

**THE IMPACT OF PERFORMANCE APPRAISAL ON  
EMPLOYEES PRODUCTIVITY: A CASE STUDY OF  
CENTRAL BANK OF NIGERIA (CBN)**

**ANAEGE, ESTERVERA N.J  
MAT NO.PG/MBA/09/53691**

A Thesis Submitted to the Department of Management, in partial fulfillment of the requirements for the award of a Masters of Business Administration (MBA) Degree of the University of Nigeria, Nsukka.

*APRIL, 2012*

## **Dedication**

I dedicate this work to Almighty God my Alpha and Omega and loving and caring husband IGBOKWE-IBETO, C Justine BPA, MPA, M Sc, Ph D, SIPM without whose infinite mercies, protection, understanding and guidance, this study would not have been possible, to His name alone be all the glory Amen

## Certification

The undersigned hereby certify that we have read and recommended to the Postgraduate School and Faculty Board of Administration, Department of Management, University of Nigeria, Enugu Campus for acceptance, the thesis titled: The Impact Of Performance Appraisal On EmployeesøProductivity: A Case Study Of Central Bank Of Nigeria, Submitted by ANAEGE, ESTERVERA with Matriculation Number PG/MBA/09/53691 in partial fulfillment of the requirements for the Award of a Masters of Business Administration (MBA) Degree.

**Sign:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Dr. C. O Chukwu  
Project Supervisor

**Sign:** \_\_\_\_\_  
Head of Department

**Date:** \_\_\_\_\_

**Sign:** \_\_\_\_\_  
External Examiner

**Date:** \_\_\_\_\_

## **Acknowledgments**

This study would not have been possible if not for the contribution of a number of people. First, the greatest maximum acknowledgment goes to my creator, the Almighty God for my life. My deep sense of honor and profound gratitude goes to my supervisor Dr. C.O Chukwu, an erudite scholar for his full cooperation, guidance, and patience in reading through the manuscript and offering most valuable suggestions which have certainly improved the style and quality of the work.

I immensely remain grateful to all lecturers in the Faculty of Business Administration. Special mention must also be made of the Librarian and entire staff of UNN library for their assistance in sourcing for the research materials and indeed to all the authors and commentators whose work were used in this study which adequate references has been made. To you all I say a big thank you for your contribution and scholarly work. Yet, my special thanks go to the staff of CBN Enugu Office for their understanding and cooperation in making the study a success.

My heartfelt gratitude goes to my dear friend and course mate Miss Justina Ifeyinwa for all her encouragement, financial and material support, indeed her role has been motherly. Ify as you wish others good, may good things never depart from you amen.. I do not forget my entire course mates, with deep sense of humility and honor, I extent my vote of thanks to all of you who made the programme lively and meaningful.

I cannot end without appreciating my dear forester parents Chief Emmanuel Ekwulugo of blessed memory and Lolo Lillian Ekwulugo who planted the seed of my education, and indeed all my siblings especially Euphresia whom I am so fond of and wish to have her as a sister in my next world. Adanne, Nonye who were a source of inspiration and encouragement during my period of study. To you all, I remain ever grateful.

## **Abstract**

The main objective of this study is to determine the extent to which performance appraisal can enhance employee performance and productivity.

To investigate the problems of performance appraisal in Central Bank of Nigerian (CBN), the researcher employed the descriptive surveys and the case study design. The simple random sampling method was used to draw a sample of eighty (80) respondents from CBN Enugu Zonal Office . The researcher also made use of self administered questionnaires for data collection. For the validity and reliability of the research instruments, content validity and the test-re-test method were employed. Similarly, in order to test the hypotheses and establish the degree of dependence or independence of the variables under consideration, the chi-square statistical technique was used.

The study established among others that, there is a positive relationship between performance appraisal and employee performance and productivity. Also, the study reveals that there is a correlation between effective performance appraisal, working environment, satisfaction, morale, motivation and employee performance and productivity at work.

The study concludes that the Central Bank of Nigerian is faced with performance appraisal problems which have affected its level of performance and productivity. In the light of the findings, we recommend that there should be a human capital audit, organizational and physical performance audit and audit reports should be submitted to management periodically. The immediate priority, therefore, is the need to re-examine the validity and reliability of performance management and appraisal instruments in use in the bank.

## Table of Contents

Cover	i
Title Page	ii
Dedication	iii
Certification	iv
Acknowledgements	v
Abstract	ix
Appendices	x
List of Tables	xii
List of Figures	xiii

### Chapter One

#### Introduction

• Background of the Study	1
• Statement of the Problem	3
• Objectives of the Study	5
• Research Questions	5
• Research Hypotheses	6
• Significance of the Study	6
• Scope of the Study	8
• Limitations of Study	8
• Operational Definition of Terms	9

**Chapter Two**  
**Literature Review**

2.1	Introduction	14
2.2	The Concept of Performance Appraisal	14
2.2.2	Productivity Management and Measurement	16
2.3	Objectives of Performance Appraisal	19
2.4	Steps in Performance Appraisal	20
2.5	Methods of Performance Appraisal	23
2.5.1	Instruments of Performance Appraisal	25
2.6	Errors in Performance Appraisal	26
2.6.1	Overcoming Errors in Performance Appraisal	27
2.7	Legal Aspect of Performance Appraisal	28
2.8	Theoretical Framework	28
2.9	Summary of the Chapter	29

**Chapter Three**  
**Research Methodology**

3.1	Introduction	31
3.2	Research Design	31
3.3	Population of Study	33
3.4	Sample Size and Sampling Techniques	33
3.5	Data Collection Instrument	34
3.6	Validity of Data Collection Instruments	38
3.7	Reliability of Data Collection Instruments	38
3.8	Data Analysis	39

**Chapter Four**

## **Data Presentation, Analysis and Interpretation**

4.1	Introduction	43
4.2	Respondents Characteristics and Classification	43
4.3	Presentation & Analysis of Data According to Research Questions	47
4.4	Presentation & Analysis of Data According to Test of Hypotheses	57
4.5	Discussion of Findings	62

## **Chapter Five**

### **Summary, Conclusion and Recommendations**

5.1	Introduction	66
5.2	Summary of Findings	66
5.3	Conclusion	67
5.4	Recommendations	68
	<b>References</b>	70
	<b>Appendix I: Specimen of Letter of identification and Questionnaire</b>	74



## List of Tables

Table 1: Sex Distribution of Respondents	44
Table 2: Age Distribution of Respondents	44
Table 3: Marital Status of Respondents	45
Table 4: Respondents Length of Service	45
Table 5: Official Status of Respondents	46
Table 6: Educational Qualification of Respondents	46
Table 7: Grade Levels of Respondents	47
Table 8: Opinion on level of CBN Performance	48
Table 9: Views on Utilization of Performance Appraisal System	48
Table 10: Opinion on Conduct of Performance Appraisal	49
Table 11: Opinion of Result Oriented Appraisal	49
Table 12: Opinion on Performance rating Efficiency	50
Table 13: Relationship between Appraisal and Productivity	50
Table 14: Productivity dependent on Effective Appraisal	51
Table 15: Opinion on Training and Development	51
Table 16: Correlation between Appraisal and Attitude	52
Table 17: Views on Internal Environment	52
Table 18: Views on In-Service Training	53
Table 19: Opinion on Factors Impeding Effective Appraisal	53
Table 20: Opinion on Incentives for Hard work	54
Table 21: Views on Labour-Management Relations	54
Table 22: Opinion on Productivity and Employee Satisfaction	54
Table 23: Opinion on Superiors Communication	55
Table 24: Views on Awareness of Skill gaps	55
Table 25: Opinion on Individual and Corporate Objectives	56
Table 26: Opinion on Increased Motivation	56

**List of Figures**

Table I: Observed and Expected Frequency for Hypothesis One	58
Table II: Observed and Expected Frequency for Hypothesis Two	59
Table III: Observed and Expected Frequency for Hypothesis Three	61

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of Study**

In every business organization, the performance of the employees is important in achieving organizational goals. The success of every business organization can therefore be attributed to performance appraisal. Performance appraisal is one of the basic tools that make workers to be very effective and active at work. A critical look out on this may bring about the need for motivation, allowances, development, training and good human relationship in an organization.

The output of every organization depends on how well and how much the performance of the employee is appraised and evaluated. Productivity can therefore be defined as "quality or volume of the major product or services that an organization provides". In short, productivity is what comes out of production. Managers of every business organization are charged with the responsibility to motivate their employees to achieve organizational goals. The efficiency and effectiveness of any work place whether the private or the public sector, largely depend on the caliber of the workforce. The availability of competent and effective labour force does not just happen by chance or accident but through an articulated recruitment exercise (Peretomode and Peretomode, 2001) and performance appraisal.

