

## MKM227 Postgraduate Dissertation

Student Number: 1323756

	Comments	Max Mark	Actual Mark
<p><b>Introduction</b></p> <p><i>Identification of a valid topic, research question and objectives framed to Masters Level standard with academic rationale developed, clear industry contextualisation of the research topic</i></p>	Supervisor Comments:	10%	
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**STAFF PERFORMANCE MANAGEMENT IN THE NIGERIAN BANKING INDUSTRY: FOCUSING  
ON EMPLOYEES' APPRAISAL SYSTEM**

A dissertation submitted in partial fulfilment of the requirements of the Royal Docks Business School, University of East London for the degree of **(MA) International Human Resources Management.**

**2013/2014**

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### **Abstract**

The study is based on employee performance management in the Nigerian banking industry, especially focusing on performance appraisal. The main objective of the research is to review the process of performance appraisal in Nigerian banks. Through the finding, it was revealed that performance management and appraisal is perceived as a process of significant importance but it is coordinated for its evaluative form rather than its purpose for promotion of organisational growth and development through feedback, training, coaching and counselling.

The design of the research was qualitative and a bit of quantitative and the questionnaire contained both open and close ended questions which were used in gathering the primary information. The investigation technique was applied for bank employees in Abeokuta Ogun state which includes; subordinates (bank officers, cashier, marketers), managers (branch managers, operations manager or head of operation), and also bank HR consultants. One hundred and eighty (120) questionnaires were administered to all intended participants and a relatively high response rate of 83.3% was obtained.

The crucial findings showed that participation of bankers in Nigeria in performance management and appraisal is relatively high and, it was revealed that subordinate employees most times feel managers are usually not objective because their superiors maintain a warm relationship which can render the appraisal a bit partial or probably boost performance of employees. At the end of the research, suggestions were made on how performance management and appraisal could be more effective and beneficial to both employees and the organisation as whole.

## **Dedication**

This research is dedicated to Almighty God, my adorable parents (Mr & Mrs B.A Agbaje), and supportive supervisor (Maarten Pontier) for his immeasurable support and guidance.

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## Chapter One

### Introduction

In the past decades performance management (PM) and appraisal practice, tools and techniques have enticed much interest from both business and academic communities (Thorpe and Beasley 2004; Chau, 2008; Franco-Santos et. al, 2012 cited in Waal and Kourtit, 2013). Great levels of competence and performance of employees will obviously be of an added advantage over competitors. This research is set to critically review the performance management and appraisal system within the Nigerian banking economy with more emphasis on performance appraisal. This will progress through deliberation of its intrinsic processes and related key issues and closes with criticisms of the processes and organisation's contribution. The study also aims to also contribute to the staff performance management and appraisal literature.

Since competitive advantage can only be achieved through people (Alo, 2000 cited in Obisi 2011), struggle for limited resources has become more stiff and tense among companies in Nigeria (Ohabunwa 1999 and Akingbola 2000 cited in Obisi 2011). In essence, organisations will only grow to the extent to which their human resources are developed. Banjoko 1982 (cited in Obisi 2011) stated that in the arsenal of personnel management there is apparently no program that is easy to implement and also necessary for organisational and individual growth than performance appraisal.

In many organisations in Nigeria, performance management and appraisal is conducted and perceived in terms of its evaluative form rather than its function for facilitating organisational development and growth through training, counselling, coaching and feedback of appraisal process (Banjoko 1982 cited in Obisi 2011). Authors like Fletcher 2001, Tahvanainen 2000, Rao 2008, Furnham 2004, and den Hartog *et al.*, 2004 (cited in Coleman 2009) have noted that both performance management and performance appraisal have often been used interchangeably.

However, there are significant differences between performance management system (PMS) and performance appraisal system (PAS). Performance appraisal is an element of the performance management system. Appraisal systems are yearly activities that evaluate the previous performance of staff and dictate the employee's performance bonus

or pay increase. If performance issues are detected during appraisals, then there will be assignment of development or training plans. Meanwhile, employee is likely to be assigned to achieve new performance goals which may or may not have any correlation with the employee's previous performance.

Performance management (PM) structure comprises of a much wider scope of process, such as continuous feedback (Roberts, 1998 cited in Coleman), employees and managers describe performance in a collective manner to design new goals and development of objectives (den Hartog *et al.*, 2004), coaching (Latham *et al.*, 2005), and motivational and social aspects (Fletcher, 2001 cited in Coleman 2009). Performance appraisal on the other hand is the process of formal performance evaluation and feedback on which performance reconciliation can be made (Akinyele, 2010). In recent times effective management of human resources is highly important. Most organisations now look internally for productivity and performance gains, rather than delaying for improvement externally, such as market increase or technological advancement (Buckner 2007).

The Nigerian banking sector has been in existence as far back as the 1980s. The sector possesses three distinct features that are significant to this research topic. Firstly, the banking sector in Nigeria has been characterised to be dynamic, when other areas of the society face stagnant, negative or lengthy growth rate, the banking industry in Nigeria progressed at the rate of 24% from 1992 to 2006 (Central Bank of Nigeria, 2006 cited in Newman, 2009). Secondly, bank failure rate in developing countries including Nigeria (Bank for International Settlement, 2004 cited in Newman, 2009). Lastly, it is perceived that Nigerian human resource practices lacks expertise and professionalism.

Deregulation and liberalisation of the Nigerian banking sector has caused the environment to change in many ways. Prior to the year 1987, the Nigeria banking sector was focused on the exercise of the four big banks (First Bank, United Bank of Africa, Union Bank and Intercontinental Bank for West Africa (READSEL, 1989/1990:335 cited in Akinola 2012), there was less competition which was as a result of the restriction by the economic authorities. By 1987 barriers of entry were tolerant and rate of interests were denationalized after the initiation of monetary liberalisation. A large number of new commercial banks emerged with some having foreign equity ownership established

activities in the business. The authorisation of new banks was prevented in 1993 and interest rate order was re-established in 1994. As at 1997, interest rate liberalisation was revived while entrance restriction was loosened in 1999 (Asogwa, 2004 cited in Akinola 2012).

Regardless, a great deal of structural refinement has been noticed in the Nigerian banking sector which includes: bank shut down, management takeover through acquisition, merger or joint venture and regulation by Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC). In addition, a continuous consolidation process has been discovered in the Nigerian economy. Usually, the total number of Nigerian banks reduced by roughly 23% (per cent) between 1997 to 1999 from 115 banks to 89, between 2000 and 2005 it further decreased by 72% (per cent) from 72 to 25 banks. Other principal evolution in the Nigerian banking industry includes change of some of the banks to public limited liability companies and the launch of global banking since 2001 (Asogwa, 2004 cited in Akinola 2012).

### **Statement of Problem**

Every economy tries to sustain a healthy financial sector due to its significance in economic development and growth. From the start of Nigeria banking, there has been consequential crisis of failure of banks in the sector. However, this problematic banking situation should not be fuelled to continue. In most banks employee performance is restricted to annual performance evaluation and budget monitoring. However, scholars are of the opinion that there is no connection between financial data and employee performance (Pollitt and Bouckaert 2004 cited in Obisi 2011).

Therefore, it is necessary to understand the factors responsible for the failure of some banks in Nigeria. This research will take a closer look at performance management and appraisal in the Nigerian financial sector. Focusing on benefits of practicing establishing performance management and appraisal in the Nigerian banking industry, also problems that will be encountered if not.

### **Significance of the Study**

The significance of this study, is to Successfully contribute to the human resource, performance management and appraisal literature in the Nigerian banking industry. Also, to find, provide or suggest a solution for effective banking system and enormous change in the Nigeria banking economy with practical reference to bankers in Abeokuta Ogun state Nigeria.

It is expected that this study will certainly advise and cause more useful improvement and contribution to bank management and employees. Furthermore, this research will serve as a way to challenge deep-rooted bank problems effectively and will assist the society as a whole in gaining more knowledge about the banking sector. Finally, the research will be beneficial to students carrying out same or similar study and also all the bankers in Nigeria not just the bankers in Abeokuta Ogun state.

### **Research Questions**

The conflicting interests, goals, attitudes and values of employees usually have effects on organisational and individual performance, therefore instigating the following research questions;

- i.) How crucial is performance management in the Nigerian banking industry?
- ii.) What are the difficulties faced during performance evaluation process?
- iii.) What measures are the key performance indicators?
- iv.) How effective is performance management in achieving personnel management in the banking industry
- v.) How comprehensive is the performance management and appraisal process?
- vi.) What are the basic features of the appraisal practice?
- vii.) Why is performance management and appraisal necessary?

What I am trying to establish at the end of this research is that carrying out performance appraisal is necessary but not enough but it is important to use the practice as an avenue to improve employee's performance.

### **Research Objectives**

The objectives of the research are as follows;

- i.) To critically analyse the significance and examine reasons why performance management and appraisal is usually carried out in the Nigerian banking industry.
- ii.) To investigate the problems encountered during performance appraisal process.
- iii.) To determine the measures applied as performance indicators and to identify who the key performance appraisers are.
- iv.) To ascertain how performance appraisal helps to achieve personnel management in the Nigeria banking sector.
- v.) To understand the comprehensiveness and features of the Nigerian banking industry performance management and appraisal

### **Overview of Chapters**

This paper is made up of six interesting chapters. The first chapter (introduction) introduces the research and provides underlying information concerning the development, evolution and failure of Nigerian banking economy. The second chapter is a critical literature review of the research topic, with emphasis placed on different relevant academic scholars. The third chapter (research methodology) is geared towards making the research work clearer. Method used in the analysis of data, directed at justifying the research design, sources and procedure including insights of research population and sample.

Furthermore, the fourth chapter focuses on examination of data gathered and identification of the analysis key patterns. Chapter five (conclusion) is a brief review of the research question and objectives. As well as answer to questions raised in the cause of the research. Finally, in chapter six based on findings of the research recommendations will be

made, answers to the research questions, objectives will be put forward and also suggestion of area of additional research.

## Chapter Two

### Literature Review

Performance management is one of the backbones of human resource implementation in organisations. The idea of performance management was originally used by Beer and Ruh 1978 cited in Inyang and Esu 2009). In the mid 1980s (Akata, 2003 cited in Inyang and Esu, 2009) the concept was later popularised. No matter how large or small an organisation or how complex or simple the business, potent performance management is necessary if there are employees present (Smither and London 2009). Performance management can be described as managing the business. Line managers continuously carry out the performance management process not just on a yearly HR directed procedure (Armstrong, 2009). Constant emphasis on performance at all grades in an organisation is due to the influence of globalisation and also the need to achieve a competitive advantage for continuous existence in the market place.

The idea of performance management has developed more than two decades ago as strategic, combined process which integrates goal-setting, performance appraisal and development into a cooperative and logical framework with the actual purpose of regulating and monitoring employee's performance goals with the organisation's overall objectives (Dessler, 2005; Williams, 2002 cited in Lucas 2006). Therefore, PM is responsible for; how individuals carry out tasks, management and development to improve people's performance, and finally to augment staff contribution the company.

When performance management is done effectively, managers and their subordinates are encouraged to work together, communicate without concealment and give feedback frequently. However, unless people concentrate on communication, collaboration capabilities and cooperation, appraisal procedures will remain channels for failure and continue to induce suspicion and fear in employees (Rogers, 2004 cited in Armstrong 2009). Performance management is a necessary and critical part of individual and organisational effectiveness. However, performance evaluation and feedback is necessary for improvement to occur, without these there is no basis to centre efforts to improve (Cardy and Leonard 2011). As much as performance management is of great value and importance, there have been concerns over its success and potency (Coens and Jekins, 2000).

Although, some management experts are of the opinion that performance management as generally practiced in organisations are likely to be flawed fundamentally because the approach does not correspond with the business values, vision and mission. Employers have to understand their staff and roles they play in the realisation of organisational goals and objectives. Employees in modern large or moderately-sized organisations perceive performance management as universal (Armstrong & Baron, 1998; Cisco, 2006; Nankervis & Compton, 2006 cited in Buchner 2008). While for some, it is a supportive feature of their job and others may think PM is of a negative impact. Due to performance management practices individuals can feel detached or alienated from the organisation (Coens and Jenkins, 2000; Smither, 1998). Either negative or positive, management of performance is a typical exercise that occurs in the professional lives of most individuals, and it has been recognised as an area of remarkable research interest (Aguinis and Pierce, 2008; den Hartog, Boseli, and Panuwe, 2004; Fletcher, 2001; Guest 1997 cited Buchner 2008).

Lately, there has been transitional trend in HRM. For example, the evolution of international human resources management (IHRM), and strategic human resources management (SHRM) which has gained more importance in businesses and society as a whole. HRM practices and policies are executed within the economic, political, legal and social environment. Therefore, the need for substantial cultural and historical insight into local conditions to enhance better understanding of the processes, problems and philosophies of HRM national models (Hofstede, 1993 cited in Ovadje and Ankoma 2001).

All businesses require their human resources to be managed. Even managing of resourceful individuals require a consistent balance between meeting the financial and strategic needs of the business and meeting the individual employee desires (Torrington et al 2008). Arguably, HRM can be described as a superior approach to management of people all over the world. HRM can therefore be referred to as the management of an organisation's most valued assets in a strategic and coherent approach (Armstrong, 2006).

Many scholars have attempted to describe the idea of performance management in their own style. Armstrong (2011) explained that performance management is a strategic process of absorbing employee and organisational objectives to attain organisational goals.

Performance management was also classified as an ongoing process that involves employee training and development, assigning targets, providing feedback, official evaluation of team or individual performance, rewards and recognition associated to performance (Smither and London, 2009). Performance management has also been referred to as a supportive collaboration that occurs between the employees and organisation management that boosts staff performance and integration of organisational values, initiatives and goals (Caldwell, 2002 cited in Newman 2009). Akata 2003:14 cited in Inyang and Esu 2009, reflected that performance management is systemic and holistic (all-encompassing) process of monitoring, work plan, and evaluation aimed at persistent team improvement and employee individually contributing towards the realisation of organisational goals. The definitions obviously shows the following features of performance management; strategic (affected with the wider issues business face), systematic and holistic.

In contrast, Bones 1996 cited in Armstrong 2011 stressed that performance does not need to be managed but definitely should be developed, sustained, supported and encouraged. Meanwhile, Aguinis cited in Smither and London, 2009 emphasised that performance management is capable of performing number of functions and includes fourteen components and six stages of successful performance management. In the same way Kaplan 2003 (cited in Newman 2009), before an organisation can achieve a competitive advantage solely on employee strength, managers need to check employees' performance and organisational targets and strategies. Often times staff performance appraisal should be organised (Kaplan 2003 (cited in Newman 2009). Performance management refines, interaction, aligns the organisation, self-development, organisation prospective and performance. Caldwell (2002), claimed that performance management steers better performance, clearly set goals, feedback and employee training on how to achieve their objectives.

Since performance management was introduced in 1940s, there has not been a universal theory of performance management. Theories of motivation are good references for academics studying performance appraisal and management. Equity theory, agency theory, human capital theory and expectancy theory are some of the theories known to have a base in appraisal system (Bamberger, 2000 cited in Buchner 2008). Furthermore, other theories were noticed to be pertinent in organisational performance management;

control theory, organisational justice theory, social cognitive theory and goal setting theory (Buchner, 2008).

Bateman and Zeithaml, 1993; Inyang, 2008b; Kreitner, 1998 cited in Inyang and Esu 2009 also supported that the idea of performance management is theoretically built on motivation theory. Although, there are different motivation theories; Herzberg's two-factor theory, expectancy theory, Maslow's hierarchy of needs theory. Researchers have been of the viewpoint that goal-setting theory backs performance management, because performance standards are previous circumstances in the staff's work place. Goals are performance status which organisations and individuals have decided upon as performance level. People get to the positions they are now (whether in profession, career, politics, or athletics) because they have a set goal or objective. Many businesses have been formed into multinationals and empires because they are or most likely were goal-oriented. Studies from goal setting researchers presents that properly designed goals stimulate a motivational procedure that boosts performance (Locke, 1981 cited in Inyang and Esu, 2009). The universal goal setting model possesses four elements: goal, motivation, and performance improvement and performance feedback. Goals motivate by controlling employee's attention, stimulating effort, embolden persistence and assist goal attainment strategies and action plan. For performance appraisal to exist, firstly there must be a set goal (Inyang and Esu, 2009).

