant growth and innovation, [40]. When training is linked to career advancement the employee can visualize long-term gains from the training exercise which enhances commitment, [8].

Incorporation of reward and recognition programs is very important to ensure that subordinates are motivated. They associate performance with monetary and non-monetary incentives which are pivotal in reminding employees of what is expected of them besides motivating them to deliver their best, [28]. This research concluded that proper reward increases the motivation and performance of employees making it crucial for Greek organizations to establish proper reward and recognition structures, [14], [35]. One

should not underestimate the importance of other rewards, including public recognition and the possibility of career growth. Such kinds of rewards are very encouraging and help in building a positive organizational culture, [19]. Of these, public recognition increases employee value and improves their organizational commitment [49], [51]. For that reason, fairness and transparency of reward systems are also important. If the employees believe that the reward system is equitable and based on their performance, then these employees will be motivated and satisfied, [22], [23], [33]. For performance incentives to be effective in enhancing trust and motivation among the employees, it is recommended that they are linked with the performance appraisals, and fairly disbursed, [15]. The results of the regression analysis show that the independent variables – goal setting, feedback mechanisms, evaluation methods, training, and development – together account for a significant measure of the variability in employee performance. This implies a positive correlation between these factors and performance that proves their importance in boosting performance, [2]. The regression coefficients reveal that all the independent variables are significant predictors of employee performance. From previous research, it is evident that goal setting has a positive and significant impact on performance while underlining the significance of setting specific, proximal, and difficult goals. Feedback also enhances performance, thus calling for timely, constructive, and feed-forward feedback, [23]. Evaluation methods play a critical role in performance stressing the importance of proper, accurate, and comprehensive assessment tools, [16]. Among the independent variables, training and development exert the most significant influence on performance, while emphasizing the significance of regular and relevant training, [13].

6 Conclusions

This study looked at the role of performance appraisal systems in improving employee performance in organizations in Greece. The findings underscore the significant impact of several key components: These include goal setting, feedback, evaluation, training and development, and reward and recognition. All these elements are significant in developing a complete and efficient performance appraisal system. Hence, we identified goal setting as an important factor based on the Goal-Setting Theory. This is because well-defined goals are clear, specific, and challenging; hence,

they help in giving direction and motivation to employees as well as guiding them in achieving organizational goals. Additional reports on goal performance also support this alignment and keep the teams and individuals consistently engaged and motivated to perform. Motivational feedback is an important component of performance appraisal since it creates a feedback loop that keeps everyone abreast with any changes in his/her performance. Constructive criticism enables workers to recognize their mistakes while encouraging them to continue to employ desirable practices and improve their performance, [49], [51]. Research shows that effective feedback is one that is given regularly and on time, and feedback that leads to specific action creates a culture of clarity where the employees are encased, [22]. Studies have also shown that feedback in Greek organizations has always been ignored or randomly used to the extent of causing disappointment among employees. Nonetheless, structured feedback, including 360-degree mechanisms, can reduce such biases and offer a more objective evaluation of the employee's performance and, thus, promote their professional development and adherence to organizational objectives, [2], [37]. Besides, it is crucial to point out the need to improve feedback quality and frequency as key to the sustainability of performance management. Evaluation methods also have a considerable impact on the overall performance of the employees. The study also underscored the need to ensure that evaluation methods are fair, accurate, and comprehensive. In addition to conventional techniques, implementing competency-based assessments and behaviorally anchored rating scales (BARS) can offer more accurate data and enhance confidence in the appraisal process. This revealed that training and development had the greatest influence on employee performance. Thus, continuous and targeted training helps to achieve employees' skills and knowledge alignment with the requirements of their positions. When such programs are tied to career progression, the effectiveness of the programs is boosted by the activeness of the employees in the process. Performance incentives have been found to be instrumental in driving organizational behavior and productivity. These results show that adequate and equitable monetary and non-monetary incentive structures create a productive organizational climate and enhance employee motivation and satisfaction. Lastly, the research indicates that a comprehensive performance management system that includes well-defined objectives, feedback, fair assessment, training and development, and a reward system can

improve the performance of employees in the organizations operating in Greece. By understanding the historical and cultural limitations and using the available tools and technologies effectively, organizations can have an engaged, motivated, and productive workforce hence influencing its continued success and sustainability.

6.1 Implications and Suggestions for Future Research

Based on the findings of this study, there are a number of practical implications for organizations in Greece. Efficient goal setting, feedback, modeling, performance assessment, training, and reward enhancement are pivotal to improving human performance. Such practices can assist organizations in establishing a positive climate of engagement and development, which in turn improves organizational performance.

To the policymakers, this study points to the importance of enabling environments that facilitate the implementation of organizational performance appraisal systems in both the public and private domains. Behavioral and cultural issues for and against performance appraisals, including perceptions of bias and resistance to change, need to be overcome for these systems to work efficiently.

Further research should examine the effectiveness of integrated performance appraisal systems in the long run and its effects on organizational success in various cultures. More so, conducting research on the application of technological tools in performance management may shed more light on how technology can improve the performance appraisal system. It is also interesting to explore the issues and solutions in distinct sectors to get a detailed understanding of performance management in different organizational contexts. The performance appraisal systems that can be derived from this research can be useful in addressing the needs of different workplaces.

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Declaration of Generative AI and AI-assisted Technologies in the Writing Process

During the preparation of this work, the authors used ChatGPT in order to improve the readability of the manuscript. After using this tool/service, the authors reviewed and edited the content as needed and take full responsibility for the content of the publication.

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