The whole essence of the management activities of an organization culminates into the system of performance appraisal adopted in that organization. This, in turn, reflects the extent of the individual contributions and commitment of the employees in different hierarchical levels toward the achievement of organizational objectives. It goes without saying that an effective performance appraisal system can lead an organization to take strides towards success and

growth by leaps and bounds. Conversely, an ineffective performance appraisal system can seal the fate of an organization by creating chaos and confusion from top to bottom in the administrative hierarchy. As a consequence the chances of success and growth of that organization are doomed.

The Nigerian economy has been plunged into a state of economic decline since the early 1980s, following the introduction of Structural Adjustment Programme (SAP), by Babangida's Administration. Since then, productivity improvement has become a major challenge facing all work and business organizations and the Nigerian economy as whole. It has therefore become imperative for government and all stakeholders to evolve adequate measures that would improve productivity in Nigeria. It is on account of this, that most, if not all of the past leaders, have tried in one way or the other to carry out at least one reform measure in the public sector in order to enhance employee performance and productivity.

The nonchalant attitudes of public sector workers towards their duties and responsibilities have become a matter of great concern to the government at all levels and other well meaning Nigerians. There has been a persistent public outcry in the mass media indicting public sector employees for their negative attitude to work which has lead to low productivity and declining revenue.

Igbokwe-Ibeto (2011) observed that "people do not take their work seriously in many instances because people do not like what they are doing". This nonchalant attitude to work is independent of geo-political zones, rural-urban residence, religious affiliation, sex or age. This opinion if properly examined suggest that in many cases, they see themselves as birds of passage, such notion and feeling is even worsened by the fact that performance appraisal and productivity management is not taken serious in most organizations.

A segment of Nigerian scholars such as, Okoro (2003), Oko (2004) and Arhuidese (2006) well tutored in Nigerian history have traced the genesis of the negative

attitude to work prevalent among Nigerian to the event of colonial era. They argued that during the struggle and fight against colonialism, many nationalist using various approaches and strategies tended to give the impression that government as an institution and its agencies should be impoverished and vandalized. The public sector for example, was seen as a 'white man's job' and anything done to frustrate its operations is well intended. The notion, they argued have spread into all spheres of work in the present day Nigeria.

Some Nigerian scholars such as, , Mustafa (2006), Nwachukwu (2008) and Fatile (2010), emphasized the issue of poor performance appraisal and motivation at work as the some of the causes of this national slide. They argued that poor performance and low productivity is a direct consequence of inadequate motivation and performance appraisal. In line with this proposition, Enyinta, (2001) noted that, 'there is general apathy on the side of the employers of labour to reward a worker who is conscientious and dedicated to his duties'. Workers more often than not go on strike resulting to loss of man-hours before they get their due rights.

Afam (2003) contributing to the above subject matter, believes that the Nigerian worker has become a pawn in the hands of exploitative capitalist. He went further to observe that workers are subjected to all kinds of ill treatments like reduction in ranks, removal of fringe benefits, pay cuts, late payment of salaries and wages and the prevalent retrenchment with or without benefits. He concluded by saying that a situation where a worker is not adequately rewarded for the cake he has painstakingly toiled to bake, is disheartening and left much to be desired, as it amounts to killing the goose that lays the golden egg.

## **1.2 Statement of the Problem**

For a research work to get underway, some difficulties must be felt in a practical and theoretical situation. In other words, there must be a felt difficulty succeeded by efforts to find solutions to the problem. Efficiency and effectiveness in the

Nigerian public sector has been a subject of controversy and debate by all and sundry. Inefficiency, ineffectiveness, red-tapism and low productivity are all common features of public sector. It is in line with this that Umo (2003), after examining the attitude to work of Nigerians concluded that Nigeria's ambition for rapid industrialization, economic prosperity, social and political stability will singularly and collectively be frustrated if the current poor work attitude of Nigerian public sector is not urgently and positively improved. The above opinion if properly analyzed, shows that improved or positive attitude to work in the Nigerian is an antidote for industrialization and economic stability and development in Nigeria. Performance appraisal as an important human resource (HR) strategy for achieving better employee performance and productivity is hardly taken serious by many organizations and most especially the Nigerian public sector. In fact, public sectors Managers see performance appraisal as a ritual and an academic exercise.

This prevailing anomaly in the public sector has provoked a series of studies geared towards ameliorating the ugly situation which scholars have attributed to the familiar challenges of the Nigerian federation. These problems according to Mukoro (2005) citing Fajemirokun, Briggs (2007) Igbokwe-Ibeto (2011), and Tonwe and Oghator (2009) comprises ethnicity, religious strife, corruption, colonial history, governance/leadership style, the military involvement in politics, dishonest performance appraisal and federal character principles. A number of reasons have been identified as being responsible for this ugly situation and a number of solutions have also been suggested, but the problem remained endemic and persistent in the Nigerian public sector. Their performances are still below expectation, their productivity is far below average, efficiency and effectiveness is virtually nil.

This study therefore, aims to further interrogate this catalogue of problems by having a look at performance appraisal in the Nigerian public sector so as to

determine its effectiveness or otherwise using the Central Bank of Nigeria (CBN) Enugu Zonal office as a case study.

### **1.3 Objectives of Study**

The main objective of this study is to determine the extent to which performance appraisal can enhance employee performance and productivity. Other specific objectives include:

1. To examine the extent to which public sector managers utilize performance appraisal strategies to improve employees performance and productivity.
2. To examine whether there is a relationship between performance appraisal and employees productivity in the Nigerian public sector.
3. To determine how individuals objectives and corporate objectives can be integrated to achieve better employee performance and productivity enhancement in Central bank of Nigeria.
4. To determine the extent to which organisational climate can influence workers behaviour towards better performance or otherwise.
5. To suggest on how to overcome identified problems in the system, thereby proffering strategies for performance appraisal to become more effective and efficient while embarking on performance appraisal exercise.

### **1.4 Research Questions**

To investigate the problem of performance appraisal in Nigerian public sector, effort will be made to beam our search light on the following research questions.

1. Do public sector managers use performance appraisal in improving workers performance and productivity?
2. Is there any relationship between performance appraisal and employees performance and productivity in Nigerian public sector?
3. Is there any correlation between performance appraisal and attitude to work by employees of Central Bank of Nigeria (CBN)?

4. Can organisational climate influence workers satisfaction, performance and productivity?

### **1.5 Research Hypotheses**

This study is geared towards testing the following four tentative statements or research hypotheses for the purpose of this research.

1. Organizational productivity is not dependent on effective performance appraisal.
2. There is no correlation between performance appraisal and attitude to work by employees.
3. Organisational productivity is not dependent on employees' satisfaction and performance.

### **1.6 Scope and Limitations of Study**

Since the researcher cannot cover the Central Bank of Nigeria within limit and available resources, the study covered only the 80 respondents at the Enugu Zonal Office for the purpose of this study. These include the management, supervisory and the junior cadre of the Bank. All cadres of staff at the Bank were selected as samples for the purpose of questionnaires administration.

In the course of carrying out this study, it is envisaged that certain challenges will be encountered. These include: time constraint due to the detailed nature of the topic to be investigated, access to respondents could be difficult due to the ever busy schedule of those to be interviewed. Getting some of the policy makers (Deputy and Assistant Directors) in the Bank for comments could be difficult as they are either in a meeting or not on seat.

Also, travelling to Enugu where the Bank Zonal Office is located could be a major limitation to the effectiveness of the research work, raising enough finance for the study could be difficult in view of the harsh economic conditions in the country



and sourcing for materials across the length and breadth of the country could be a major handicap to any effective research work. In fact, some of the libraries visited did not allow borrowing of relevant materials, while others allowed restricted patronage. In some cases, access to certain materials was possible only on a fee.

Yet, lack of access to information at the Bank due to bureaucratic bottle-necks and the secretive nature of our public service are emphasized. Finally, the result of the findings of this study may not adequately apply to all other organizations in Nigeria as the study only focused on the civil service. However, none of these omissions and limitations may have any adverse effect on the conduct, reliability and validity of this research report, but they among other difficulties constitute the limitations of this study.

### **1.7 Significance of the Study**

The expected benefits of this research study to all stake holders and partners in national transformation and development are so enormous. First and foremost, the purpose of every scientific research is to discover answers to questions through the application of scientific procedures. These procedures have been developed and adopted in order to increase the likelihood that information gathered are relevant to the questions asked and are reliable and unbiased.