Five basic motivation stages necessary in goal setting was identified by Locke and Gary (1990) which includes; clarity, dedication, assessment, feedback and assignment complexity. It was emphasised that at the feedback stage, goal setting is deficient without feedback which could be performance appraisal or evaluation (MTD training, 2010). This advances to the theory of motivation, employees that are motivated are reproductive. One of the most enduring experience and incalculable challenge manager's face is the capability to get their subordinates to put in their best in during difficult times in the firm (Iklas, 2012). To achieve organisational and individual goals, motivation is essential for employee encouragement. It is necessary for employees to be encouraged by recognition and appreciation of their job and effort, pleasant working environment and beneficial job design (Iklas, 2012). Also Guest (1997) cited in Buchner 2008 asserted that according to the expectancy theory there is a link between motivation and performance.

In addition, the collaborative study of Central Bank of Nigeria (CBN) and Nigeria Deposit Insurance Corporation (NDIC) in 1995 of distress in the Nigerian financial institution unveiled that element such as fraudulent practices, under capitalisation, bad advances and loans, changes in government policies, ineffective management and supervision, excessive reliance on foreign exchange, political problems and other financial related distress characterised the Nigeria banking sector. Ogunleye, 2003 (as cited in Okpara 2009) categorised this distress factors into economic, institutional and political factors; inclusive of administrative measures. The institutional factors which includes performance management and appraisal, employee health and wellbeing, compensation and amongst others are internal factors which are solely within the capacity of the owners and management of the banks. Even the CBN/NDIC supported that most of the financial institutions blame their distress on institutional factors.

Focus on organisation performance management is likely to yield real rewards. Performance management is capable of improving organisational performance and serve as a lever to gain cultural change (Armstrong 2009). Performance management has always been described as difficult to operate. Contemporary organisations are prone to having challenges on how best to manage employee performance (Armstrong 2009).

The goal setting theory is based on the presumption that individuals have conscious targets that encourage them and leads their thinking and attitude toward a direction. The goal setting theory which is an enhancement on Peter Drucker's (1940-1950) Management by Objectives (MBO) an American management scholar (Shield, 2007). The goal-setting theory which was developed by Edwin Locke states that individuals have the ability to achieve and work more when they have set targets (MTD Training, 2010). Expectancy theory proposed that people change their attitude based on their foreseen satisfaction when the goal is achieved (Vroom, 1964 cited in Lucas 2006). Both motivation and expectancy theory have significant implications for the structure of performance management procedure. However, Clark 1998 cited in Lucas 2006 proposed that both expectancy and goal-setting theory are established on the assumption that the thinking of human beings is rational, individualistic and calculative.

The concept of performance appraisal has been in existence for several years and has focused mainly on annual review of manager and subordinate objective. While the idea of performance management is a modern development that has adopted a prospective oriented strategic focus which is applicable to all employees in an organisation for maximisation of their future potential and current performance (Lucas, 2006). Globalisation and the need to achieve competitive edge in order to survive in the international environment have led to increased focus on performance at different levels. Performance appraisal continues to be and has been a widely examined management function. Management scholars consider that performance appraisal is an effective and important management tool (Carson, et al 1991). Samuel Culbert argued that appraisals make employees less efficient at what they do and reviews create high level of stress. In support of this Kevin Kruse (employee engagement author) describes performance appraisal as a destructive observance that should be abolished because they are based on common standards which render them vague and subjective.

A well planned performance appraisal relies on three notions. Firstly, individuals must be dissimilar in their contribution to the organisation. Secondly, the cause of differences in performance should be partly due to individual. Ability and motivation are causes of performance ascribed to individuals; these differ from reasons of performance out of people's control, such as dependency on collective output, equipment equality, and unequal work flows. Thirdly, managers must be willing and be able to differentiate the two performance variation sources and to establish reviews only on performance within employee control. The code of belief that performance appraisal is important in organisations accept these arguments to be true. This can be referred to as human resource management (HRM) approach (Bernardin and Beatty, 1984; Carrol and Schneier, 1982 cited in Gregory *et al.*, 1991)

Employee engagement as a performance management measure is most likely to promote individual's performance over the set achievable standard (Saks and Gruman, 2011). Employee engagement simply means the extent of involvement and commitment an individual has developed towards his organisation and its standards. When staff members are engaged, they become aware of their responsibility in the organisational goals and motivate their co-workers alongside for the realisation of the organisational objectives

(Anitha 2014). There are three distinct types of employees according to Gallup (2002) cited in Anitha 2014: employees that are engaged, employees that are not engaged, and employees that are actively disengaged. Employees that are engaged are creators who always try to give the best in their roles. Employees that are not engaged concentrate on the tasks assigned to them rather than the organisational goals, and the employees that are actively disengaged are uncertain people who have the capabilities to demotivate performers in the organisation and they perform poorly in their assigned task.

However, some theories have been linked to the concept of employee engagement such as; conservation of resources (COR) theory (Hobfoll, 1989), self determination theory (SDT) (Deci and Ryan, 1985), social exchange theory (SET) (Blau, 1964), Social identity theory (SIT) (Tajfel, 1974), role theory (Khan, 1990), broaden-and-build theory of positive emotion (Fredrickson, 2001), job characteristics theory (JCT) (Hackman and Oldham, 1980), and the job demands-resources model (JD-R) Bakker and Demerouti, 2007 cited in Albrecht 2010). Employee engagement is one of the major determinants backing great levels of employee performance, as is usually demonstrated in a number of researches (Macey *et al.*, 2009; Mone and London, 2010 cited in Anitha 2014).. Employee engagement is an appropriate tool to assist organisations to aspire to achieve competitive advantage over others (Anitha 2014). The human capital is an inestimable asset if managed effectively and is considered as an important factor which cannot be copied or imitated by the competitors. This was supported by Baumruk 2004 as cited in Anitha, 2014, that engagement of employee is known to be the most convincing factor to measure a company's strength.

Meanwhile, Elias and Scarborough, 2004 cited in Lucas 2006 stated that human capital, talents, abilities, value skills, and competencies of an organisation's workforce is necessary in creating a competitive advantage (Mayo, 2001 cited in Lucas 2006). Tahvanien, 2000 (cited in Lucas 2006) insisted that performance management has a vital role in the development of human capital. Most employees usually see performance appraisal as a paperwork exercise demanded by HR, necessary for submission on annual basis for documentation purposes (Pulakos 2009). Most managers and employees don't consider the importance of performance is essential for successful organisations, and one of their vital responsibilities. Organisational scholars have been able to prove that employees are highly concerned about the objectivity of performance management exercises and staffing. Based

on research, it was discovered that employees generally consider performance management systems to be fair and just, the more they are satisfied and accept the result of their performance appraisal outcome, even when the outcome is not encouraging (Taylor, 1995 cited in Armstrong 2009).

Chartered Institute of Personnel and Development (CIPD) cited in Sotunde and Salami 2013) stated that the basic form to improve organisation's performance is strategic HRM within which there is complete coverage of the numerous approaches and definitions to HRM, strategy. Combination of organisation's human resource activities, with the main aim of achieving organisational objectives and goals can have a major effect on the ultimate organisational success. According to the Resource based theory, one of the popular human resources theory proposed that achievement of organisation's competitive edge and plan implementation is highly reliant on human capital and other basic inputs (Barney, 1995 and 2001; Becker and Gerhart, 1996 cited in Sotunde and Salami 2013)

Over the years, "performance management" has been replaced by "performance appraisal" in most companies (Smither and London 2009) staff performance management is popular in many organisations. Performance appraisal or evaluation can be used interchangeably. More so performance management also includes other procedures such as development and identification of employee's performance. However, it is important to know that performance appraisal itself is not performance management but a necessary aspect of performance management and one of the major several components used in the management of performance. It can be rightly said that, appraisals are part performance management.

Performance appraisals are periodic and usually involve the evaluation of staff's performance, while performance management is a continuous process that encompasses goal setting and aligning, employee development and training, giving feedback, formal evaluation of employees, and relating performance to rewards and recognition (Smither and London 2009). The main goal of this continuous process is to enhance performance, job satisfaction and commitment of employees and organisational performance. In a similar way, Waal 2007 cited in Waal and Kourtit 2013 stated that the success of the on going

process means the procurement of nonfinancial as well as financial goals, the growth of skills and competencies and the advancement of customer care and business quality.

Performance appraisals are static while performance management are dynamic. A well structured appraisal evaluation involves observation, communication and documentation (Attorney, 2007). It envisages a work environment in which superiors are able to know what is going on in their departments (what each employee is doing and how competent) and employee performance documentation (Attorney, 2007). Superiors are encouraged to know the barriers that hinder employees' performance so they can be eliminated.

Historically, management of performance has been the function of employees' direct supervisor (e.g., Barnes-Farrel, 2001; Cardy and Dobbins, 1994; Latham and Wexley, 1994 cited in Buchner 2007). However, modification in the workplace has made it difficult for the supervisor to be potent managers of their subordinate's performance. Certain trends influencing performance management include larger spans of control, absence of direct experience, and fragmented workforces (Fletcher, 2001 cited in Buchner 2007).

Sometimes when performance appraisal is done, the appraisal may be organised to assess the eligibility of an employee for promotion, wages and salary increase or suitability of the employee to be transferred to a new department or function. The non-performing employees could be enrolled for further education and training or maybe assigned to less challenging tasks or reasonable goals and objectives will be set for improvement. Employees commitment towards the organisation could be as a result of their impression that the HRM practiced in the organisation are motivated by the desire to be just in the manner of treatment of employees and to entice and keep good employees in the organisation (Koy, 1988 cited in Ahmed et al, 2013).

Mindful training and selection of employees in the organisation does not mean that they will perform well; it is likely that there will be distinction in their performance (Gary, 2003). Individual's performance will be in disorder and lawless if not efficiently managed, therefore, performance management is essential in the organisation (Gary, 2003).

Performance management and appraisal has been criticised by series of authors and scholars. Performance rating of individuals is disintegrating due to contrast in performance caused as a result of systems discrepancy (Deming, 1986), performance appraisal no matter how great the structure it is usually designed in a single process, organisations fail to train the managers in appraisal skills (Furnham, 1996), performance management process most times do not work properly and are negatively perceived by both the subordinates and managers (Furnham 2004). In a similar way, Grint 1993 cited in Armstrong suggested that looks like there is a considerable, however not general, detest and discontent with most performance evaluation systems to some extent. Lee (2005) added that most conventional performance review schemes are basically weak as they are detrimental.

### **Criticism of Performance Appraisal and Management**

Deming 1986 (cited in Gregory, *et al.*, 1991) stridently challenged the performance appraisal process that it is damaging due to the fact that it inappropriately and necessarily ascribes performance variation to individuals rather than to the issues with the system structure created and controlled by managers. Benardin also reported that performance appraisal is one of or even the most problematic area of human resources management. Performance evaluation is perceived as a lottery, with employee appraisals resulting from random factors which cannot be controlled by individuals; however, performance review is an infirmity that should be “purged from the earth” (Scholtes, 1987, p.1 cited in Gregory 1991).

Performance management has always been the responsibility of the immediate supervisor (Barnes-Farrel, 2001; Cardy and Dobbins, 1994; Latham and Wexley, 1994 cited in Buchner 2007). However, organisational workplace changes have made it difficult for the supervisors to be effective managers of others’ performance. Precise trends that influence performance management include; workforces’ decentralisation, lengthy spans of control, inadequate direct experience, and emerging performer expectations (Fletcher, 2001 cited in Buchner 2009). Managers who have never been in position that the subordinates reporting to them are will lack understanding, expertise and knowledge that comes with having carried out the task before, the credibility of feedback is questioned (Coens and Jenkins, 2000 cited in Buchner 2007).

Jozwiak (2012) reported that employees dislike performance appraisal due to the fact that they consume time, too many paperwork and HR is likely to do better without the appraisal and probably find a new form of performance management tool. Based on a recent US poll of 2,677 people (HR managers-645, CEOs-232, and employees-1800) by Achievers, San Francisco based rewards and recognition consulting firm revealed that 98% of staff perceives annual performance evaluations unnecessary. Even with the fact that quarter of the 2,677 respondents were HR professionals.

## CHAPTER THREE

### RESEARCH METHODOLOGY AND STUDY AREA PROFILE

#### 3.0 Introduction

This chapter construes the methodology used for the research. The prime issues analysed here are; design of the research (research design), population, sample and sampling method, data source and methods of data collection, and data analysis method. The main purpose of the chapter is to describe thoroughly how the investigation was carried out without presenting the investigation reports that are rather shown in the next chapter.

#### 3.1 Research aim

At the end of the research analysis, report to the following research questions will be proffered;

- What are the attributes of the performance evaluation system in Nigerian banks?
- How relevant is the appraisal system?
- What are the basis of performance measurement and management in the Nigerian banking sector?
- What difficulties exist in the Nigerian banking sector appraisal system?
- Who are the primary performance appraisers?
- How broad and thorough is the performance management?
- What are the key performance indicators?
- What impact does the appraisal system have on personnel management in the Nigerian banking industry?

#### 3.2: Research Design and Qualitative approach

Researches design a common strategy or plan for carrying out a research study to analyse specific experimental research questions of interest. The make-up of the research questions and hypotheses, the variables contained, participant sample, settings of the

research, method of data collection, and the method of data analysis are significant factors that contribute to the selection of the suitable research design (Kalaian 2008). Therefore, a research design can be referred to as the structure that pilots research process from the formulation of research hypotheses and questions to research finding reporting.

A well structured design, one which the integral parts work together amicably and integrated, enhances promotion and smooth operation; defected designs will likely lead to inefficient operation or failure. It comprises of data collection, measurement and analysis. Surveys are techniques of data collection in which people are voluntarily required to answer a number of questions most times in form of questionnaire. Designs of research have generally been classified into categories based on research purpose, research nature, questions of the research, sample selection, method of data collection and techniques of data analysis.

The design of this research was a survey designed to evaluate the staff performance management in the Nigeria banking industry. This will showcase both qualitative and quantitative outlook but most especially qualitative. When carrying out a research either quantitative or qualitative research method can be used. The survey format will enhance easy qualitative and quantitative data analysis and will as well provide possibility for more comments. This will serve as a tool for gathering qualitative data with the questionnaire uploaded online for easy access. Researchers that adopt the qualitative method are usually interested in knowing the way individual translate their experiences, how they personally construct their worlds, and the interpretation they ascribe to their experiences (Merriam, 2014).

Quantitative research is a research process based on theory that is focused mainly on theory testing and definite research hypotheses that looks into finding relationships and differences making use of statistical methods and numeric data to make explicit conclusions about the phenomena (Kalaian 2008). Qualitative research is interested in providing answers to questions starting with why?, in what way, how?. While quantitative research is deductive, qualitative research is usually inductive and context-fixed research that is centred on describing and observing a particular phenomenon, opinions, behaviours and events that exist to develop new research theories and hypotheses. Qualitative research is able to

generate a detailed holistic explanation and narrative description that encompasses the complexity and richness of behaviours, events, and experiences in natural settings. Thus, qualitative research emerges logically from specific phenomena to universal conclusions and theories based on phenomena established on data reports by documents, observations, physical artefacts, interviews and focus groups.

The qualitative analysis differs from the quantitative research method (Denzin and Lincoln 2000: 8-10; Patton 2002: 13-14 cited in SAGE). Based on each difference mentioned reflects thorough qualitative analysis orientation, complete understanding in which the researcher is also a functional participant compared to the quantitative method whereby the analyst serve as a dispassionate investigator among discrete variables of specific relations. Some of the differences between qualitative and quantitative method is that; the qualitative method focuses on meanings rather than on a phenomena that is quantifiable, qualitative method collects lots of data on small number of cases rather than less data on many cases.

Qualitative approach was decided on as the research method of this study. The research process involves the conduction of factual work done with data gathered which is likely to accord, rebut or invalidate theories which also enables the clarification and understanding of other observations (May, 1997). A qualitative research was regarded more suitable to carry out this research as it permits to a large extent to gain more meaning and depth based on people's experience of performance management and appraisal as against quantitative method which is more numeric, structured, and broad in scale.