Secondly, the Federal and indeed the States and Local Governments will through the findings of this study discover the immense importance of performance appraisal if we are to achieve service oriented public service in Nigeria.

Thirdly, this study will also present to the government and management of CBN, the true picture of what their concern about workers appraisal should be. Hence this study is intended to give an insight into the best ways of integrating the organizational objectives with that of the workers. This will make management to

develop and adopt performance appraisal techniques that would improve employee performance and productivity. yet, organisations, managers, directors and policy formulators will benefit a lot if they are aware of those factors inhabiting their employees from greater performance and productivity.

This study is also of both practical and theoretical significance. Theoretically, it is significant in the sense that it will add to a body of knowledge in this area both in Nigeria and other countries of the world. Practically, this study is significant in the sense that it will serve as an appraisal of the value of performance management and appraisal in a work place.

Scholars, upcoming researchers and students in general stands to benefit from this study as it serves as intellectual information depository for research development on topical issues. Through this study, they will know what have already been said concerning the study area and the areas that call for further study. Above all, it will serve a guide and reference materials for scholars, researchers as well as undergraduate and postgraduate students conducting research in partial fulfillment for the award of degrees.

The society at large and indeed the ordinary citizen or reader of this work will know that his or her individual input to the growth or national development process and the entire body of knowledge is indispensable if genuine transformation that can accelerate National development is to take place in Nigerian and elsewhere.

The Non-governmental Organisations (NGOØS) i.e. voluntary agencies, religious bodies, philanthropic organizations and public spirited individuals will find this study of immense importance and value as it will serve as a guide for performance appraisal and productivity enhancement.

In conclusion, this study will however recommend appropriate measures to be adopted so as to safe guide against the anti-performance appraisal circumstances. It is the purpose of this study to show that if workers are properly managed, motivated and their conditions of service made conducive; the public sector can improve their level of performance and productivity.

### **1.8 Operational Definition of Terms**

Usually in most social science research, in order to avoid ambiguity in the interpretation and understanding of certain terms, concepts used in the study must be clearly defined. The key concepts that are used in this study are defined below:

**Appraisal:** AS a measure of individual staff work achievements against agreed targets. As a progress evaluation, employee performance or merit rating of an individual worker in areas of relative strengths and weaknesses so as to reinforce the areas of shortcomings

**Attitudes:** The word is used in this research to mean how one feels about one's job. It refers to those evaluative states either favourable or unfavorable concerning objects, people or events. Here we concentrated on job attitudes like job satisfaction, job involvement i.e. the degree to which a person identifies with his or her job and actively participates in it; and organizational commitment, an indicator of loyalty and identification with the organisation.

**Public Service:** The term is used interchangeably with the term public service. It refers to the body of officials and state institutions engaged in the formulation, administration and implementation of government policies and programmes.

**Public Servants:** As permanent people who earn their living by carrying out government tasks and responsibilities as directed from time to time by the constituted authority.

**Development:** Is a way or method designed to increase the quality and quality of managerial personnel through training. It is always designed around the needs of individuals involved and it is evaluated periodically. Development can be measured in terms of profitability or growth level.

**Effectiveness:** As the achievement of desired goals. Tangible properties which deal with physical manifestation, here our emphasis is on the quantity or unit of production measure against standard.

**Efficiency:** As achieving a purpose with lowest cost i.e. the ratio of output to input required to achieve output i.e. achieving a purpose with a low cost. This is the imputation of limited resources to maximize greater output. This emphasizes on cutting down waste so as to improve more profitability for the overall benefit of the organization.

**Equity:** Here is defined as the perception by the workers that motivational incentives are directly proportional to their input or effort at work as compared with the rewards in similar professions.

**Incentives:** Incentives here refer to those financial and non financial materials, morale and psychological inducement that are given to Nigerian public sector workers which tend to boost their morale and ego towards better performance and higher productivity for the achievement of public service goals.

**Management:** Management is the act of using the resources in an organization (i.e. training and material) to attain desire objective. Also, management can be said

to be a team of people who are saddled with the responsibility to take certain key decisions that will determine future of the organization, a faulty policy by the management will bring about faulty result viz-versa. It involves the control of human and materials resources towards achievement of organisational goals and objectives. Getting things done through others, efficient utilization of resources. Guiding or directing a group of people towards organizational goals or objectives, i.e. the act of planning, organizing, staffing, directing, controlling, leading and separation with an organisation.

**Motivation:** Motivation here refers to goal-directed behaviour i.e. the process and means of influencing and activating a workers energies and full potentials towards the performance of set tasks and achievement of agreed organizational goals and objectives.

**National Development:** As a process involving the re-orientation and re-organisation of the entire economic, social and political system. It involves improvement not only in income and output per head, but radical changes in social, institutional and administrative structures as well as attitudes, customs and beliefs of people in Nigeria.

**Objectives:** Objectives are unbiased aims or purpose existing in real world outside the training mind. That is to say, objectives are those ends that an organization seeks to achieve by its existence and operation. The more the objectives are clearly determined, stated and understood, the more likely they are achieved. The main characteristics of objectives are: Objectives are advance or predetermined statement; Objectives describe future desire results towards which present efforts are directed; Objectives serve a variety of functions in any organization t.

**Performance:** This is simply referred to the extent to which an individual, unit or department carryout task assigned to him. It is also a means by which an organization evaluate an individual employee input and out level especially in the area of attaining set goals or task assigned to him or her. It involves the execution of duties and responsibilities assigned by constituted authorities which one have promised to do, so as to achieve set goals. Performance of the Nigerian civil servants measured in terms of effectiveness and efficiency

**Policies:** As the general guides to action which constrain or direct objective attainment. In the light of this, policies channel how management/government orders its affairs and its attitude towards major issues: the guide to the dictate of the intent of those who guide the organisation/government institutions. In other words, instrument which define the universe from which future strategies and plans are derived.

**Public Sector Productivity:** As the ratio of what is produced to what is required or expected to produce in the public civil. The output per person hour of input, it also includes client satisfaction which can be seen in terms of value of project or programme to the society, opinion or feelings of cliental over a policy or project etc. they are described as intangible properties.

**Strategy:** As the basic steps or approaches of management/government towards effecting positive change in the Central Bank of Nigerian in order to reach an objective or set of objectives. In other words, the methodologies or measures adopted or outlined by the CBN towards the achievement of employee better performance and productivity improvement in the Nigerian public service to achieve its objectives.

## **1.9 Organization of Study**

The organization setting of this study commences with an introduction i.e. a background statement, statement of the problem, then objectives of the study and research questions. These are closely followed by statement of research hypothesis and scope and limitations of the study, the significance/utility of the study and the definition of terms all within the first chapter.

Chapter two is made up of introduction, review of related relevant literature on the research topic and the theoretical framework. We reviewed the conceptual framework where we looked at the concept and definition of performance appraisal, performance and productivity improvement, objectives of performance appraisal. Also reviewed are significance/purposes of performance appraisal, problems of performance appraisal as well as steps for productivity improvement

The second phase of the review focused on the theoretical framework where theories of performance management, concept of reward and reward management as well as motivation theory and relevance of the theories to the study. We concluded with a summary of the chapter.

Chapter three devolves on the research methodology where aspects such as introduction, restatement of the research questions and hypotheses, the research variables, research design, target population, sample size and sample adopted, methods of data collection, research instruments used as well as a detailed explanation of administration of research instruments and methods of analyzing such data and finally limitations of the methodology.

The fourth chapter contains the analysis of the data itself and the exposition of responses. We commenced this chapter with a brief introduction, followed by respondents' characteristics and classification, then presentation and analysis of data according to research questions. The presentation and analysis of data according to tested various research hypotheses to validate or invalidate the earlier claims of the research then comes discussion of the research findings.

Finally, the fifth chapter summarizes the results of the fourth chapter, draws conclusions, propose appropriate recommendations to the research problems.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Performance appraisal process have come to the fore in recent years as means of providing more integrated and continuous approach to the management of performance. Performance appraisal is based on the principles of management by agreement or contract rather than management by command. It emphasizes development and the initiation of self-managed learning plans. It can, in fact, play a major role in providing for an integrated and coherent range of human resource management process that are mutually supportive and as a whole improving organizational effectiveness (Armstrong, 2009).

#### **2.2 The Concept of Performance Appraisal**

Within all organizations, the utility of labour for the accomplishment of organizational goals is emphasized. Indeed, aside manpower, there are a number of resources that contribute towards the success of any organization, such as machine, information, idea and material etc.