Therefore, for effective review of this topic the grounded theory method of research is considered the most suitable. A theory introduced and developed as far as 1967 by two American scholars Barney Glaser and Anselm Strauss in their book (The Discovery of Grounded Theory) (Gibbs (a), 2010 cited in Bound 2011). The grounded theory research is intended to develop a theory as against trying to verify a theory (Gibbs (a), 2010 cited in Bound 2011). The more data gathered the theory is adjudged more grounded. In other words, the researcher's theory is not utilised in data processing instead the theory is generated by the data (Campbell, 2011, p. 9 Cited in Bound 2011).

This is because grounded theory methods include a comparative, systematic inductive and interactive approach to inquiry with assorted key strategies for conducting a research (Charmaz, 2006a cited in Charmaz and Henwood 2008) and it is one of the most common and unique approach to qualitative research. In addition, Grounded theory shows its distinctiveness in the way data is processed from the methodological standpoint, data collection and analysis are done almost at the same time (Gibbs (b), 2010 cited in Bound 2011).

Grounded theory strategies also present ways of data operation- of finding, managing, interrogating, and conceptualising data. Grounded theorist streamline and integrate data analysis and collection by developing systematic comparisons throughout the research by relating with their emergent analyses and data. Grounded theory is fundamentally an interpretative and interactive method (Charmaz 2006a cited in Charmaz and Henwood 2008. Not only does a researcher interact with the participants but also interact and interpret the result data around them through successive stages of analysis. The theory strategies is selected and used based on researcher's interpretation of the data and assessment of evolving analysis of them. When grounded theory is used, a researcher learns how to advance the extent of abstraction at different stages of the analytic process.

As much useful as the theory is, it has been criticised that in its speculative form it is impractical to use. According to Gibbs (a), 2010 cited in Bound 2011) stated that critics have identified that the theoretical sampling process takes too much time. In mathematical sense the grounded theory can be described as geometric. Also, the philosophical and theoretical differences between constructionists and realists have been pointed out by critics (Gibbs (c), 2010 cited in Bound 2011).

Furthermore, research tools used as a mode of data collection (for example; questionnaire, document analysis, observation). The primary research tools for this study were online self-completed questionnaire and telephone interview. Telephone interview was used in getting data from the HR consultants so that the in researcher (interviewer) can give details about the questions that cannot be readily understood and in other to be able to ask further questions when needed (e.g. 'Why do you think so'). Although, interview consumes more time but answering questions asked by an interested listener is perceived as

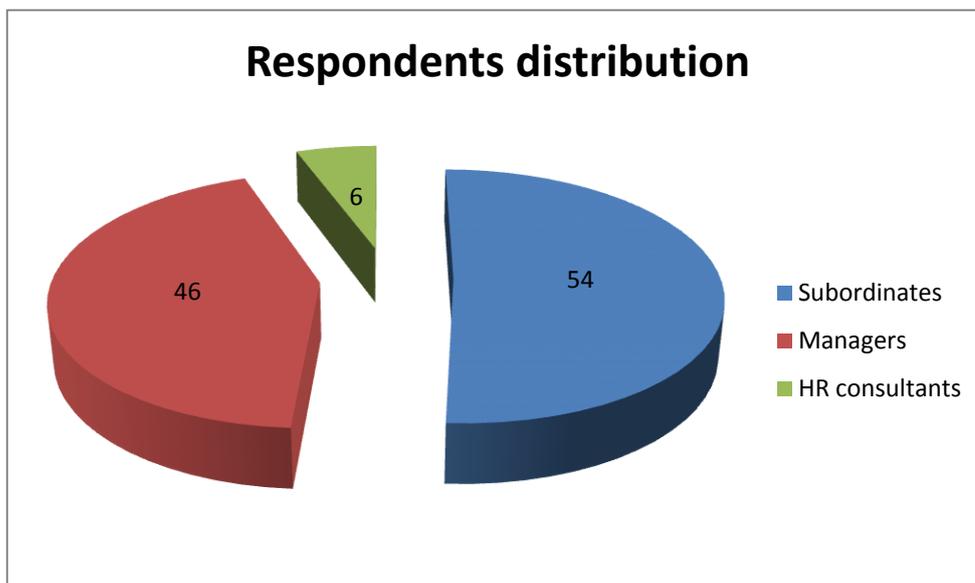
more rewarding by participants than the stress of filling in a form for some unknown researcher (Phellas, Bloch and Seale 2011). On the other hand, the questionnaire was clear and easy to complete because the no interviewer will be available to guide the respondent. Questionnaires are cheap to administer, reduction of biasing inaccuracy as a result of interviewer characteristics and differences in interviewers' skills and most importantly there is greater anonymity for the respondent and increases reliability of the response.

### **3.3 Study Population**

The population also known as target population or universe, is the whole set of individuals from whom results of the survey are to be deduced (Levy and Lemeshow 2013). The individual representatives of the population whose characteristics are to be assessed are referred to as elementary units. For example; this research population is narrowed to bankers in Abeokuta Ogun state, Nigeria which includes bank officers, marketers, branch managers, operations manager, cash officers, etc.

The sample survey major statistical elements are referred to as sample design and it includes both estimation process and sampling plan. The estimation processes are the formulas and algorithms used for procuring population estimates values from data sample and for estimating the accuracy of the estimates of population. However, sample plan is capable of methodologically selecting the sample from the entire population.

The study target population involve bankers working in Abeokuta Ogun state which includes; subordinates (bank officers, cashier, marketers); managers (branch managers, operations manager or head of operation), and also bank HR consultants. A total number of one hundred and twenty (120) participants form the population. Thus, all the 120 bankers (bank officers, marketers, managers, cash officers) were sent questionnaires and 100 responded which represents about 83.3%. Hence, most of the bankers were encouraged to take part in the study but about 16.6% declined and 6 bank HR consultants were interviewed.



*Figure A: Respondents distribution*

### **3.4 Data for the study**

The research depended on primary data collection from staff and a bit of secondary data. Collection of primary data was from field survey through interview schedules and questionnaires. The questionnaire contains both open ended and close ended questions. The question types were used to form the basis of analysis of the research. The questions were designed in a less complex and simple form. Interviews were scheduled to be convenient and brief for participants.

Structured interview or questionnaire is the data collection procedure generally used in social surveys. It is usually in a form of a typed document and characteristically a list of questions (O'leary and Miller 2003). The practice of an immensely structured interview or questionnaire possesses several attractions. It facilitates the compilation of great quantities of data from large numbers of individuals or people. In addition, it is significantly easy depending on how it is administered and responses results reliability is high because participants are asked exactly the same questions and in a similar way (O'leary and Miller 2003). Also due to level of questioning, it is presumed that partiality is minimised due to the researcher's effect. In contrast, the use of questionnaires and structured interview has also been criticised that data collect might possibly lack validity. Most especially in filling of questionnaires whereby the researcher is not present to provide assistance, respondent

may likely misinterpret questions and the answer options in dissimilar ways, thereby making data analysis complicated for the researcher (O'leary and Miller 2003). In some cases, respondents may not be sincere in their answers or inability to answer a particular question.

Questionnaires were administered to participants via emails and by post, while interviews were conducted through telephone conversations and video calls (Skype, FaceTime, etc.) The questionnaire was in two different forms: questionnaire for the managers, supervisors or head of departments in charge or appraisals and the other questionnaire are for subordinates to be appraised. Apart from distribution and completion of questionnaire, 6 HR department employees, consultants and stakeholders of two different banks out of the 24 commercial banks in Nigeria were reached and interviewed for further information.

### **3.5: Data Analysis and Presentation**

The evaluation results of the research study are presented in tables, graphs and percentage charts. Method of data analysis was both qualitative and quantitative. The researcher's variables of interest were performance management and appraisal and these were examined after analysing the respondent's demographic description.

Reliability and trustworthiness of qualitative research has often been countered by positivists, probably because the concepts of validity and reliability will not be addressed in the same way as in naturalistic work. In this research credibility, validity, trustworthiness and reliability are the topmost priority. To maximise the credibility of a research, the researcher has developed an earlier familiarity with the culture of participants or organisation before any data gathering dialogue takes place (Shenton 2004). This was carried out through consultation of appropriate documents, preliminary calls to the participant organisations. In addition, random sampling of participants as applied in this research will likely to invalidate accusations of the researcher being biased in selection of participants therefore will enhance the research validity. As noted by Preece 1994 cited in Shenton 2004, random sampling helps to ascertain that concealed influences are dispersed uniformly.

Also importantly, individuals that were approached to participate in the research have been given chances to refuse or discontinue their participation in the research in order to ensure that data collected is only from those who are genuinely willing to partake and ready to give information without restraints. Participants have been encouraged to be forthright at the beginning of each session, also with the investigator anticipating to creating rapport with participants from the start and stressing that there are no correct answers to questions asked. The participants were made aware of the researcher's independent status, individuals are free to talk and share ideas without fear of loss of integrity and character in the eyes of the managers of the organisation. In this research to ensure the validity of conclusion, whenever possible random sampling was used, use of appropriate sample size, prevention of biases and avoidance of influencing or seeking certain results. Data gathered through interviews and questionnaires from the managers and their subordinates was supervised genuinely.

### **3.6 Limitation of the Study**

- The response of participants was based on their interest and mood and so the accuracy of the data could be affected.
- The study could only cover part of the bank employees as they were unable to make out time out of their busy schedule
- The report is based on limited number of employees.
- Inability to directly observe participants. For example; values, interests, opinions, inner experiences, etc.
- Lack of access to bank's appraisal outcome, because the results are kept manually.
- Inadequate articles or publications on human resource process and practices in Nigeria.

## Chapter 4

### Data Analysis and Presentation

This chapter is based on the analysis of data gathered for the research through the interviews and questionnaires. It comprises of the frequency distribution table and the chi-square analysis and also the conclusions made from the analysis.

#### 4.1 Administered Questionnaire Analysis

For the purpose of effective review of the research topic, questionnaires were shared to 105 bank staff (First city Monument Bank and Skye Bank). 95% of the expected participants completed the questionnaire satisfactorily and 6 interviews were conducted for HR consultants which includes HR managers.

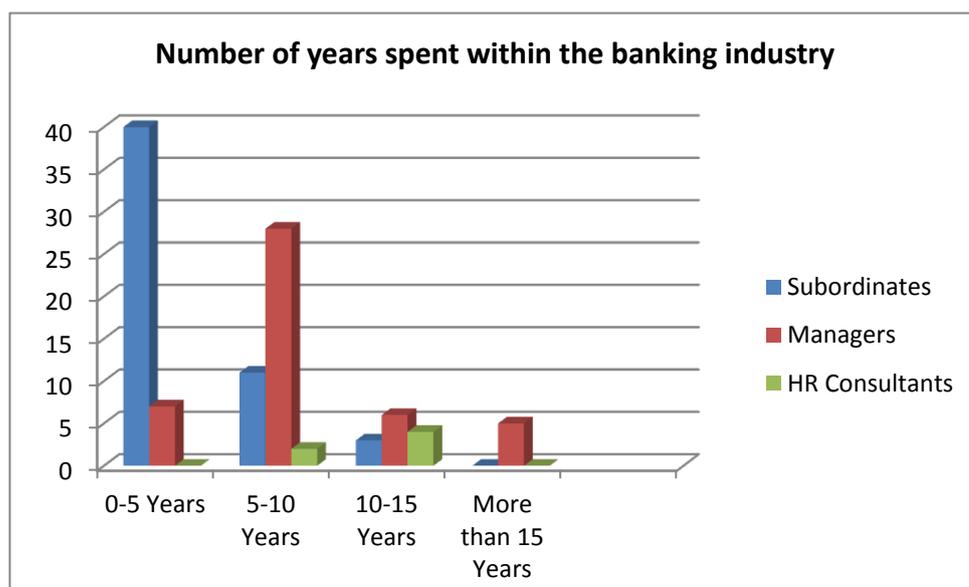
The questionnaire was in two parts; questions for the senior bank staff responsible for appraising other employees which include branch managers, head of departments, regional heads, etc., and the other part of the questionnaire was for the subordinates (employees who are being appraised) this category include the cashiers, account officers, marketers etc.

#### 4.2 Respondents Personal Questions

**Table 1: Number of years spent within the banking industry**

Variable				Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
0-5 Years	40	7	0	40	7	0
5-10 Years	11	28	2	11	28	2
10-15 Years	3	6	4	3	6	4

More than 15 Years	0	5	0	0	5	0
Total	54	46	6	54	46	6



*Figure 1: Number of years spent within the banking industry*

Source: Field work (August 2014)

Table 1 shows the number of years respondents have been working in the banking industry. From 0-5 years 40 subordinates (40%) and 7 managers (7%) have been working within the banking sector. 11 subordinates (11%) and 28 managers (28%) fall between 5-10 years. 5 managers (5%) and none of the subordinates have worked for more than 15 years. While the consultants 2 of them have spent between 5-10 years and 4 of them fall between 10-15 years.

**Table 2: Respondents Age Range**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants

						<b>nts</b>
24- 34 Years	44	10	1	44	10	1
35- 45 Years	10	32	2	10	32	2
46-55 Years	0	4	3	0	4	3
More than 55 Years	0	0	0	0	0	0
Total	54	46	6	54	46	6

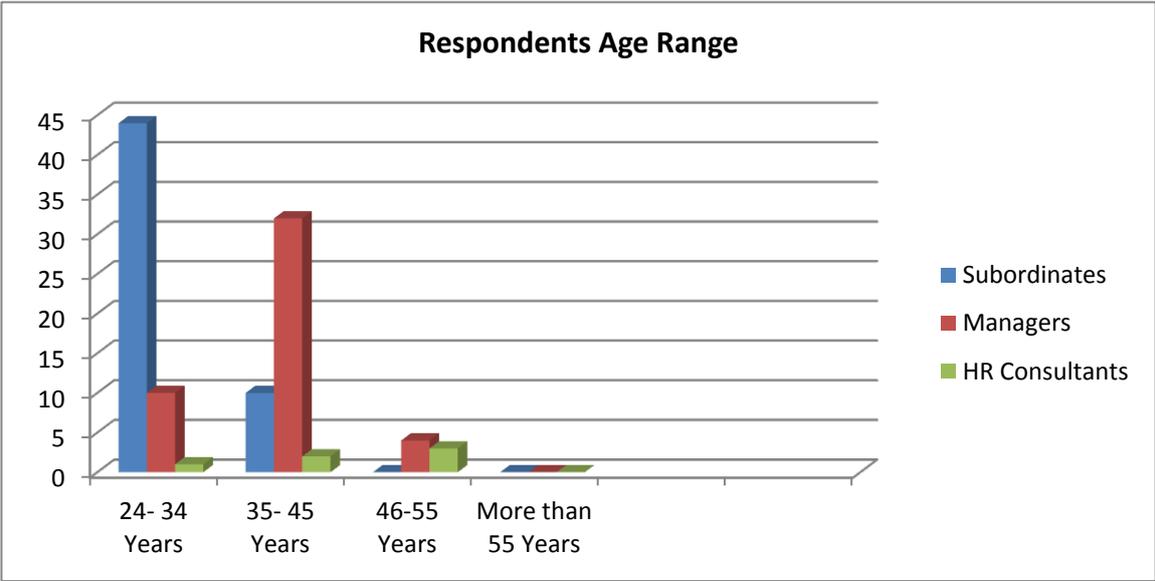


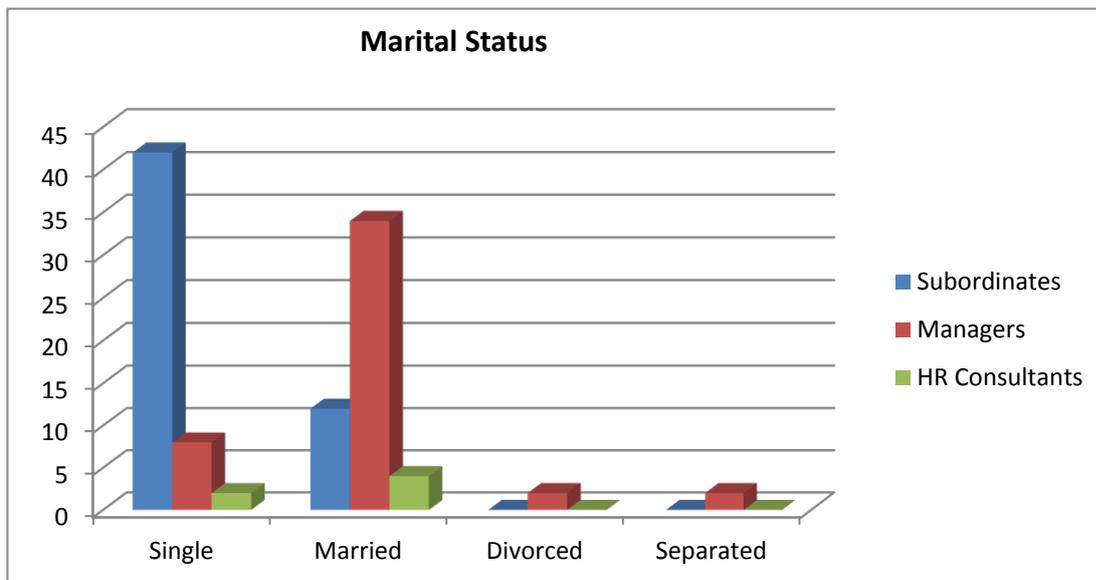
Figure 2: Respondent Age Range

Source: Field work (August 2014)

Table 2 indicates the respondents’ age distribution. 44 subordinates (44%) and 10 managers (10%) fall between 24-34 years age range. 10 subordinates(10%) and 32 managers (32%) are between the ages of 35-45 years. 4 managers (4%) and none of the subordinates fall between 46-55 years. While none of the managers and subordinates are more than 55 years. One of the consultants claimed to fall between 24-34 years, 2 people fall between 35-45 years and 3 of them fall between 46-55 years.

**Table 3: Marital Status**

Variable	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Single	42	8	2	42	8	2
Married	12	34	4	12	34	4
Divorced	0	2	0	0	2	0
Separated	0	2	0	0	2	0
Total	54	46	6	54	46	6

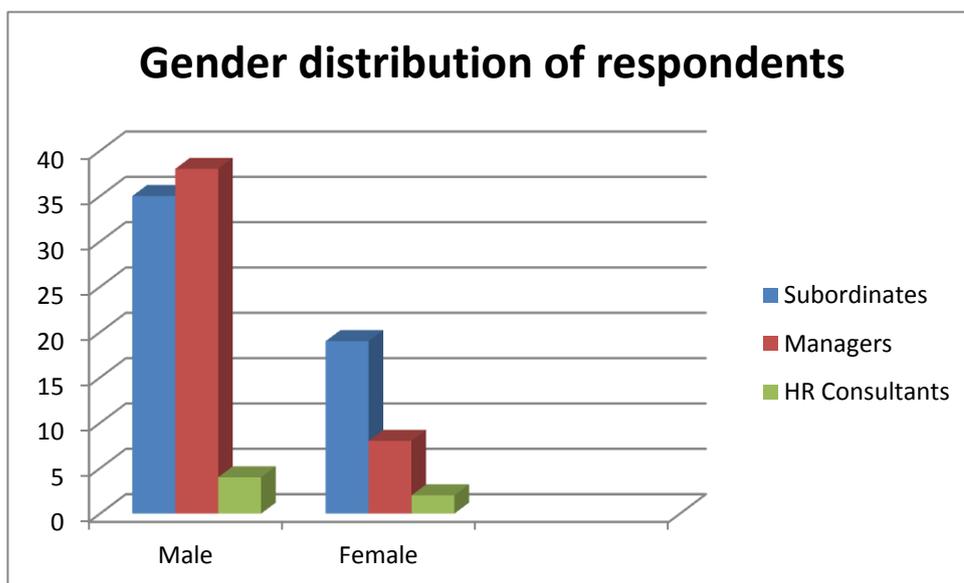
*Figure 3: Marital status*

Source: Field work (August 2014)

Table 3 presents the marital status of respondents. 42 subordinates (42%), 8 managers (8%) and 2 HR consultants are single, 12 subordinates (12%), 34 managers (34%) and 4 HR consultants are married, 2 managers (2%) are divorced and 2 are separated (2%), while none of the subordinates are divorced or separated.

**Table 4: Gender distribution of respondents**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Male	35	38	4	35	38	4
Female	19	8	2	19	8	2
Total	54	46	6	54	46	6

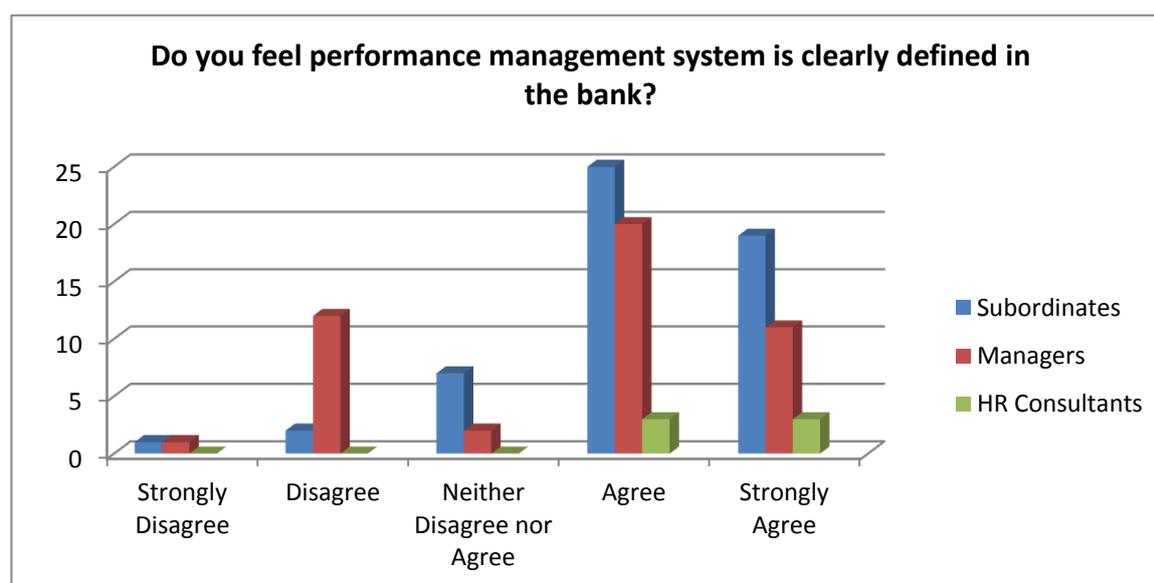
*Figure 4: Gender distribution of respondents*

Source: Field work (August 2014)

Table 4 indicates the gender distribution of the participant. 35 subordinates (35%) and 38 managers (38%) are males while 19 subordinates (19%) and 8 managers (8%) are females. However, 4 out of the 6 consultants interviewed are male and 2 are females.

**Table 5: Do you feel performance management system is clearly defined in the bank?**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	1	1	0	1	1	0
Disagree	2	12	0	2	12	0
Neither Disagree nor Agree	7	2	0	7	2	0
Agree	25	20	3	25	20	3
Strongly Agree	19	11	3	19	11	3
N/A	0	0	0	0	0	0
Total	54	46	6	54	46	6

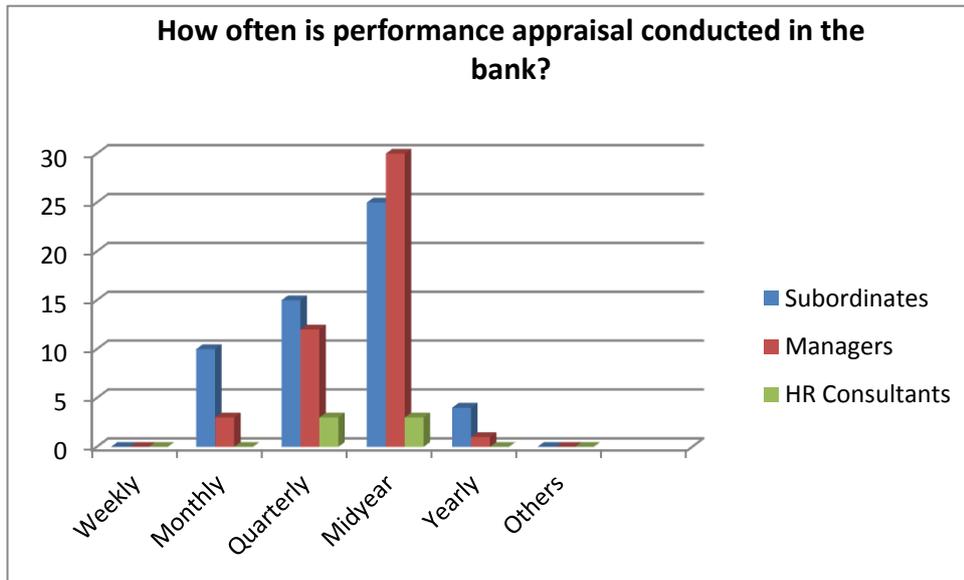
*Figure 5: Do you feel performance management system is clearly defined in the bank*

Source: Field work (August 2014)

Table 5 shows how clearly defined performance management is in the Nigerian banking sector. Only 1 of the subordinates (1%) and 1 manager (1%) strongly disagreed. 2 subordinates (2%) and 12 managers (12%) simply agreed. 7 subordinates (7%) and 2 managers (2%) neither agree nor disagree. 25 subordinates (25%) and 20 managers (20%) agreed, while 19 subordinates (19%) and 11 managers (11%) strongly agreed that performance management is clearly defined. Performance management system may seem rather easy and manageable. Bernardin (as cited in Gbadamosi and Ross 2012) wrote that performance appraisal and management maybe one of, if not the, most ambiguous and precarious area of human resources management. However, despite the problematic nature of the appraisal system respondents have been able to agree that performance appraisal is clearly spelt out.

**Table 6: How often is performance appraisal conducted in the bank?**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Weekly	0	0	0	0	0	0
Monthly	10	3	0	14	3	0
Quarterly	15	12	3	20	12	0
Midyear	25	30	3	16	30	3
Yearly	4	1	0	4	1	3
Others	0	0	0	0	0	
Total	54	46	6	54	46	6



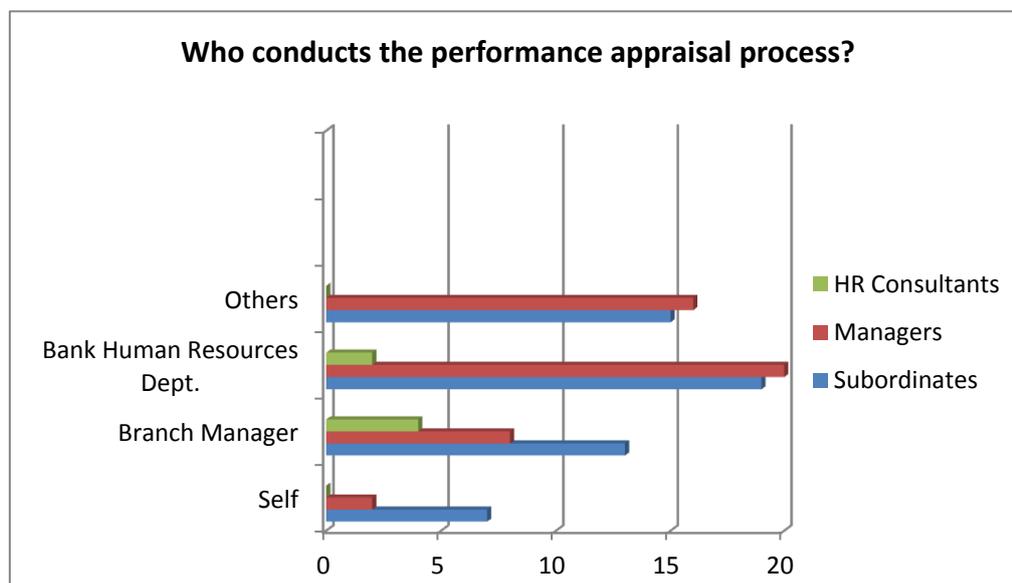
*Figure 6: How often is performance appraisal conducted in the bank?*

Source: Field work (August 2014)

Table 6 clearly shows the frequency of performance appraisal practice in the bank. None of the managers and subordinates supported that performance appraisal is performed weekly. However, 14 subordinates (14%) and 3 managers (3%) stated it is performed monthly, 20 subordinates (20%) and 12 managers (12) agreed its quarterly while 16 subordinates (16%), 30 managers (30%) and 3 HR consultants declared that it is done midyear and 4 subordinates (4%) 1 manager (1%) and 3 HR consultants affirmed that the performance appraisal practice is carried out yearly. The coordination and planning of appraisal relies on the nature of work and organisational structure. In an organisation where they usually work on short term projects or industries where the momentum of work is fast, it is advisable that appraisals should be done often. Also based on cultural characteristics organisations can control the schedule of appraisals. According to DeNisi and Pritchard 2006, performance appraisal is discrete, formal, clear cut of performance dimension and does not occur more than once or twice a year.

**Table 7: Who conducts the performance appraisal process?**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Self	7	2	0	7	2	0
Branch Manager	13	8	4	13	8	4
Bank Human Resources Dept.	19	20	2	19	20	2
Others	15	16	0	15	16	0
<b>Total</b>	54	46	6	54	46	6

*Figure 7: Who conducts the performance appraisal process?*

Source: Field work (August 2014)

From table 7 above, 7 subordinates (7%) and 2 managers (2%) indicated that the performance appraisal is done by individuals themselves, 13 subordinates (13%), 8 managers (8%) and 4 consultants stated that its done by branch managers, 19 (19%) subordinates 20 (20%)

managers and 2 HR consultants agreed that it is carried out by bank's human resources departments while 15 subordinates and 16 managers mentioned other departments responsible for the conduction of performance appraisal such as performance management department, supervisors, human capital management department, top management, and some stated in a way that it is done in stages, self, supervisor, branch manager and then the bank's HR department.

Most HR department usually establish the design and style of performance appraisals that are employees are exposed to in the organisation. Large companies leave the responsibility of maintaining and designing the performance appraisal system with the HR department. However, appraisal interviews are done by the department immediate supervisors.