While these resources are important, the human factors are the most significant because it is the people who have to coordinate and use other resources (Chandan, 2004). Thus in organizations, it is vital to agencies effectiveness and efficiency. However, the way and manners in which we react to work vary from one person to the other. Some people no matter what you do to them, they will never improve (Fatile et al, 2012)



Performance appraisal is a term used for a variety of techniques by superiors, peers, subordinates and the individual employees themselves to rate, rank or describe the employee's work effectiveness (Fatile, 2010). Performance appraisal is also defined as "a structural formal interview between subordinate and supervisor, that usually takes the form of periodic interview (annually or semi-annually), in which the work performance of the subordinate is examined and discussed, with the view of identifying the weaknesses as strengths as well as opportunities for improvement and development" (DEcEzo and Robbins, 1995). Performance appraisal is also known by other names such as employee performance rating, progress evaluation, performance review, and merit rating.

It is sometimes assumed that performance appraisal is the same thing with performance management. However, there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at or after a review meeting. It has been discredited because too often it has been operated as a top-down and largely bureaucratic system owned by the HR departments rather than by line managers (Armstrong, 2009). Also as Armstrong and Murlis (2006) asserted, performance appraisal too often degenerated into "a dishonest annual ritual". In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasizes the support role of managers who are expected to act as coaches rather than judges and focuses on the future.

The process of performance management, according to Mullins (1999), involves a continuous judgment on the behaviour and performance of staff. It is important that employees know exactly what is expected of them, and the yardstick by which their performance and results will be measured. A formalized and systematic appraisal scheme will enable a regular assessment of the individual's performance, highlight potential and identify training and development needs. Most importantly,

an effective appraisal scheme can improve the future performance of staff. The appraisal scheme can also form the basis for a review of financial rewards and planned career progression.

Bohlander et al (2007) suggest the following steps in conducting a performance appraisal: scheduling, preparing for the review and conducting the review. Scheduling the review involves notifying the employee ten days or two weeks in advance; asking the employee to prepare for the session by reviewing his or her performance, job objectives and development goals; and clearly stating that this will be the formal annual performance appraisal. Preparing for the review entails reviewing the performance documentation collected throughout the year while concentrating on work patterns that have developed; being prepared to give specific examples of above or below average performance; when performance falls short of expectations, determining what changes need to be made. If performance meets or exceeds expectations, discussing this and planning how to reinforce it; after the appraisal is written, setting it aside for a few days and then reviewing it again; and following whatever steps are required by the organisation's performance appraisal system.

According to Waal (2007), there is a clear and strong relation between organisational productivity and the attention given to performance management and employee appraisal. The chances of actually achieving the objectives of the organisation are considerably improved when all management levels are in line with each other. In addition, this ensures that all organisation members know what is important for the organisation and what is expected from them. Everybody works under the same clear-structured regime. Waal further points out that, since the assessment and reward criteria are related to the strategic objectives of the organisation, it means that these human resource tools directly support the achievement of the organisational strategy. Therefore, the second hypothesis of this study is:

### **2.2.2 Productivity Management and Measurement**

Human work is unique because of its distinctiveness as well as its purposefulness and consciousness. Any set of activity through which an individual exact energy towards a purpose can be regarded as work. In the process of work all forms of lives sustain themselves in natural environment. In the process of doing this, they all conduct activities made for the purpose of appropriating natural products for their own use.

The first philosophical perspective to work to be examined here is that work is punishment, hardship or forceful. In religion, it is belief that man is sentence to work; this kind of philosophical basis actually influenced our behaviour towards work. We do work reluctantly. Religion has played a major role in the philosophical thought that believed that work is punishment, hardship and unpleasant obligation (Fatile, Akhakpe and Igbokwe-Ibeto, 2012).

The second philosophical basis of work is that some people see work as a duty to fulfill their predestined calling. There is some work where people believe that they have been sent by an invisible hand to perform e.g. pastoral work, priesthood etc. In some organizations, some officials tend to see themselves as predestined to occupy certain position or post and to serve their organisation in a certain way. Such officials tend to be overzealous and they believe they are not answerable to men i.e. they do not see a congruence between human needs and God's needs (Fatile et al, 2012).

The third philosophical perspective of work is that some see work as being central to man. Very early in the morning they are in their offices and they live offices late even when they are on leave. They are said to be workaholics. For instance, as far as culture is concerned, to the Greeks, any work that is manual is rated low, looked down upon while as intellectual work is highly rated among the Greeks. Among the Ibo Nation, work is highly rated and regarded as good, and determines

one's position or social status in the society. In Chinua Achebe's *Things Fall Apart*, the importance of work is substantiated. The Yoruba culture also, has something similar considering most of the wise saying, proverbs and Ifa liturgies (Fatile, et al, 2012).

There are some people who do not like what they are doing while some others like what they are doing and are making millions out of it. In work organizations human behaviour is a joint function of the degree to which that behaviour is instrumental to the attainment of an output and the probability that the outcome will be forthcoming. Secondly, individuals select that behaviour which they perceived as most directly leading to things they want (Vroom, 1964). Consequently, some behaviour may lead an individual to gold mine while some may lead to lion den. A critical analysis of these opinions suggests that Individual's philosophy of work influences their attitude to work as well as performance and productivity.

What is productivity? How is it measured? Productivity refers to a comparison between the quantity of goods or services produced and the quantity of resources employed in turning out these goods or services. It is the ratio of output to input (See Drucker, 1993; Igbokwe-Ibeto, 2011). But output can be compared with various kinds of inputs: hours worked the total of labor and capital inputs, or something in between. The results of these different comparisons are different, as are their meanings; different comparisons are appropriate to different questions. Two main concepts and measurements of productivity are used, but for different purposes.

The first, output per hours worked or *labor productivity*, answers questions concerning the effectiveness of human labor under the varying circumstances of labor quality, amount of equipment, sale of output, methods of production, and so on. The second, output per unit of capital and labor (*total factor productivity*),

measures the efficiency of labor and capital combined. This second measure gauges whether efficiency in the conversion of labor and capital into output is rising or falling as a result of changes in technology, size, and character of economic organization, management skills, and many other determinants. It is more complex and more limited in use.

The first measure, output per hours worked, is the appropriate measure to employ in wage questions. It reflects the combined effect of changes (1) in the efficiency with which labor and capital are used, (2) in the amount of tangible capital employed with each hour of labor, and (3) the average quality of labor. It is these three factors that have been found to best explain the long-term trend in the general level of real wages.

It should be emphasized that labor productivity measures the contributions not just of labor alone, but of all the input factors. In fact, the potential for estimating the contribution of various factors makes measures of labor productivity at various levels appropriate, or inappropriate, for use as wage standards.

### **2.3 Objectives of Performance Appraisal**

In both private and public organizations, performance standard or goals are established at the beginning of each planning period and employees performance at specific intervals are evaluated against attainment of the corporate goal. Performance review is a regular or periodic assessment by an immediate superior of how a subordinate has carried out agreed targets of his job during a period under review (See Fatile, 2010). Performance evaluation is used for several purposes, but the following have been identified:

- 1) It provides judgment to back up salary increase to employees, promotions, transfers sometimes demotion and terminations;

- 2) It provides a forum for telling employees how they are doing and suggesting needed changes in their behaviours, attitudes, attributes, skills and job knowledge;
- 3) To point out employees specific needs for additional education, training and development which will lead to their improved performance and of the overall organizational performance;
- 4) It considers and discusses what improvements are possible;
- 5) To present an excellent opportunity for both the employee and the employee supervisor to express their opinion on job performance;
- 6) To help in making career decision;
- 7) To acknowledge the high performers and motivate high performance;
- 8) To help validate employee selection technique through day-to-day periodical monitoring which helps to ensure that each worker is fit for the job he is hired to do;
- 9) To provide appraisal report which will serve as the basis for job redesigning;
- 10) To enable workers know how their superior view their performance;
- 11) To help improve communication between the superiors and their subordinates in work place; and
- 12) To provide the employer with data that could be used for staff Deployment to serve in greater capacity (See Fatile, 2010; Armstrong, 2009; Bue and Byars, 2005).

#### **2.4 Steps in Appraising Performance**

An often overlooked method for achieving organizational success is an effective performance appraisal. When used effectively, performance appraisal is one of management's most powerful mechanisms for increasing productivity and ensuring that employee activity is directed toward achieving organizational goals. Performance appraisal is merely a method for evaluating an employee's performance. Performance appraisal, by contrast, is an entire cycle that includes

five phases (See Kazemek and Glime, 2006; Nickels et al, 2005). They include the following:

**PHASE I: Establishing Employee Performance Standards:** As a first step in the performance appraisal management cycle, the supervisor and employee review the employee's job duties and responsibilities and the criteria that will be used for performance evaluation. Together, they decide on acceptable standards that will measure the employee's performance at the end of the performance appraisal cycle. To minimize any misunderstandings during the performance review, these performance standards should be observable and measurable. Kazemek and Glime (2006) went further to say that employee involvement in this phase is essential because:

It enhances supervisor-employee communication and minimizes the chances of misunderstandings; it gives the employee an opportunity to express and incorporate his or her career or development goals, thereby enhancing job satisfaction and motivation; it facilitates employee "buy-in," giving the employee a chance to decide whether the performance goals are fair and achievable; and it gives the supervisor and employee an opportunity to discuss any operational or developmental deficiencies that may stand in the way of goal achievement.