**Table 7b: Importance of performance appraisal**

Variables	Frequency	Percentage (%)
	Managers	Managers
Highly Important	34	34
Slightly Important	2	2
Important	3	3
Highly Un-important	1	1
Slightly Un-important	0	0
Total	46	46

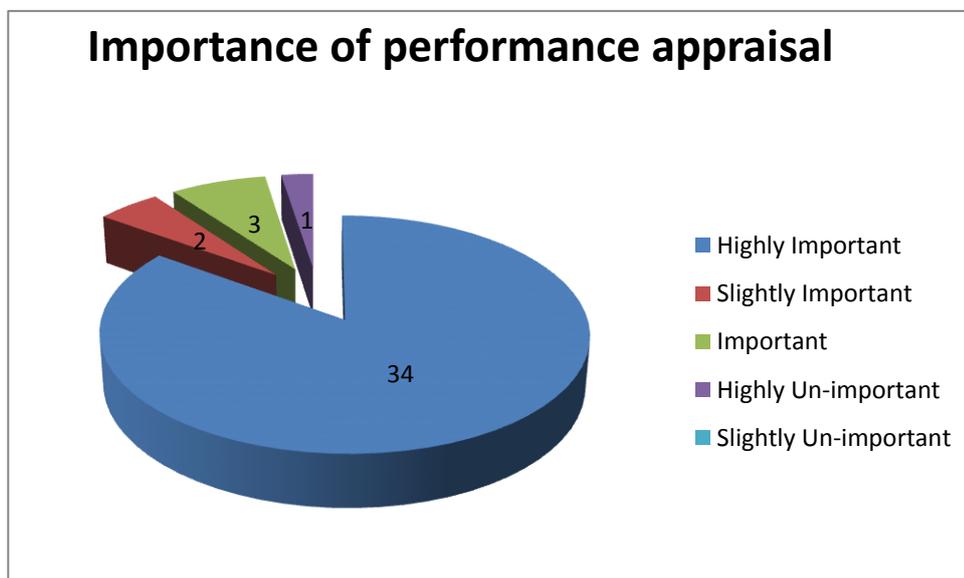


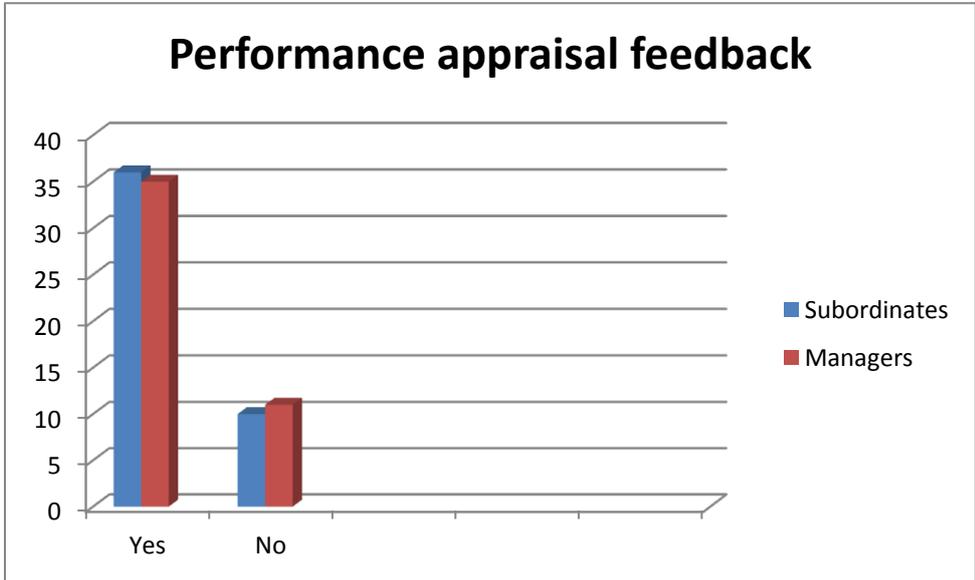
Figure 7b: Importance of performance appraisal

Source: Field work (August 2014)

Table 7b indicates that 34 managers regard the performance appraisal as highly important, 2 of them feel it is slightly important, 3 of them think it is just important, and only 1 of the managers think it is highly un-important. Although none of them presented that it is slightly un-important. From the responses, it can be pointed out that appraisal plays an important role in managing human resources (Cardy and Dobbins 1994 as cited in Mayer and Davis 1999). Many modern organisations depend on performance appraisal system of any form to give feedback to employees about their performance and to assist the organisation to conclude on things like promotions, rewards and pay increase (Cleveland, Murphy, and Williams, 1989; Landy and Farr 1980 cited in DeNisi and Pritchard 2006). Edward Lawler, stated that "Performance appraisals are dead". However, he also revealed that based on his research 93% of organisations make use of annual appraisal, but only 6% are ready to scrap it.

Table 8: Performance Appraisal Feedback

Variables	Frequency		Percentage (%)	
	Subordinates	Managers	Subordinates	Managers
Yes	36	35	36	35
No	10	11	10	11
Total	54	46	54	46



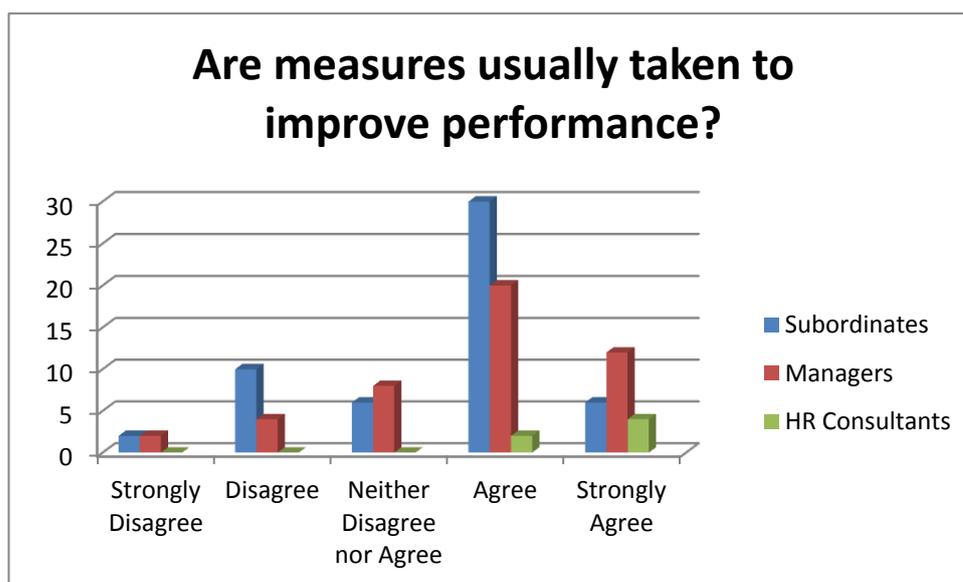
*Figure 8: Performance appraisal feedback*

Source: Field work (August 2014)

From table 8 above, 36 subordinates (36%) and 35 managers (35%) represented that after performance appraisal there is a formal feedback to employees. In contrast, 10 subordinates (10%) and 11 managers (11%) chose the option that there is no formal feedback. There has been considerable number of research based on the impact of feedback. Ilgen, fisher and Taylor 1979 (cited in Pearce and Porter 1986) noted that feedback either negative or positive is one of the significant variables in message cognisance. Landy and Farr 1983 (cited in Pearce and Porter 1986) also mentioned that feedback is an important message characteristic. Response from the respondent clearly shows the availability of feedback. Also in a similar vein, Stewart and Brown 2011:314 as cited Patricia and Leonina-Emilia 2013 concluded that generally individuals who receive frequent and immediate feedback are able to achieve better performance than those who do not receive. According to Aubrey 2007:174 (as cited in Patricia and Leonina-Emilia 2013), in several cases performance increase significantly after the introduction of feedback.

**Table 9: Are measures usually taken to improve performance?**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	2	2	0	2	2	0
Disagree	10	4	0	10	4	0
Neither Disagree nor Agree	6	8	0	6	8	0
Agree	30	20	2	30	20	2
Strongly Agree	6	12	4	6	12	4
Total	54	46	6	54	46	6



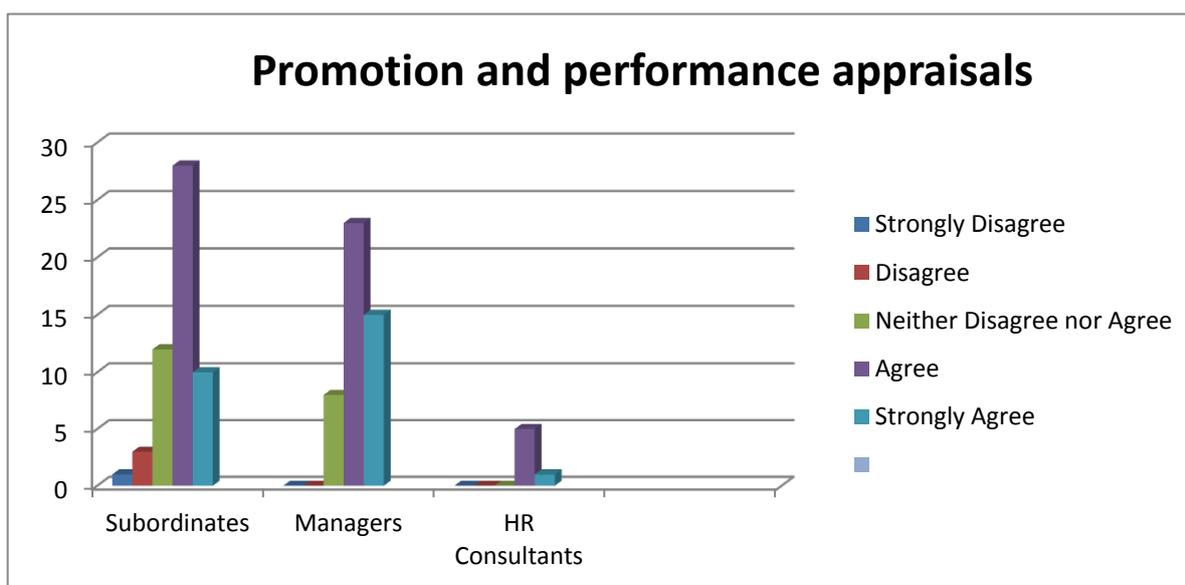
*Figure 9: Are measures usually taken to improve performance?*

Source: Field work (August 2014)

Table 9 illustrates if measures are usually taken to improve poor performance. 2 subordinate (2%), 2 managers (2%) and none of the HR consultants strongly disagreed, 10 subordinates (10%), 4 managers (4%) and no HR consultant disagreed, 6 subordinates (6%), 8 managers (8%) and no HR consultant neither disagreed nor agreed. 30 subordinates (30%), 20 managers (20%) and 2 HR consultants simply agreed and 6 subordinates (6%), 12 managers (12%) and 4 HR consultants strongly agreed. Respondents concurred that measures are taken to improve poor performance. Strategies for performance improvement cost less than the losses which can be caused by employee fluctuation and dissatisfaction. Therefore, professional development trainings are one of the fundamental ways through which employee performance can be enhanced by the organisation (Bocean, 2009:27 cited in Patricia and Leonina-Emilia 2013). Training and development of employees is necessary because, training helps to develop new skills and proficiency while employee development involves improvement on ability and power (Russu, 2004:156 cited in Patricia and Leonina-Emilia 2013). However, it is important that managers should focus more when choosing employee improvement strategies because not all individuals behave in the same way due to diverse level of education, motivational structure and needs.

**Table 10: Promotion and Performance Appraisal Results**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	1	0	0	1	0	0
Disagree	3	0	0	3	0	0
Neither Disagree nor Agree	12	8	0	12	8	0
Agree	28	23	5	28	23	5
Strongly Agree	10	15	1	10	15	1
Total	54	46	6	54	46	6



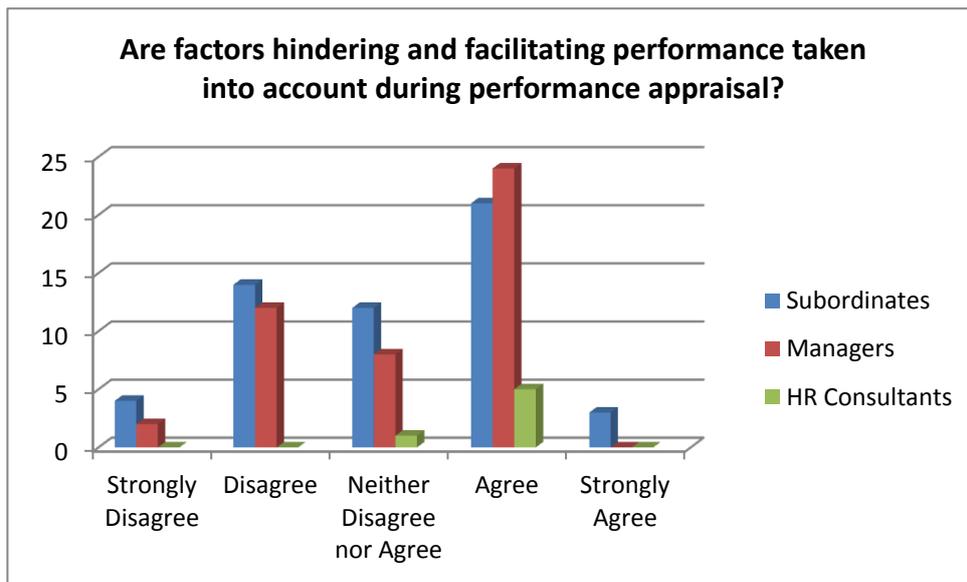
*Figure 10: Promotion and Performance appraisals*

Source: Field work (August 2014)

From table 10 above, 1 (1%) of the subordinates and no manager strongly disagreed that performance appraisal can influence employee promotion, 3 subordinates (3%) and none of the managers disagreed. 12 subordinates (12%) and 8 managers (8%) neither disagreed nor agreed, 28 subordinates (28%) and 23 managers (23%) agreed, while 10 subordinates (10%) and 15 managers (15%) strongly agreed. Kleiman and Durham 1981 claimed that appraisals can be applied for different purposes, besides from serving as individual's development tool it can be used as a source of reference upon which employment decisions (promotion, salary decisions, retention, etc) are based. Although, Miah and Talukder 2012 suggested that both HR department and appraisers should regard performance appraisal as a channel for motivation and development, not just a ground rule for employees' promotion or demotion and remuneration.

**Table 11: Are factors hindering and facilitating performance taken into account during performance appraisal?**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	4	2	0	4	2	0
Disagree	14	12	0	14	12	0
Neither Disagree nor Agree	12	8	1	12	8	1
Agree	21	24	5	21	24	5
Strongly Agree	3	0	0	3	0	0
Total	54	46	6	54	46	6



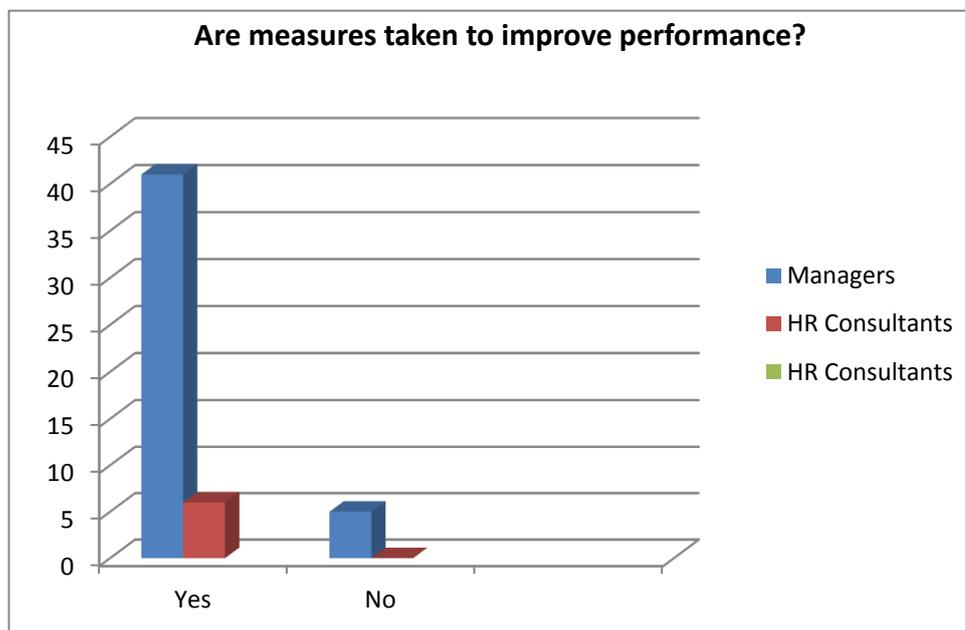
*Figure 11: Are factors hindering and facilitating performance taken into account during performance appraisal?*

Source: Field work (August 2014)

Table 11 shows if factors hindering performance are taken into account during performance appraisal. 4 subordinates (4%) and 2 managers (2%) strongly disagreed. 14 subordinates (14%) and 12 managers (12%) disagreed. 12 subordinates (12%), 8 managers (8%) and 1 HR consultant neither disagreed nor agreed. 21 subordinates (21%), 24 managers (24%) and 5 HR consultants agreed. 3 subordinates (3%) and none of the managers strongly agreed. It is necessary that factors hindering performance are taken into account during performance appraisals, which is known as performance analysis. This means an insight into several factors affecting performance either positively or negatively at a certain period and managing them over a period of time (Deb, 2006).