**PHASE II: Monitoring Performance:** Once the supervisor and employee have mutually agreed upon the performance expectations, the supervisor must provide frequent, informal feedback for the employee about the progress toward achieving performance goals. Emphasis here is placed on working as a team to achieve performance goals.

**PHASE III: Evaluating Performance:** During the next phase in the performance management cycle, the supervisor and employee separately review the performance expectations that were set for the employee during the planning

phase. The supervisor and employee evaluate employee performance on each criterion. Where performance expectations were not met, the supervisor and employee each identify ideas for resolving those problems.

**PHASE IV: Conducting the Performance Review:** When performance expectations are objective, measurable, and well-defined, there should be little disagreement between the supervisor and employee about which goals were achieved and which were not. This kind of focused performance review helps make the session more comfortable for both the employee and supervisor. The focus of the performance review can then be directed to congratulating the employee for successes in achieving performance goals and to productive and team-oriented problem solving where performance goals were not met.

**PHASE V: Rewarding And Recognizing Performance:** An important aspect of maintaining a successful performance management system is rewarding and recognizing employees for goal achievement not only through promotions and salary adjustments, but also through special reward and recognition ceremonies and even simple public congratulations (memos, informal communications). When rewards are explicitly tied to certain predetermined performance goals, then motivation, job performance, and productivity are enhanced. Thus, Performance management differs significantly from simple performance appraisal. Performance management is a system designed not only to measure performance, but to improve it.

The key to designing a successful performance management system involves first defining specific operating goals for the bank. This may involve re-evaluation of the organization's mission and strategic direction. Then, departmental goals are developed and tied to the performance goals of each employee. This ensures communication of the organization's mission, goals, and strategic direction through the performance management system and directs employees' energy toward achieving organizational managing day-to-day employee performance.



Managing employee performance every day is the key to an effective performance appraisal system. Setting goals, making sure your expectations are clear, and providing frequent feedback help workers perform most effectively (Kazemek and Glime, 2006).

## **2.5 Methods of Performance Appraisal**

Performance appraisal is an evaluation in which the performance level of employees is measured against established standard to make decision about promotions, compensation, additional training or firing. The following according to Bue and Byars (2005); Gold and Mumford (2004), are some of methods of performance appraisal:

**Rating Scale Method:** The rating scale is method is commonly used. It is the method of appraisal where employees are rated on a scale against certain characteristics such as excellent, very good, good, satisfactory, fair and poor. Rating methods of appraisal often ends to cluster in the middle that is between excellent and poor.

However, rating methods also has a halo impact that is, on graded characteristics is likely to influence another. This is because any performance factor considered by management to be acceptable, the manager reiterates the required standards and agreement is reached on steps to improve performance or if an appraisal rates work knowledge as very good, it will be difficult for him to rate work output as poor. The rating has thus been found to be an inappropriate method unless the rating characteristics have been adequately explained.

**Essay or Descriptive Method:** This system of appraisal requires the appraiser to write a brief narrative essay describing the employee's performance, his achievement and failures, that is, his strength and weaknesses. The main advantage with this method is that, the appraiser is free to write a detailed assessment of the appraisee. However, the limiting factor here is that, if the

appraiser has not got control over the language he is using to conduct the appraisal, as result he may not be able to give fair assessment of the employee being appraised. If the appraisee is not highly favoured by the appraiser, they later may live information which may be detrimental to appraise.

**Critical Incidents:** The appraiser simply records about favourable and unfavourable incidents or actions occurring in an employee's work. The manager writes down any employee's action that affects the department's effectiveness positively or negatively. This provides a useful data in employee's appraisal.

**Forced Distribution:** Here, the appraiser is required to classify the employee's in the work place in group into a limited number of categories which resembles normal frequency distribution, for instance, employees in the top 10 percent are placed in the highest group, the next 20 percent are placed in the next highest group, followed by the next 40 percent which is in the middle group and the next 20 percent in the next group, and the next group and the remaining 10 percent in the next category (Fatile, 2010).

**Ranking and Paired Comparison:** Ranking method of performance review requires the appraiser to simply rank employees in a group on the basis of their overall performance. The best employee in the department will be ranked number one while the poorest will be ranked the lowest. Paired comparison involves comparing the performance of each employee with every other in the group. Thus, it is an extension of ranking method.

**Forced-Choice and Weighted Checklist Performance Report:** In this method, the form used includes questions related to employee's behaviour and the appraisee answers each question either positively or negatively. That is, the rater is forced to choose among three or four statements, the one that best described the employee's and the one that is least descriptive.

**Management by Objective (MBO):** This method is based on the principle of management by objective where the appraiser and the appraisee lay down standards or target to be achieved. Appraiser's actual performance is measured against the standards or target set at the end of a specific period. This system serves as motivation to influence appraisee to achieve the target or standard set because it is noted to raise the morale of employees and for that matter the appraisee since he is involved in the whole processes of appraisal.

### **2.5.1 Instruments of Performance Appraisal**

Prior to the publication of Udoji's Report, the Confidential Reporting System was the appraisal instrument in use throughout the public sector in Nigeria. Since 1975, the Open Reporting System has been introduced.

**Annual Confidential Reporting System:** The annual confidential reporting system was in use in Nigeria in the colonial period for two purposes: To reward employees in form of promotion and secondly, to punish employees by way of demotion or stagnation.

The Confidential Reporting System has been criticized in recent years for creating a lot of loopholes because; it bases the success or failure of subordinates on the whims and caprices of superior officers rather than on fair and objective assessment of job performance.

The Open Reporting System (ORS): Unlike the Annual Confidential Reporting System which lay much emphasis on assessing the employees' character traits rather than their contribution to the system, the open reporting system is intended to stress the ability and achievement of all members of the organization against agreed target rather than on their personal traits. The open reporting system is grounded in Management by Objectives. Due to the tendency of some reporting officers to use the confidential reporting system as an instrument of victimization,

the confidential reporting system has been dropped for the Open Reporting System (See Eneanya, 2009).

However, since its adoption, many organizations have been experiencing difficulties in implementing the Open Reporting System (Fatile, 2010). Today, all officers including mediocre have outstanding reports. The reasons for this, is that supervisors want to be seen by their subordinates as being kind and few have the courage to call spade a spade

## **2.6 Errors in Performance Appraisal**

Several errors have been identified in performance appraisals, these according to Armstrong (2009); Bue and Byars (2005) include:

**Leniency:** There are some rating supervisors who tend to overrate their subordinates. The reason for this may not be unconnected with the fact that the appraiser may want to avoid antagonizing their subordinates, particularly those with strong personality.

**High Handedness:** Managers have been accused of high handedness with the employees. Such managers usually take the undue advantage of appraisal to victimize their perceived enemies.

**Bias and Prejudice** is another pitfall to avoid in performance appraisal. The appraisal may be influenced by the fact that the appraisee belong to a particular party, religion or ethnic group. All these should not have any bearing on appraising the worth of an employee to the organization.

Some appraisers who can be described as "perfectionist bosses" set standards too high and expect their subordinates to be supermen. Many appraisers find it difficult to give a high rating to anyone. However, it is important to note that appraisals that are too unfavourable are just as unfair as those that are too favourable.

Yet, there is a serious misconception that appraisers who are charged with the responsibility of conducting appraisal have mastered the skills required in the process. However, many appraisers lack the skills and the necessary training and experience to handle performance appraisal effectively.

Another criticism of the performance appraisal method is that many appraisal methods lack objectivity: To emphasize objectivity, there is need to de-emphasize personal characteristics while job related factors are being promoted.

Experience have also shown that in many organizations, employees have not provided with the necessary where-withal, i.e. the enabling resources in terms of materials, tools and equipment, money, labour etc they require for effective job performance. In situations like this, there may be no realistic appraisal for such employees.