**11b. Are measures taken to improve performance?**

Variables	Frequency		Percentage (%)	
	Managers	HR Consultants	Managers	HR Consultants
Yes	41	6	41	6
No	5	0	5	0
Total	46	6	46	6



*Figure 11b: Are measures taken to improve performance?*

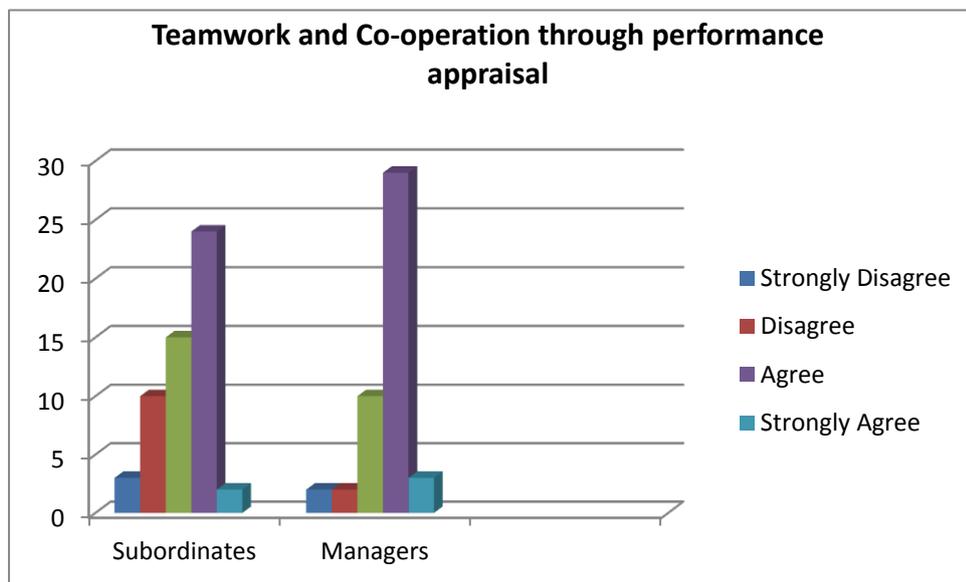
Source: Field work (August 2014)

According to table 11b which presents if measures are taken to improve performance by the bank HR department. 41 managers (41%) and 6 HR consultants said yes and 5 of the managers out of 46 said no. One of the measures usually used to improve employee performance is training and development of staff. This is imperative for effective performance, intensification of employees' potential to adjust to the ever challenging and changing business environment and technology for improved performance, increment of employees' expertise to develop creative and problem solving skills (Falola *et al.*, 2014). Other measures include employee reward (Financial and non-financial), modification of job

description (Job rotation, promotion etc.) and employee engagement (Patricia and Leonina-Emilia, 2013).

**Table 12: Teamwork and Co-operation through performance appraisal**

Variables	Frequency		Percentage (%)	
	Subordinates	Managers	Subordinates	Managers
Strongly Disagree	3	2	3	2
Disagree	10	2	10	2
Neither Disagree nor Agree	15	10	15	10
Agree	24	29	24	29
Strongly Agree	2	3	2	3
Total	54	46	54	46



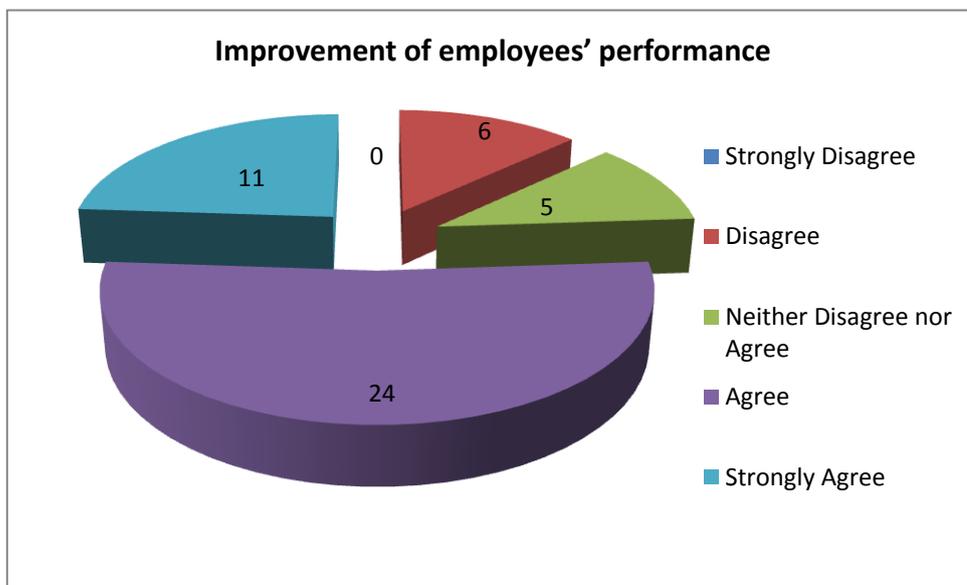
*Figure 12: Teamwork and co-operation through performance appraisal*

Source: Field work (August 2014)

Table 12 clearly shows if teamwork and co-operation is usually achieved through performance appraisal. 3 subordinates (3%) and 2 managers (2%) strongly disagreed. 10 subordinates (10%) and 2 managers (2%) disagreed. 15 subordinates (15%) and 10 managers (10%) neither disagree nor agreed. 24 subordinates (24%) and 29 managers (29%) agreed. While 2 subordinates (2%) and 3 managers (3%) strongly agreed. According to West, Tjosvold and Smith 2008 HR highly committed practices are described as a set of correlative HR supporting policies that is capable of managing and motivating employees to cooperate and work simultaneously. This set of HR operation may include policies to influence the level of teamwork and cooperation, which can be achieved through performance appraisals that encourages cooperation (Rousseau, 1995 cited in, Tjosvold and Smith 2008).

**12b. Improvement of employees’ performance**

Variables	Frequency	Percentage (%)
	Managers	Managers
Strongly Disagree	0	0
Disagree	6	6
Neither Disagree nor Agree	5	5
Agree	24	24
Strongly Agree	11	11
Total	46	46



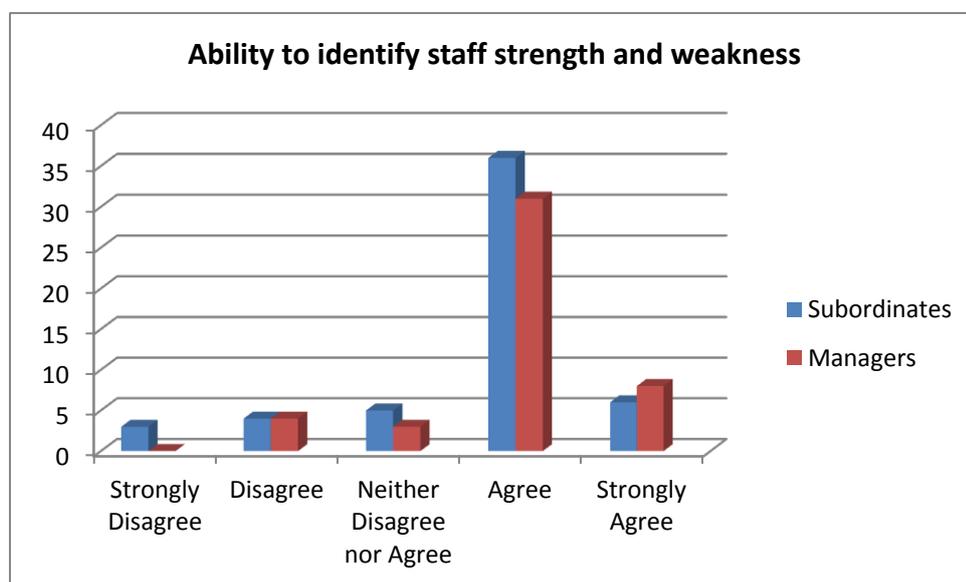
*Figure 12b: Improvement of employees' performance*

Source: Field work (August 2014)

From table 12b it can be deduced that none of the managers strongly agreed that performance management and appraisal improves employees' performance. 6 managers (6%) disagreed, 5 of them neither disagree nor agreed (5%), 24 agreed (24%) and 11 strongly agreed (11%). Obviously, functional and consistent performance appraisal systems (PAS) will aid employee performance by supporting organisational objectives. If employee performance is stimulated through performance appraisal, definitely the overall performance of the organisation will be promoted (Katsanis, Laurin, and Pitta, 1996 cited in Miah and Talukder 2012). In contrast, as reported by Pulokas 2004 (cited in DeNisi, A, & Pritchard, 2006) a recent study shows that in ten employees only one person believe that performance appraisal system helps them to improve performance. Similarly, Ray B. Williams (2014) reported that new researches have revealed that performance reviews do not actually improve performance and might even cause performance decline.

**Table 13: Ability to identify staff strength and weakness**

Variables	Frequency		Percentage (%)	
	Subordinates	Managers	Subordinates	Managers
Strongly Disagree	3	0	3	0
Disagree	4	4	4	4
Neither Disagree nor Agree	5	3	5	3
Agree	36	31	36	31
Strongly Agree	6	8	6	8
Total	54	46	54	46

*Figure 13: Ability to identify staff strength and weaknesses*

Source: Field work (August 2014)

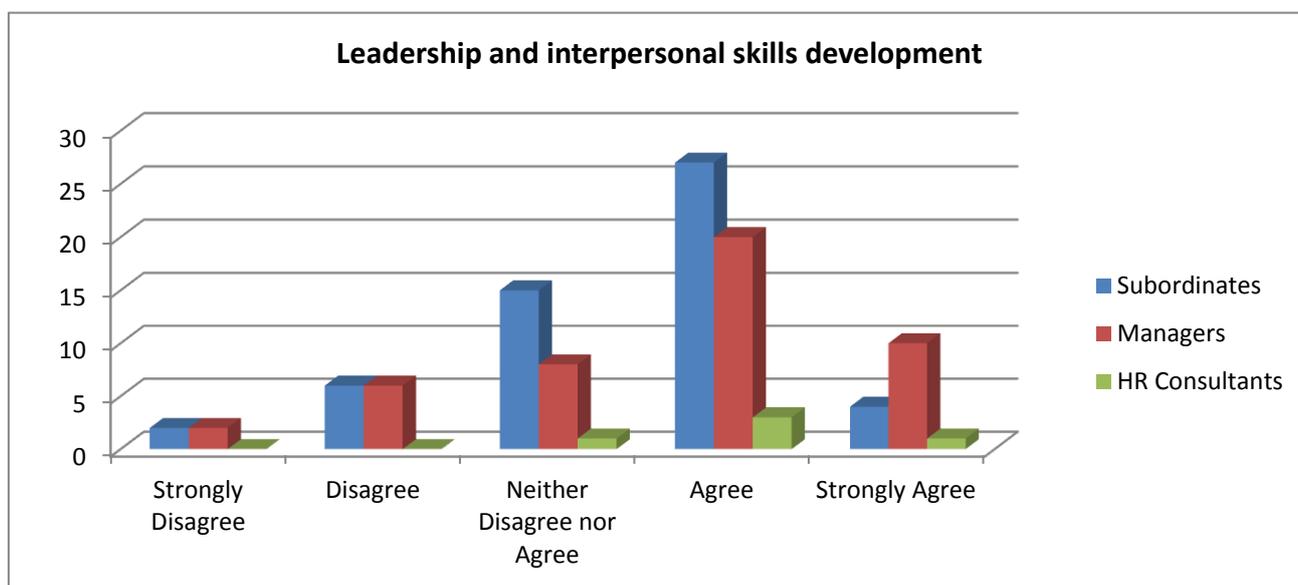
Table 13 shows the ability to identify staff strength and weakness. 3 subordinates (3%) and no manager disagreed strongly. 4 subordinates (4%) and 4 managers (4%) disagreed. 5 subordinates (5%) and 3 managers (3%) neither disagreed nor agreed. 36 subordinates

(36%) and 31 managers (31%) agreed and 6 subordinates (6%) and 8 managers (8%) agreed strongly. Employees' extrinsic and intrinsic motivations are influenced by appraisal.

Performance appraisal often involves providing employees with new knowledge and skills which also add to individuals' anticipated stake in employee development.

**Table 14: Leadership and interpersonal skills development**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	2	2	0	2	2	0
Disagree	6	6	0	6	6	0
Neither Disagree nor Agree	15	8	1	15	8	1
Agree	27	20	3	27	20	3
Strongly Agree	4	10	1	4	10	1
Total	54	46	6	54	46	6



*Figure 14: Leadership and interpersonal skills development*

Source: Field work (August 2014)

Table 14 illustrates if leadership and interpersonal skills developed through performance appraisal. 2 subordinates (2%) and 2 managers (2%) agreed strongly. 6 subordinates (6%) and 6 managers (6%) disagreed. 15 subordinates (15%), 8 managers (8%) and 1 of the consultants neither disagreed nor agreed. 27 subordinates (27%), 20 managers (20%) and 3 HR consultants simply agreed. While 4 subordinates (4%), 10 managers (10%) and 1 of the HR consultants agreed strongly. Excellent performance management will provide successful employee development, securing internal promotions and reduced cost of recruitment. However, according to ILM (Institute of Leadership and Management cited in Joswiak 2012), only about 55% of managerial positions are filled internally. Also Lawler reported that appraisal has a destructive impact on employees' relationship. Pfeffer and Sutton 2006 similarly pointed out that ranking of performance will probably lead to devastating internal completion and can result into lack of knowledge sharing culture.

**Table 14b: Performance and employee gender**

Variables	Frequency		Percentage (%)	
	Managers	HR Consultants	Managers	HR Consultants
Strongly Disagree	12	2	12	2
Disagree	22	3	22	3
Neither Disagree nor Agree	8	0	8	0
Agree	4	1	4	1
Strongly Agree	0	0	0	0
Total	46	6	46	6

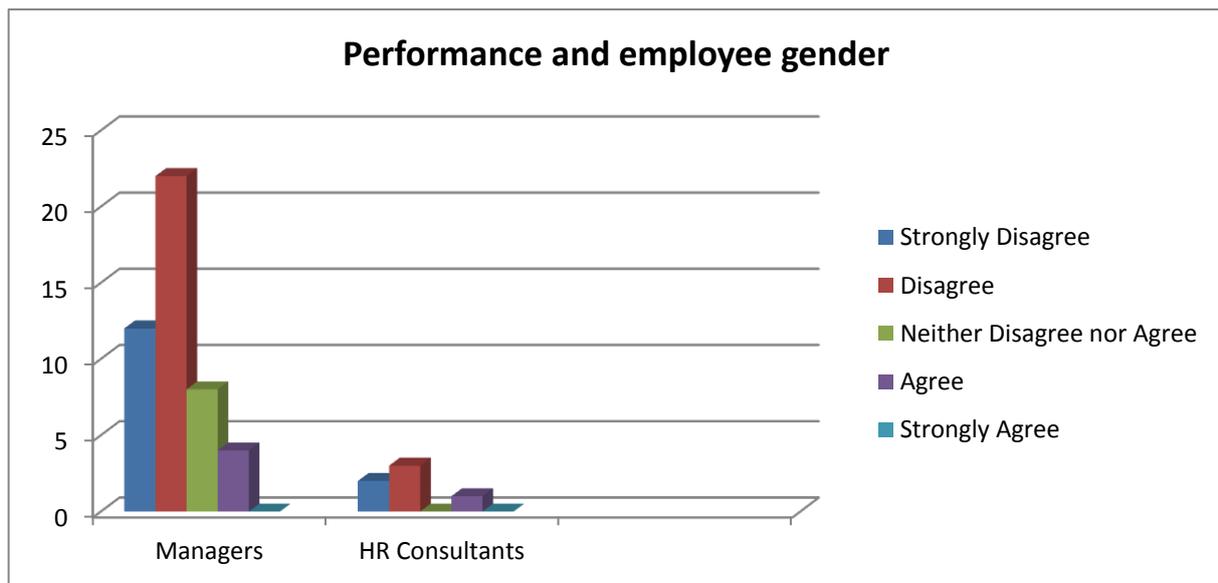


Figure 14b: Performance and employee gender

Source: Field work (August 2014)

Table 14b shows the responses of managers to whether employee gender affects performance. 12 managers totally disagreed (12%), 22 of them only disagreed (22%), 8 neither disagreed nor agreed (8%), 4 simply agreed and none strongly agreed. Not too many scholars have researched the repercussion of gender on performance relationship and task features (Indartono and Chun-Hsi 2010). As against the participants' responses, Indartono and Chun-Hsi 2010 wrote that employee's competence and capability suitability on the job is affiliated to individual characteristics such as gender, age, and experience. Similarly, Haswell et al., 1999; Lysonski and Gaidis, 1991; Whipple and Swords, 1992; Bernardi, 2008 (as cited in Indartono and Chun-Hsi 2010) female and male employees have distinct reaction, motivational response and expressive behaviour on the job.

**Table 15: Disagreement regarding performance results**

Variables	Frequency		Percentage (%)	
	Subordinates	HR Consultants	Subordinates	HR Consultants
Strongly Disagree	3	0	3	0
Disagree	6	0	6	0

Neither Disagree nor Agree	14	0	14	0
Agree	26	3	26	3
Strongly Agree	7	3	7	3
Total	56	6	56	6

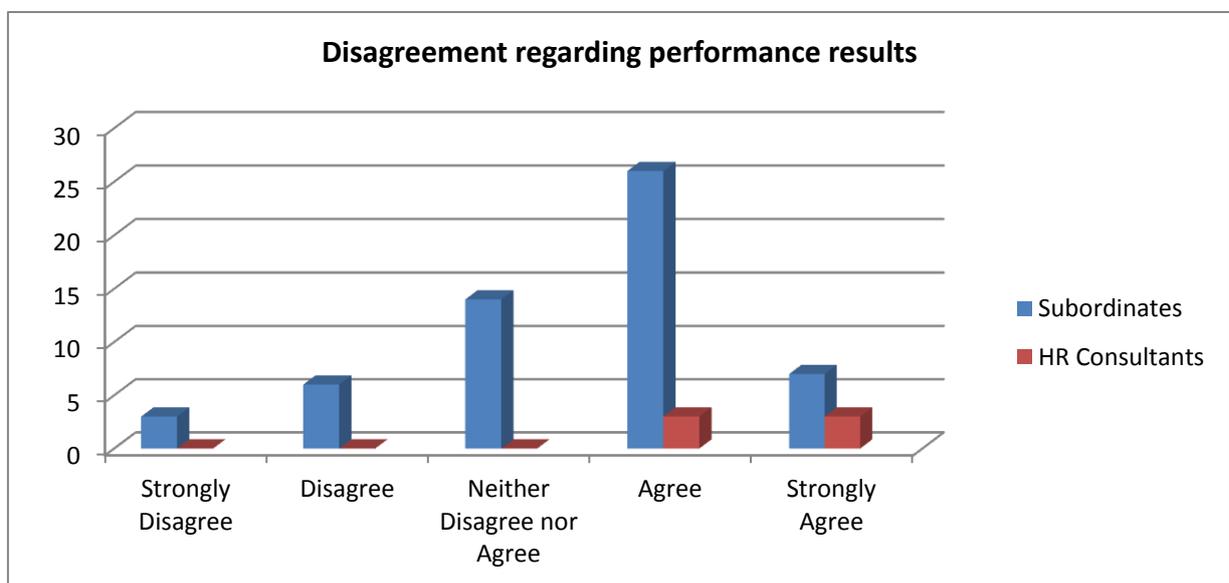


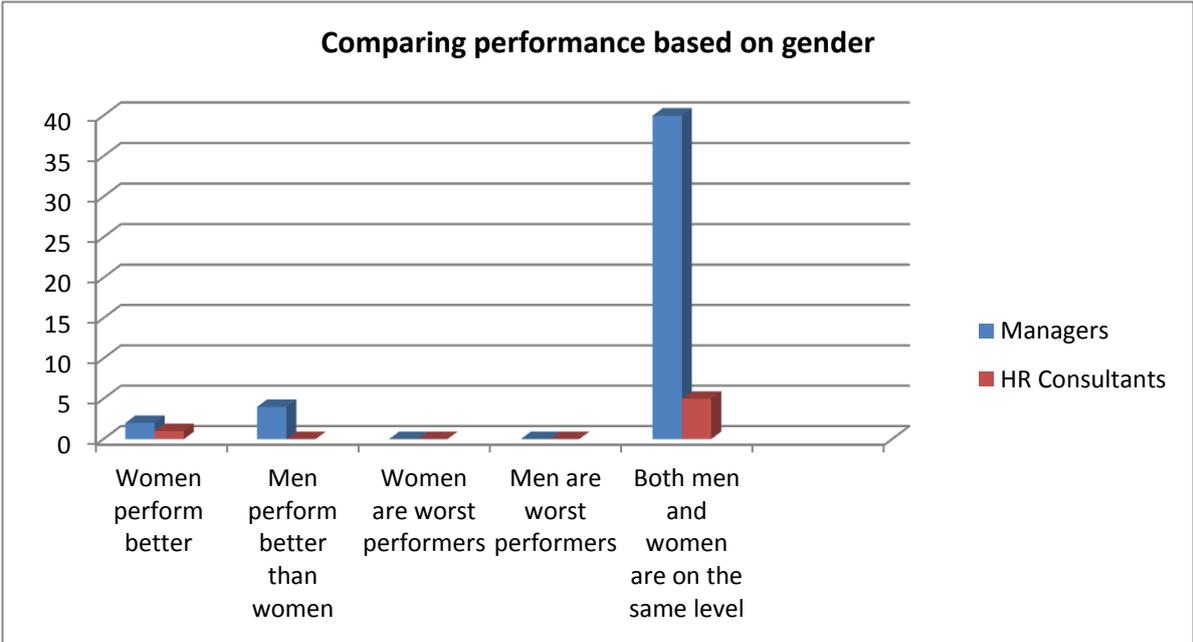
Figure 15: Disagreement regarding performance results

Source: Field work (August 2014)

Table 15 shows that 3 subordinates (3%) strongly agreed that performance appraisal results can be countered. 6 of them simply disagreed (6%), 14 neither agreed nor disagreed (14%), 26 subordinates (26%) and 3 HR consultants agreed and 7 subordinates (7%) and 3 HR consultants strongly agreed. Research has shown that individuals are more likely to feel happy and convinced with their evaluation result if they are able to talk without restraints and confer their performance (Miah and Talukder 2012) and there is likelihood that such employees will be able to meet impending performance goals. From the responses, it clearly shows that individuals are able to make their displeasure known if not satisfied with the appraisal outcome.

**Table 15b: Comparing performance based on gender**

Variables	Frequency		Percentage (%)	
	Managers	HR Consultants	Managers	HR Consultants
Women perform better	2	1	2	1
Men perform better than women	4	0	4	0
Women are worst performers	0	0	0	0
Men are worst performers	0	0	0	0
Both men and women are on the same level	40	5	40	5
Total	46	6	46	6



*Figure 15b: Comparing performance based on gender*

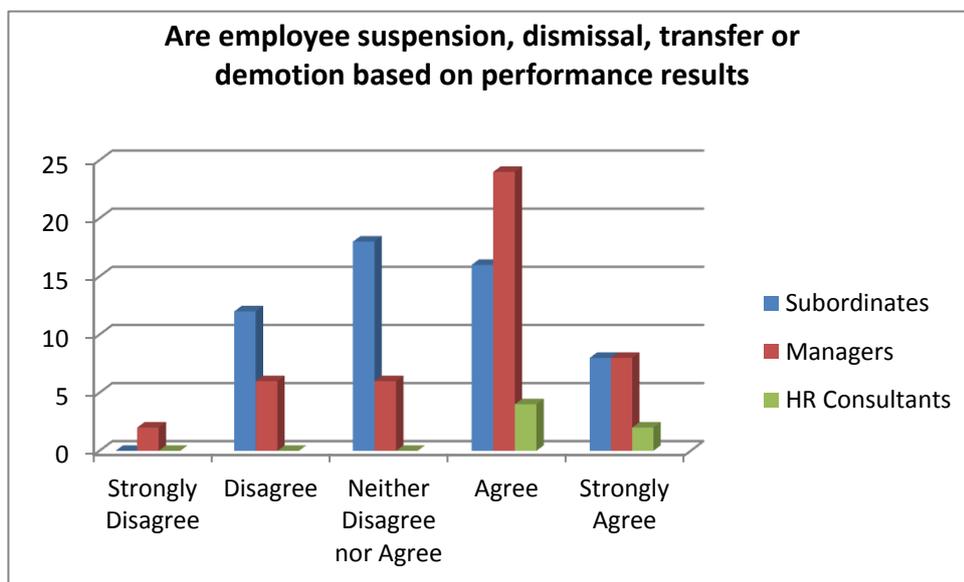
Source: Field work (August 2014)

In table 15b performance is been compared based on gender. 2 managers (2%) and 1 HR consultant supported that women perform better, 4 of them agreed that men perform better (4%), while 40 managers (40%) and 5 HR consultants chose that both men and women are on the same level.

Morrison and Von Glinow 1990 (as cited in Igbiara and Jack 1995) several factors counter employee's advancement. Some of the factors include; Men most times get higher job performance ratings than women, male managers are usually gender biased, raters often time give higher ratings to ratees of the same gender or race. However, based on the results shown it clearly shows that both men and women have the same performance ratings.

**Table 16: Are employee suspension, dismissal, transfer or demotion based on performance results**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	0	2	0	0	2	0
Disagree	12	6	0	12	6	0
Neither Disagree nor Agree	18	6	0	18	6	0
Agree	16	24	4	16	24	4
Strongly Agree	8	8	2	8	8	2
Total	54	46	6	54	46	6



*Figure 16: Are employee suspension, dismissal, transfer or demotion based on performance results*

Source: Field work (August 2014)

In this table 16, the effect of performance on employee suspension, dismissal, transfer or demotion is analysed. None of the subordinates but 2 managers (2%) strongly agreed. 12 subordinates (12%) and 6 managers (6%) simply disagreed. 18 subordinates (18%) and 6 managers (6%) neither agreed nor disagreed. 16 subordinates (16%), 24 managers (24%) and 4 HR consultants agreed while 8 subordinates (8%), 8 managers (8%) and 2 HR consultants strongly agreed. Dunnette (1963 as cited in DeNisi and Pritchard 2006) reported that, sometimes the reason why the organisation is unable to detect meaningful correlation between performance and evaluation results is not due to faulty tests, but simply because the performance measures is faulty. Hence, if employee promotion, demotion or dismissal is based on performance results then the employee has been promoted, demoted or dismissed wrongly. This means that if performance measure is developed to be valid, reliable, and accurate would enhance the chance of discovering significant relationships between performance and test scores which could be used in judging the employees. In addition, professional bodies like Acas (cited in Jozwiak 2012) advocated that organisations carry out appraisals to show evidence of performance problems in case of unjust or unfair dismissal claims.

**Table 16b: Is there a separate committee or team in charge of performance appraisal?**

Variables	Frequency
	HR Consultants
Yes	1
No	5
Total	6

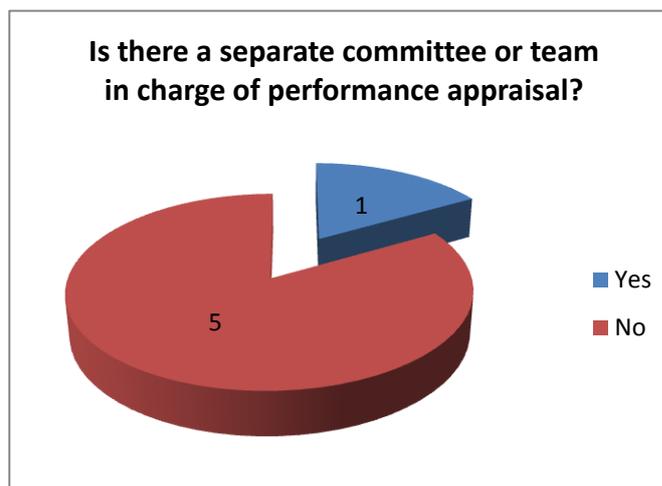
*Figure 16b: Is there a separate committee or team in charge of performance appraisal*

Table 16b simply shows if there is a separate team or committee responsible for performance appraisal. 5 out of the HR consultants interviewed said no while only 1 said yes. The performance appraisal process has always been in stages, the immediate supervisor reports to the manager while the manager or regional manager reports to the HR department.

**Table 17: Achievement of organisational objectives**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Strongly Disagree	3	0	0	3	0	0
Disagree	5	2	0	5	2	0
Neither Disagree nor Agree	14	8	2	14	8	2
Agree	26	28	3	26	28	3

Strongly Agree	6	8	1	6	8	1
Total	54	46	6	54	46	6



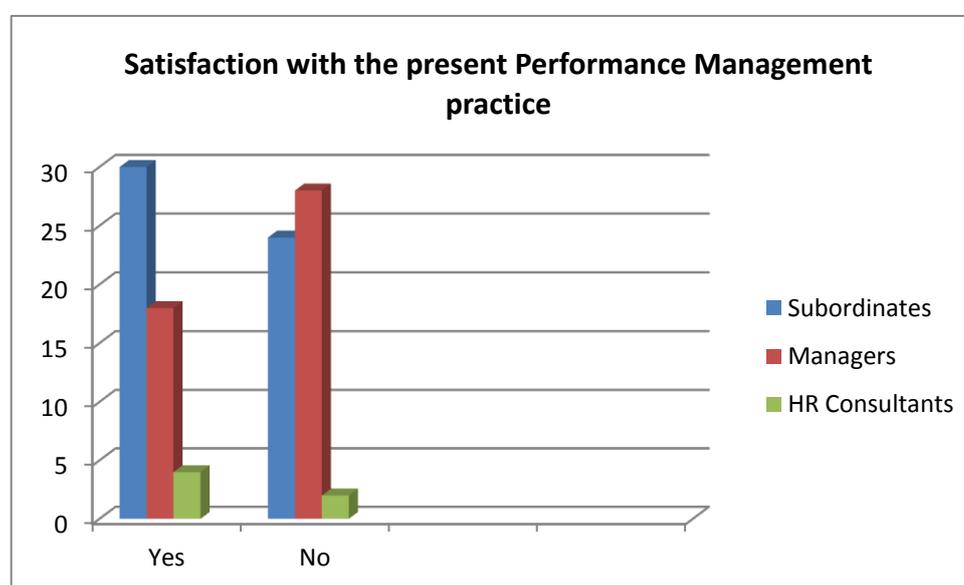
*Figure 17: Achievement of organisational objectives*

Source: Field work (August 2014)

The analysis in table 17 shows the relevance of performance management and appraisal on achieving organisational goals. Based on the responses, 3 subordinates (3%), no manager and HR consultant strongly agreed. 5 subordinates (5%) and 2 managers (2%) disagreed. 14 subordinates (14%), 8 managers (8%) and 2 HR consultants neither agreed nor disagreed. 26 subordinates (26%), 28 managers (28%) and 3 HR consultants agreed while 6 subordinates (6%), 8 managers (8%) and 1 HR consultant strongly agreed. Organisational objectives are achieved through conscious, coordinated actions of individuals working with targets but to a common purpose. When performance management is applied correctly with clear objectives peculiar to the operational and strategic plan, there is likelihood that firm's performance would increase.

**Table 18: Satisfaction with the present Performance Management practice**

Variables	Frequency			Percentage (%)		
	Subordinates	Managers	HR Consultants	Subordinates	Managers	HR Consultants
Yes	30	18	4	30	18	4
No	24	28	2	24	28	2
Total	54	46	6	54	46	6

*Figure 18: Satisfaction with the present Performance Management practice*

Source: Field work (August 2014)

Table 18 reveals the participants satisfaction rate of the present performance management. 30 subordinates (30%), 18 managers (18%) and 4 HR consultants affirmed that they are satisfied. Although 24 subordinate (24%), 28 managers (28%) and 2 HR consultants are not satisfied. Employee satisfaction on performance appraisal is necessary. However, inappropriate performance management and appraisal can result to employee dissatisfaction and reduction in work performance. Many employees tend to be dissatisfied and frustrated with the performance appraisal which has caused scholars and practitioners in both public and private segments to evaluate the performance appraisal system effectiveness (Walsh, 2003). From the responses, it clearly shows that most of the managers

are satisfied while the subordinates are not. This may be as a result of issues raised by the subordinates such as, lack of objectivity, threat from managers, etc.

Furthermore, from the questionnaire responses gotten from the subordinates (bank officers), it was revealed that some problems they face due to appraisal are lack of objectivity as a result of informal relationships between appraiser (rater) and appraisee (ratees), performance rewards, uneven appraisal, threat from managers even before the commencement of the appraisal process, anxiety because the appraisal process sometimes seem like an interview, also been appraised by an HR consultant who doesn't work directly with the individual and knows little or nothing about the person and lastly frequent change and disparity in performance appraisal parameters used. The employees play a central role as the performer, performance management has always been a top top-down effort. There is no need going into details to know that the performers (subordinates) will always and continually be at the mercy of the organisation's performance management systems (Buchner 2007).