**The Halo Effect:** This occurs when managers allow a single prominent favourable or unfavourable trait or characteristic of employees to influence their judgment on each separate item on the performance appraisal. This often results in the employee receiving approximately the same rating on every item. Personal performance, prejudice and biases can also cause error in performance appraisals. Managers with prejudices or biases tend to look for employee behaviour that conforms to their biases. Appearances, social status, dress, race and sex have influenced many performance appraisals. Managers have also allowed first impressions to influence later judgment of an employee. First impressions are only a sample of behaviour however; people tend to retain these impressions even when faced with contradictory evidence.

### **2.6.1 Overcoming Errors in Performance Appraisal**

Bue and Byars (2005) again gave some promising approach to overcoming performance appraisals is to improve the skills of managers. Suggestions on the specific training for managers are often vague, but they usually emphasize that

managers should be given training to observe behaviour more accurately and judge it fairly. Training for managers training should include: the performance appraisal methods of the company; the performance of managers' role in the appraisal process; the use of performance appraisal information; and the communication skills necessary to provide feedback to the employees.

## **2.7 Legal Aspect of Performance Appraisal**

According to Bue and Byars (2005), performance appraisal systems are not considered to be legal when their application results in adverse effects on employees. It is not practical to provide an exhaustive analysis of the legal implication of performance appraisal as may vary from one state or country to another. Many suggestions have been offered to make performance appraisal system more legally acceptable. They include: Ensuring that the results of the appraisal are communicated to employees; emphasizing work behaviour rather than persona traits; performance appraisal should not be used to discriminate against employees on the basis of race, religion, age gender, disabilities, pregnancy or sexual preferences; ensuring that employees are allowed to give feedback during the appraisal interview; appraisal should be balanced, thus recording information on both good and bad aspects of employees' performance; performance appraisal should be consistent with personal decisions; an employee should have the opportunity to comment on their appraisal results, express their agreement or otherwise; and performance should be written, documented and retained.

## **2.8 Theoretical Framework**

According to Chukwuemeka (2002), theoretical framework is a broad umbrella made up of theoretical postulations (theories, perspective, models or paradigms) that researchers or writers can utilize as guides for understanding and analyzing the reality of a phenomenon under study. Theories are essential tools which the researcher uses in shedding more light on the possible relationship between

various variables that appear to have logical connection. An examination of the above submissions reveals that, theoretical framework is not just a description of theories existing in a particular field, but it is rather an application of a relevant theory to guide a research endeavour.

The following three theories underpinning performance appraisal have been identified by Buchner (2007). They include Goal theory which was developed by Latham and Locke (1979), the theory highlight four mechanisms that connect goals to performance. These he listed as:

The direct attention to priorities; the stimulate effort; the challenge people to bring their knowledge and skills to bear to increase their chances of success; and the more challenging the goal, the more people will draw on their full repertoire of skills. This theory underpins the emphasis in performance management on setting and agreeing objectives against which performance can be measured and managed

The second theory focuses attention on feedback as a means of shaping behavior. As people receive feedback on their behavior they appreciate the discrepancy between what they are doing and what they are expected to do and take corrective action to overcome the discrepancy. Feedback is recognised as a crucial part of performance management process.

The third theory was developed by Bandura (1986). It is based on his central concept of self-efficacy. This suggests that what people believe they cannot do powerfully impacts on their performance. Developing and strengthening positive self-belief in employees is therefore an important performance management objective.

## **2.9 Summary of the Chapter**

The concept of performance appraisal as captured by scholars and social commentators has been espoused with an attempt at clarifying the intellectual

discussing the issue performance appraisal. Also, the different theories on the concept of performance appraisal have been examined as postulated by scholars. An attempt has also been made to establish the nexus between performance management, performance appraisal and employee's performance and productivity with Central Bank of Nigeria as a case study. The organization under study was also examined with a view to identifying its performance management strategies as well as the structural organogram with the functions that each department is statutorily assigned to performance.

Searchlight was also beamed on the theoretical framework for a better understanding of the concept under consideration. Some of the schools of thought on performance management and employee appraisal as examined under this chapter include those enunciated by Buchner, Bandura, Latham and Locke among others.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The application of a proper and well organized scientific research procedure and methodology to large extent determines the success of any research undertaking. For the purpose of this study, this chapter chronicles detailed research procedures and methods adopted by the researcher to produce the needed data with which to take pertinent statistical decisions. The importance of this is that it explains in detail the procedures in arriving at the inference of the study as well as to enable other researchers/readers to know the procedures and methods followed in arriving at the research findings.

#### **3.2 Research Design**

After our research problem is clarified, our variables selected and hypotheses listed; what we need is research design. A research design enables us to test our hypotheses successfully. Research design is a specification of the structure and strategy for investigating the relationship among the variables of under study (Asika, 2002). Research design serves as a guide to the researcher at various stages of his or her research work.

The most common method of generating primary data is through survey (Zikmund, 2000). Survey is the best method to study a population too large to observe directly for descriptive, exploratory or explanatory studies (Chukwuemeka, 2002). Careful sampling of respondents and structured questionnaires provide data in the same form from all respondents. Thus, because of the need to generate primary data to achieve the objectives of this study, survey research was adopted with focus on the opinion and factual information.

Survey obtains information from a defined population of people. Typically, they are based on questionnaires but they can provide more powerful data than other methods by using a combination of questionnaires and interviews. Based on this, questionnaires were administered to the sample population and interviews also conducted. The interviews are structured and semi-structured. The structured interview ensure that every topic is covered and minimizes variations between respondents, while the semi-structured interview enables the interviewer to phrase questions and vary them in order to suit the special characteristics of each interviewee (Armstrong, 2009). This is to allow answers to be reliably aggregated, so that comparison can be made with confidence between sample sub-groups.

Questionnaires are frequently used as a means of gathering information on matters of fact or opinion. The questionnaire is divided into two sections i.e. biographical data section which deals with issues on sex, age, gender, marital status, grade levels, educational qualification etc and the operational data which deals with the substantive issues of the survey/study.

This researcher used a variety of methods, namely closed (fixed-alternative) questions that require a  $\pm$ Strongly Agree,  $\pm$ Agree,  $\pm$ Undecided,  $\pm$ Disagree, and  $\pm$ Strongly Disagree ranking in an order of importance or value, or the Likert scales. The latter named after Rensis Likert the US sociologist who invented them, ask respondents to indicate the extent to which they agree or disagree with the statement (Armstrong, 2009). The questions were arranged both in closed and open ended type; this gives the researcher vital information that may not be obtained from records.

To investigate the problems of inefficiency and ineffective performance appraisal in the Nigerian public sector, this research employed the descriptive survey method. This method was used because the study was interested in finding the

meaning and to obtain an understanding of the problem being investigated without any attempt to manipulate or control the sample subjects.

In addition, this study adopted the case study method. Kumekpor (2002) observes that case studies provide precedence as well as a source of reference for future cases. It also helps track the root cause of an issue or problem to a number of, hitherto, unsuspected factors and may result in probing into real meanings of phenomenon likely to be otherwise overlooked. Case studies also help in developing analytical and problem solving skills and allows for further exploration of solutions for complex issues. The method is also useful for research, especially in cases where the subject matter is of a unique nature rather than the normal or expected conditions. Because of the usefulness of the case study method, as enumerated above, the uniqueness of the circumstances of Nigerian Public sector, and the fact that there is no clear single set of outcome on how specific Human Resources practices impact on performance, the case study method of data collection was used for this study.

### **3.3 Population of Study**

The target population or universe of this study comprised the entire staff of Central Bank of Nigeria, the actual size of the service could not be determined at the time of this study but it was estimated to be about three thousand two hundred (3,200), workforce.

### **3.4 Sample Size and Sampling Techniques**

Due to the effects of some environmental factors which have negative impact on the research planning, design and implementation, it becomes necessary to limit the study to a sample. For instance, the huge amount of money involved in administering questionnaires to the randomly selected respondents from Central Bank of Nigeria (CBN), Enugu Zonal Office.

Also the time of data collection organization and analysis of data collected, interpretation of the results and implementation of the recommendation. The foregoing made it compulsory to limit the study to a sample made up of Central Bank of Nigeria, Enugu Zonal Office.

As the size of the population is too large for the researcher to cover within limits, the simple random sampling method was used to draw the samples of eighty (80) respondents Central Bank of Nigeria, Enugu. This method was employed in order to have representation of various categories of the grade levels because the population does not constitute a homogenous group (Kothari, 2004). The characteristics for the sampling process were based on the surveyed bank. The sample design was influenced by the staff strengths of various grade levels in the service since the size decreases progressively as the grade levels increases.

### **3.5 Data Collection Instruments**

Basically, there are two major sources of data collection available to this research. These are primary and secondary data. The instrument for collecting primary data was through the use of questionnaires and interviews, closed ended questionnaires to be precise, where questions are structured in line with the research hypotheses and other relevant questions in the research study.

The advantages of using Questionnaire includes: It is less expensive and captures the attention of respondents easily; it stimulates the subject interest in the question and requires fewer skills to administer; it saves the time and effort of, as it can be administered to many respondents at a time and reduces respondent's resistance to respond; the anonymity of respondents has a better chance of being guaranteed; it permits greater uniformity in measurement; questionnaire generates data that can easily be coded, scored and analyzed statistically; and the response rate use to be high because of its convenience and guarantee of anonymity especially the mailed questionnaires while the advantage of using interview includes: Information

gathered is likely to be more correct than that collected through questionnaire since it involves face-face interaction; it yields a high percentage of returns since most people can be reached and are likely willing to respond to questions asked and; delicate situation for example, asking sensitive and irrelevant questions can be hard or impossible in an interview situation. To supplement the data from primary source, some information were collected through secondary/library source. Thus, secondary materials were sourced from academic lectures on the subject matter. This served as background materials.

The survey covered published books, assorted journal publications, bulletins, newspapers publications, periodicals, circulars, diaries, pamphlets, and internet as well as radio and television reports. The information, derived from library and documentary research was utilized in writing the first two chapters which are basically theoretical and historical. Chapter three, which is the chapter on methodology, was written based on the data collected from questionnaire survey and interview instruments. Chapter four which is basically analytic was based on the questionnaire. Chapter five provides conclusion and offer recommendations for the study. These sources of data were documented in the references.

### **3.6 Administration of Data Collection Instruments**

The instrument for this study is the questionnaire and interview. Questionnaire and interview are inexpensive way to gather data for potentially large number of respondents like one at hand. It is the only feasible way to reach a large number of interviewee large enough to allow statistical analysis of the result. The questionnaire for the survey was designed to elicit information relating to the objectives of the study.

It also provides an opportunity for respondents to give frank, anonymous answers on certain questions they consider sensitive in the sense that their expressed opinion might run contrary to the views of the ðpower that beö.

The questionnaire assessed the impact performance appraisal in Central Bank of Nigeria. The elicited responses from the respondents provide relevant data for the analysis of how performance appraisal impact on job performance and productivity in the organization under study.

The fixed choice or close-ended questionnaires were used but the danger in the fixed-choice approach adopted by social psychologists like Thurstone and Likert is that it is overly restrictive. This is because it compels respondents to compress a variety of opinions into a single alternative which may not exist in reality. This weakness was however minimized with conscious attempt at moderation in the design of the questionnaire.

A brief explanation of the purpose of the research was given in a covering letter attached to questionnaire given to respondents so that they would be at ease when answering these questions. This made the respondents to give adequate, honest and accurate information which contributed immensely to the success of this work. The instrument comprises twenty (26) items designed to measure the attributes of the subjects as specified by the purpose of the study. This piece of data was collected using Likert scale ranging from strongly agreed (5) to strongly disagreed (1), indicating varying degree of responses on the impact of performance appraisal on productivity. A Likert scale was chosen for this research because Likert scales are widely used in social and management science research, and have been substantially used and tested in social and management science literature. The questionnaires were made up of five scales as shown below:

SA	=	Strongly Agree	5
A	=	Agree	4
UN	=	Undecided	3
D	=	Disagree	2

SD = Strongly Disagree 1

The respondents were expected to rate the items according to the extent to which they agree or disagree with the underlying attributes under measurement.

To elicit the co-operation of the respondents, the nature and purpose of the study were made known to the respondents, and anonymity was assured. The design of the questionnaire was simple and respondents-friendly. The questionnaires were personally administered by the researcher. He requested for days when he would come round to collect the answers. A reasonable time was given to the respondents to answer the questions after which the questionnaires were collected on the spot, while a few were left with respondents and the researcher called several times to collect them. It was discovered that of the respondents did not encounter difficulties in supplying the needed information in the questionnaire but a few that requested for explanations were assisted accordingly. Such explanation helped in no small measure in getting the desired responses.

In all, total of eighty (80) copies of questionnaire of twenty-nine (26) items each were produced and administered for the study (see appendix 1). These were distributed to the CBN staff both senior and junior cadre.

Three (3) ad-hoc staff was recruited for the purpose of questionnaire administration. Three (3) staff ó one assigned to each of the three departments i.e. Department of Administration and Personnel Management, Department of Finance and Supplies and the Department of Research and Statistics. One of them to administer for each department, all located at the CBN Zonal Office. The researcher played the role of a coordinator. Consequently, a one day orientation course was organized by the researcher prior to the actual exercise. The questionnaires were administered personally by the researcher and the ad-hoc staff in order to gather information from the employees.

The rationale for using self administered questionnaires was to allow the respondents to answer at their own pace without taking them away from their work. The questionnaires were designed in a reasonable and adequate form in order to elicit the correct responses from the sample subjects. Towards a successful administration of the questionnaire, the respondents were persuaded and their candid assistance solicited. In spite of this, the researcher was still unable to get hundred percent response rates.

### **3.7 Validity and Reliability of Data Collection Instruments**

Validity of data refers to the extents to which the data measures what it is intended to measure. Validity as the degree to which a measuring instrument measures what it is designed to measure. Therefore, validity can be defined as the characteristics used to describe research which measures what it claims to measure while reliability refers to the consistency of the methodology and it can only be reliable if it measured the expected results. In determining the validity and reliability of the data collection instrument, the instrument guides was passed to some professional colleagues, intellectual giants and my project supervisor to assess the suitability and make necessary corrections. Therefore, the validity of the research instrument is determined by content validity (content validity is the degree to which a test measures all it was designed to measure).

Reliability of research instrument simply means the degree to which the instrument consistently measures what it intend to measure. This study therefore employed the test-re-test method to assess the survey instrument in which the same measuring instrument is applied in taking two separate measurement on the same elements at different times using the same methods. The objective was to make or access the validity and reliability of the instrument. To complement the questionnaires, field notes from observations and face-to-face interview by the researcher were triangulated with the quantitative findings to identify the vital



explanatory problems affecting effective performance appraisal in light of the literature review.

### **3.8 Procedure for Data Collection and Analysis**

During the administration of the questionnaire as emphasized during the training, the following aspects were strictly adhered to: (1) Maximum spread of distribution in designated offices. (2) Person-to-person delivery and collection and (3) Confidentiality. In order to ensure the success of the exercise and maximum coverage, the researcher administered in areas over looked. The researcher performed the role of a coordinator and subsequently collected all responses to the questionnaire. The researcher also conducted personal interviews with key officials and administered the questionnaire to them.

The study adopted the simple percentage statistical method of analyzing the responses on the various elements of performance appraisal in the study area. Simple percentage entails using the diverse response or answer from respondents in categorizing them and thereby drawing the represented percentage for each of the group. This is done in a tabular form and the response is analyzed based on this percentage.

This is given by the formula:

$$S/n * 100/1$$

Where: S = response figure

n = sample size

Similarly, in order to test the hypotheses and establish the degree of dependence or independence of the variables under consideration, the chi-square statistical technique was used for this purpose. Chi-square test is a very versatile statistical technique which is of wide applicability. Chi-square test is an inferential statistics and a non-parametric technique used as a tool for establishing the degree of

association or relationship between two variables. When changes in one variable can cause a change in another variable, the two variables are said to be related, dependent or correlated. Joe (in Chukwuemeka, 2002) contends that in inferential statistics, one does not work with all individuals (entire population) but with selected representatives or sample of the population.

Data are collected from the sample, analyzed and interpreted, and conclusions are drawn about that population on the basis of observation made from the sample. Inferential statistics therefore provides the means for evaluating relationship that exist within the data collected from a sample of the population. Indeed, chi-square test uses a statistical formula to assess the degree of agreement between the values actually obtained and that expected under a particular hypothesis. This is given by the formula:

$$X^2 = \sum \frac{(fo - fe)^2}{fe}$$

Where:

$\hat{U}$  = Summation notation

$X^2$  = Chi-square distribution

**fo** = The observed frequency or actual number

**fe** = The expected frequency or expected number

The results were later used to draw deductions and conclusions on the subject matter of study in the concluding chapter.

### **3.9 Limitations of the Methodology**

Every research method has its limitations; some of the limitations of methods adopted here include the following: In using survey method which the study adopted, it may not be feasible to cover the whole population (sampling frame)

which makes sampling necessary. Sampling can produce varying degrees of error depending on the size of the sample. However, statistical techniques can be used to establish sample errors and confidence limits (Armstrong, 2009). Random sampling which we adopted for this study is not necessarily a perfect sample since there is a remote chance of the sample exhibiting a given relationship.