However, according to the managers and HR consultants some of the problems faced include lack of adequate training for under-performers, appraisals are automatically done with little or no input from supervisors, immeasurable goals, sentiments, recommendations, subordinates failure to understand performance appraisal parameters and inadequate time to prepare appraisals. The subordinates feel that performance management and appraisal sessions should seem more like an interactive session, appraisals should be done with the line manager, consideration of environmental and industrial challenges, employees should not only be appraised based on how much or many accounts they have brought to the bank but also based on the job performance (For example; absenteeism, punctuality, efficiency etc.), agreement on appraisal parameters before and after the exercise, reward intending, appraisal should not result to layoff and opportunity for employees to state their challenges.

On the other hand, the managers and HR consultants are of the opinion that performance should be based on qualitative and quantitative measurement, realistic targets should be set, application of 360 degree feedback, improvement on appraisal structure, frequent appraisals and communication of employees' problem areas. In contrast Susan Heathfield, an HR expert identified some problems organisations face with the 360 degree feedback ranging from inexperience and inexperience of the rater, data entry overload,

insufficient information and amongst others. According to Murphy and Margulies 2004 there are several elements of effective performance appraisal system. This include; training and clear instructions for performance raters, awareness of the performance-rater with the job duties importance and nature on which an individual is being evaluated and with the actual employee's performance, defence against performance raters partiality or bias, employee's opportunity to review, comment and appeal, adverse impact through statistical evaluation.

## Chapter 5

### Conclusion

This research in summary has been able to discover that performance management has the probability to make huge contribution to organisational and employee's performance; however for companies to achieve such there is need for the implementation and development of consistent and sound PMS (Performance Management System). It can sensibly be concluded that the capability of the manager to finely appraise his subordinates is essential for a competent appraisal. From the research review of literature, it is perceived that most appraisal study is focused on establishing genuine and reliable measures of performance to work as yardstick for test authenticity. Although this is an important achievement, genuine and valid appraisals is not the end of the process but the importance of applying appraisals to improve performance also important.

The research findings noted that performance appraisal is crucial in Nigeria banking economy. Performance management which is seen as a wide range of activities targeted at improvement performance of employees. But clearly shows that the appraisals are subjective, managers have been said to include non performance elements such as race, hair color, gender, and etc. which at the end renders appraisal result based on lies. Respondents showed their displeasure about performance appraisal due to lack objectivity. Biased appraisal produces feeling of unfair rating process and outcome. Although performance evaluation contributes to performance management process, performance management is intended to motivate and improve employee's performance.

Based on this study most of the managers approved that performance appraisal is able to help the improvement of employees' performance while just a few of disagreed. This simply validates the fact that performance appraisal is able to motivate employees which leads to performance improvement. However, it was revealed that training for poor performers is absent which is considered as an important tool for employee improvement.

Furthermore, both managers and the subordinates face difficulties during performance appraisals. Performance evaluation in the Nigerian banking industry is in a form of downward communication whereby the superiors inform the employee on his or

her performance. Judgement based on just an individual increases risk of bias this could be as a result of formed impression, personal prejudice, strictness bias and leniency. Definitions of performance management from the subordinates perspective is not commonly used in organisations. Performance management is seen as something consistently done for or to employees, sometimes with their involvement.

The Research study has shown that performance appraisal is conducted only once or twice a year, while other research have reported that performance appraisal done once or twice a year is considerably infrequent for a formal appraisal. Appraisals in the bank are not conducted as often as it should be. Measurement of performance could be done after the completion of an assignment or the procurement of significant milestone in large scale tasks.

In as much as rewards are likely to stir effective performance, organisations lack supporting infrastructures for a constructive reward system. This results into failure of performance management system to achieve its intended effect, from a pay-for-performance and compensation perspective. This is due to the fact that managers will be unable to differentiate between poor and good performance, this conception is known as equalisation: under-rewarding of better performers and over-rewarding poor performers. Also due to the subjective features of most of the assessed constructs, managers might believe that the best response is to evaluate employees as equal performers.

Parameters used in performance should be clearly stated and made known to all employees because respondents showed that sometimes the parameters used for performance appraisal is not really known or if known it is strictly based on financial performance. That is, an employee is regarded to have performed well if he is able to bring huge deposits, open new accounts and in general get more money for the bank. Bankers were of the opinion that performance is beyond all that considering employee competence, punctuality, efficiency, accuracy, etc. While some of the managers are on defensive that appraisal is generated automatically with little or no input needed from the supervisor or managers.

The research has been able to uncover that employees generally agree that performance appraisal brings about teamwork and co-operation and also an organisation is

able to achieve its objectives through performance appraisal. This can be regarded as an added advantage. Appraisal should seem like an interactive session, but it has been noted that appraisal in the banking sector is usually in form of an interview and thereby the employee being appraised becomes anxious. Also subordinates tend to face appraisal threats from the managers before appraisal process starts and as a result of this, even when the manager is not bias the employee or subordinate would feel he or she has been treated unfairly if his or performance is relatively poor.

In addition most of the managers and part of the subordinates agreed that employees' suspension, demotion, dismissal or transfer is based on their performance appraisal results. This in my own opinion could be perceived in a way as been unfair due to the fact that it is generally known that managers or appraisers are not usually objective when it comes to rating employees' performance. It is also important to acknowledge the fact that subordinates are allowed to express their disagreement regarding performance results which could in a way help to reduce or checkmate appraisal bias.

Furthermore, the respondents also consented that appraisal helps to improve employee leadership and interpersonal skills. Although some other management scholars are of the opinion that appraisals could possibly result into problems between employees. The research participants feel that appraisal of employees is likely to lead to identification of staff weakness and strength. Employee gender in a way is seen as not having effect on employee performance because the respondents agreed that both male and female performance is on the same level as regards their performance.

## Chapter 6

### Recommendations

There is no doubt that performance management and appraisal concept is a core value to effective and successful organisation. Performance improvement relies upon sound HR practices, effective performance management, honest appraisal practices and an understanding of the organisation's general strategic goals. Appraisal information has a purposeful influence on HR planning; this includes career development, training and forecasts of compensation expense. Effective performance management is able to support; the company's punishment and reward system by the distinction of ineffective and effective performers, provision of feedback to staff and also serve as a channel for career and personal development, establishment of objectives for training programs and determine training program objectives by identifying training needs, knowledge, skills, abilities and other features to take into account during recruitment and selection.

A survey carried out by the Organisation for Economic Cooperation and Development (OECD) discovered that effective leadership by supervisors and managers is a fundamental element in the success of performance management. It is necessary that someone will have to put performance management effort behind his or her shoulder and develop a strategy for measurement. The main reason why performance appraisal is ineffective is sometimes due to lack of manager's willingness to carry out effective appraisals. It's not a nice thing to say, but it is necessary that organisations should take more steps to ease the smooth running of performance appraisals. Skills and refresher trainings is necessary just to get the managers prepared to carry out effective performance appraisals.

Performance management experts have always tried to focus on measurement of outcomes rather than processes or outputs. They maintained that outcomes are the only key results. The results are important for both the organisation and society as a whole. It does not matter how many banks are in the economy (an output); what the society wants is the safety of their funds and valuables kept in the bank (an outcome). Therefore, the main focus of performance evaluation should be predominantly on outcomes. Outcomes are often times very difficult to count. Anything that is measured gets attention, although necessary dimensions are immeasurable.

Performance appraisal system should be precisely described to the specific function of the appraisal in the Nigeria banking sector and other organisations. Firms that evidently state the reason for the appraisal are able to curtail the ambiguity and confusion of the process. The objective should be that people know why appraisals are been conducted. Performance appraisal trainings should be conducted and must focus on assisting managers develop confidence and unique appraisal skills in their ability to successfully evaluate other people. The skills should include; goal setting, performance standards communication, subordinate performance observation, feedback and coaching, completion of rating form and conduction of the appraisal review.

Adequate planning is necessary for a successful appraisal. A great number of the subordinates showed obscure performance standards responsible for causing appraisal ineffectiveness. Beforehand accurate and meaningful evaluation and feedback needs clear objectives to be established. It is much easier to plan properly at the start than correcting the outcome of improper planning. In addition, the predominant cause of appraisal failure relies squarely on the manager, organisation should help to make appraisal easier. Refresher trainings and other skill trainings should be offered. In essence, prepared managers are likely to carry out performance appraisal the best.

Furthermore, while it is uncertain that organisations would carry out formal appraisals any more than twice or even once a year, managers could schedule occasional, informal appraisals and feedback with the employees on systematic basis. Mini-evaluations encourage genuine communication; grant managers the chance to monitor subordinate progress, serves as a source of feedback comment, and ability to tackle little issues before they intensify.

Although this can be tough to maintain all around the year as workloads increases. In addition the use of 360-degree feedback assessment process where other sources could confirm an assessment. This method was supported by organisation's inclination toward greater participative management and teamwork. Meanwhile, supervisor's performance appraisal would be assessed based on their effectiveness and success in the conduction of appraisal. In addition, managers should be trained on; proper way of writing detailed job specification, putting in place achievable and effective goals for employees, circumvent from

biases during appraisal, modification and adjustment of rewards to employees advantage, serve as counsellors and coaches for the rest of the employees and proper understanding of scoring methods such as graphic scale rating, global informal appraisal, management by objectives and assessment centres.

Appraisals should be conducted more often and feedback assist employees to see how they are improving and this is likely to increase their motivation to improve more. This research further suggests that feedback of employees performance should contain details on how to performance can be improved, also with information on what areas of performance need to be improved upon.

Lastly, the rating scales should not only focus on processes but also on the performance results. This is compatible with the goal-based appraisal system perspective, and also should be in line with the organisational broader objectives. Finally, based on the motivation theory like expectancy theories, forecasts that individual relationships must be high for a high superlative motivation. Therefore, for optimal results during appraisals all components must perform well.

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## Appendices

### MANAGERS QUESTIONNAIRE

1. How long have you been working with the bank?
  - a. 0-5 Years [    ]                      b. 5-10 Years [    ]
  - c. 10 to 15 Years [    ] d. More than 15 Years [    ]
  
2. Age
  - a. 24 -34 Years [    ]                      b. 35- 45 Years [    ]
  - c. 46 - 55 Years [    ]                      d. More than 55 Years [    ]
  
3. Marital status
  - a. Single [    ]    b. Married [    ]    c. Divorced [    ]    d. Separated [    ]
  
4. Gender
  - a. Male [    ]                      b. Female [    ]
  
5. Do you feel Performance Management System is clearly defined in the bank?
  - a. Strongly Agree [    ] b. Agree [    ] c. Neither Agree nor Disagree [    ] d. Disagree [    ] e. Strongly Disagree [    ]
  
6. How often is performance appraisal done in your bank?
  - a. Weekly [    ] b. Monthly [    ]                      c. Quarterly [    ]                      d. Midyear [    ] e. Yearly [    ]

Others: (Please specify).....

7. How important is performance appraisal in the bank?
- a. Highly Important [ ]      b. Slightly Important [ ]  
 c. Highly Unimportant [ ]      d. Slightly Unimportant [ ]
8. Who conducts the performance appraisal in your bank?
- a. Self [ ]      b. Branch Manager [ ]      c. Bank Human Resource Consultants [ ]
9. Is promotion based on performance appraisal results?
- a. Strongly Agree [ ]      b. Agree [ ]      c. Neither Agree nor Disagree [ ]      d. Disagree [ ]      e. Strongly Disagree [ ]
10. Is there any formal feedback based on subordinate's performance?
- a. Yes [ ]      b. No [ ]
- If 'Yes', how?
- 
11. Does the appraisal system help to improve employee's performance?
- a. Strongly Agree [ ]      b. Agree [ ]      c. Neither Agree nor Disagree [ ]      d. Disagree [ ]      e. Strongly Disagree [ ]
- How?
- 
12. Are measures taken to improve performance if not satisfactory?
- a. Yes [ ]      b. No [ ]
- How?
- 
13. Are factors facilitating and hindering performance taken into account during performance appraisal?
- a. Strongly Agree [ ]      b. Agree [ ]      c. Neither Agree nor Disagree [ ]      d. Disagree [ ]      e. Strongly Disagree [ ]
14. Does employee gender (male or female) affect their performance?



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22. As an appraiser what problems do you face during performance appraisals?

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23. Suggestion as an appraiser based on the structure of performance appraisal in your bank

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(Optional)

Bank: \_\_\_\_\_

Designation: \_\_\_\_\_

**SUBORDINATES QUESTIONNAIRE**

- 1. How long have you been working with the bank?  
 a. 0-5 Years [ ]    b. 5-10 Years [ ]    c. 10 to 15 Years [ ]  
 d. More than 15 Years [ ]
- 2. Age    a. 24 -34 Years [ ]                      b. 35- 45 Years [ ]  
           c. 46 - 55 Years [ ]                      d. More than 55 Years [ ]
- 3. Marital status  
       a. Single [ ]    b. Married [ ]    c. Divorced [ ]    d. Separated [ ]
- 4. Gender                      a. Male [ ]                      b. Female [ ]
- 5. Do you feel Performance Management System is clearly defined in the bank?  
       a. Strongly Agree    b. Agree    c. Neither Agree nor Disagreed. Disagree e.  
       Strongly Disagree
- 6. How often is performance appraisal done in your bank?  
       a. Weekly    b. Monthly    c. Quarterly    d. Midyear    e. Yearly  
       Others: (Please specify).....
- 7. Who conducts performance appraisal in the bank?  
       a. Self [ ]    b. Branch Manager [ ]    c. Bank Human Resource Consultants  
       [ ]



14. Do you think your leadership and interpersonal skills are developed due to Performance Management System?
- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]
15. Do you feel free to express to your appraiser/superior, your disagreement regarding the appraisal decisions
- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]
17. Are suspension, demotion, dismissal or transfer of employees based on performance appraisal?
- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]
18. Do you think the appraisal system help to achieve organisation's objectives?
- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]

How?

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19. Are you satisfied with the existing Performance Management System?

a. Yes [ ] b. No [ ]

If 'Yes' why?

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If 'No' why?

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20. As an employee being appraised what problem do you face?

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21. Suggestion as an appraisee based on the structure of performance appraisal in the bank

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(Optional)

Bank: \_\_\_\_\_

Designation: \_\_\_\_\_

### INTERVIEW QUESTIONS FOR HR CONSULTANTS AND DEPARTMENTS

1. How long have you been working with the bank?
  - a. 0-5 Years [   ]
  - b. 5-10 Years [   ]
  - c. 10 to 15 Years [   ]
  - d. More than 15 Years [   ]
  
2. Age
  - a. 24 -34 Years [   ]
  - b. 35- 45 Years [   ]
  - c. 46 - 55 Years [   ]
  - d. More than 55 Years [   ]
  
3. Marital status
  - a. Single [   ]
  - b. Married [   ]
  - c. Divorced [   ]
  - d. Separated [   ]
  
4. Gender
  - a. Male [   ]
  - b. Female [   ]
  
5. Do you feel Performance Management System is clearly defined in the bank?
  - a. Yes [   ]
  - b. No [   ]
  
6. Who conducts performance appraisal in the bank?
  - a. Self [   ]
  - b. Branch Manager [   ]
  - c. Bank Human Resource Consultants [   ]
  
7. What measures are used as key performance indicators?
 

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8. Are measures taken to improve performance if not satisfactory?

- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]

How?

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9. What are the main purposes of performance appraisals?
- 

10. Are factors facilitating and hindering performance taken into account during performance appraisal?

- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]

11. Do you think the appraisal system help in achieving organisational goals?

- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]

How?

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12. Are employees free to express their disagreement regarding the appraisal decisions?

- a. Yes [ ] b. No [ ]

13. Does employee gender (male or female) affect their performance?

- a. Women perform better than the men b. Men performance better than women  
c. Women are the worst performers d. Men are the worst performers  
e. Both men and women are on the same level

14. Is salary fixed based on performance review?

- a. Strongly Agree [ ] b. Agree [ ] c. Neither Agree nor Disagree [ ] d. Disagree [ ] e. Strongly Disagree [ ]

15. Is there a different committee responsible for review of performance appraisal?

- a. Yes [ ] b. No [ ]

16. Do you think your leadership and interpersonal skills are developed due to Performance Management System?

- a. Yes [ ] (b) No [ ]