The shortcomings of using questionnaire include: (a) possibility of poor response or non completion of some parts of the question by respondents. (b) The success of postal or mailed questionnaire hinges on the efficiency of the postal service. In Nigeria, this cannot be said to be too encouraging. (c) It requires skills and experience in drafting to avoid misleading and ambiguous questions. It is also restricted to literate respondents only. (d) It does not apply to illiterate members of the population. (e) When worded ambiguously or in a sophisticated and complex manner, respondents may be misled; hence response could be unreliable. (f) Questionnaire may produce opinions that are shallow or superficial due to lack of opportunity to probe deeper into the motives behind and beyond the responses given. (g) Structured questions may restrict the choice of answers thereby forcing opinions on respondents; and (h) Open-ended (unstructured) questions are difficult to code and analyze (Okoro, 2002).

Yet, another limitation was the uncooperative attitudes of some respondents and the (4) questionnaires that were not returned and the 2 questionnaire with invalid responses. Despite the fact that the questionnaire was simple and direct, some were not answered properly; notwithstanding that the respondents were assured of confidentiality of information obtained, and shall be used purely for academic purpose. Consequently, one of the shortcomings of the simple percentage of data analysis is that it is prone to presenting spurious outcome (Chukwuemeka, 2002). Because of this, we used simple percentage only for the purpose of data presentation.

There was also lack of cooperation on the part of some of the respondents. It took time to convince them that the exercise was entirely academic. Many of them collected the questionnaire blanks and return it the way it was handed over to them claiming that some of the issues mentioned in the questionnaire is a sensitive one. Notwithstanding, most of the respondents cooperated and rendered necessary assistant to the researcher. All the above constitute the limitations of the methodology; however, they did not have any adverse effect on the reliability and validity of this research findings, as all necessary efforts were made by this researcher to minimize the errors.

In summary, this chapter attempted a methodological approach to the study. The chapter also established both primary and secondary sources for data collection in the study. Finally, the instruments for the analysis and interpretation of the data generated in this study were provided.

## **CHAPTER FOUR**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 Introduction**

This chapter is centered on the presentation, analysis and interpretation of data gathered. The analysis of the data was based on the data collected from the respondents to the questionnaire, which helped to unravel the impact of performance appraisal on employees' productivity in organisations.

The questionnaire forms, which consisted of twenty-six questions, were administered on different levels of staff both the top management, senior officers and junior staff respectively. Eighty (80) copies of the questionnaire were distributed, seventy-six (76) respondents returned their forms representing 95 percent responses, out of which (74) was valid for use. The inferential statistics of chi-square was used to test the stated hypothesis of the study. The chi-square is a non parametric test of significance. It is used in comparing actually observed frequency with the frequency expected. The findings are presented in the tables for easy comprehension, explanation and decision-making.

#### **4.2 Respondents' Characteristics And Classification**

This section covers the socio-demographic data of the respondents such as sex, age, marital status, length of service, grade levels, religion, official status as well as education qualification were asked, analyzed and interpreted. It contains seven (7) questions in all.

## Section A: Socio-Demographic Of Respondents

**Table 1: Sex Classification of Respondents**

Options	Frequency	Percent
Male	53	71.6
Female	21	28.4
Total	74	100.0

Sources: Field Survey March, 2012

The sex column explains that 71.6 percent respondents were male while 28.4 percent were female. This indicates that men are more than women in the study population. The bank is not gender sensitive.

**Table 2: Age Classification of Respondents**

Options	Frequency	Percent
20 years & below	5	6.7
21-30 years	12	16.2
31-40 years	21	28.4
41-50 years	26	35.1
50 & above	10	13.5
Total	74	100.0

Sources: Field Survey March, 2012

The age distribution indicate that 6.7 percent respondent are age 20 and below; 16.2 percent are in the age bracket of 21-30 years, 28.4 percent are between age 31-40; 35 percent falls in-between age 41-50; age 50 and above represent 13.5 percent of respondents. We could categorically state that majority of the work force falls between 21-40 years and these are the most active years of average workforce life.

**Table 3: Marital Status of Respondents**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
Single	26	35.1
Married	41	55.4
Divorced	7	9.5
Total	74	100.0

Sources: Field Survey March, 2012

Here the marital status column indicates that 35.7 percent of the respondents are still single; 55.4 percent are married and only 9.4 percent are divorcee. This shows that majority of the study population are married, thus, the organization will be witnessing stability.

**Table 4: Respondents Length of Service**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
5 years & below	17	22.8
6-10 years	10	37.8
11-15 years	13	17.6
16-20 years	28	13.5
21 years & above	6	8.1
Total	74	100.0

Sources: Field Survey March, 2012

In the column that explain length of service, 22.8 percent has put in only 5 years and below in the service; 13.5 percent respondents have put in between 6-10 years in the service while 17.6 percent respondents served for between 11-15 years; and 37.8 percent represents those who have put in between 16-20 years; the percentage of those who served 21 years and above is 8.1 percent. This indicates that majority of the workers have put in between one to ten years in the service of the organization.

**Table 5: Respondents Official Status**

<b>Options s</b>	<b>Frequency</b>	<b>Percent</b>
GMs/MGRs//MGRs	5	6.8
Librarians	3	4.0
Accountant	7	9.5
Admin Officers	16	21.6
Statisticians	8	10.8
Secretaries	6	8.1
Chief typist	7	9.5
Chief Clerical Off.	14	18.9
Clerical Assistant	8	10.8
Total	74	100.0

Sources: Field Survey March, 2012

With regards to official status column, the number of directors, deputies and assistant directors is 6.8 percent, Librarian respondents is 4.0 percent. The Accountants respondents are 9.5 percent and the Administrative Officers are 21.6 percent. Statisticians are 10.8 percent. Secretary cadre respondents are 8.1 percent while Chief Typist 9.5 percent of the respondents; Chief Clerical Officers are 18.9 percent and Clerical Assistant 10.8 percent. The above table reveals that all cadres of staff are all represented in the study population.

**Table 6: Education Qualification of Respondents**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
Postgraduate Degree	7	9.5
1 <sup>st</sup> Degree/HND	40	54.0
NCE/OND	17	22.8
WASC/SSCE/NECO	7	9.5
FSLC	3	4.0
Total	74	100.0

Sources: Field Survey March, 2012

In the education qualification column we observed that 9.5 percent of the respondents hold postgraduate degree while 54.0 percent of the respondents have



their 1<sup>st</sup> Degree/HND. The NCE/ND holders are represented by 22.8 percent of the total respondents while 9.5 percent of the respondents are WASC/SSSCE/NECO holders and lastly only 4.0 percent are FSLC holder. This analysis shows that majority of the workers are skilled.

**Table 7: Salary Grade Levels of Respondents**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
JS1-JS4	7	36.5
SS7-SS4	35	47.3
SS3-SS1	27	9.5
M6 and above	5	6.8
Total	74	100.0

Sources: Field Survey March, 2012

In the salary grade column, 9.5 percent are between salary grade level JS1-JS4; 47.3 percent are between salary grade level SS7-SS4 and SS3-SS1 is 36.5 percent while level M6 & above is 6.8 percent this are the Directorate level. This means that majority of the workers falls in between the middle management cadre.

#### **4.3 Presentation And Analysis Of Data According Research Questions**

This is the section of the questionnaire that analyzed the research questions and research objectives. The questions try to find out the respondents reactions to the impact of performance appraisal on organizational productivity. The section contains 19 close ended questions. **Please Note:** The abbreviations here stand for: **SD** Strongly Disagree, **D** Disagree, **U** Undecided, **A** Agree and **AS** Strongly Agree.

**Table 8: Level of Performance and Productivity in CBN is very high**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	0	0
D	4	5.4
UN	3	4.0
A	27	36.1
SA	40	54.1
Total	74	100.0

Sources: Field Survey March, 2012

From the above table, 5.4 percent strongly disagreed and disagreed that the level of performance and productivity in CBN is very high with 4.0 percent undecided while 90.2 percent agreed and strongly agreed with proposition. We therefore conclude that majority of the respondents agree that the level of performance and productivity is very high organization.

**Table 9: Public Sector Manager Utilize Performance Appraisal**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	2	2.7
D	7	9.5
UN	10	13.5
A	33	44.6
SA	22	29.7
Total	74	100.0

Sources: Field Survey March, 2012

From the above table, 16.2 percent strongly disagreed and disagreed that public managers utilize performance appraisal method, with 13.5 were undecided, with another 74.3 percent agreed and strongly agreed with the position. The response shows that majority of the respondents were of the opinion that public sector managers utilize performance appraisal system.

**Table 10: CBN Conduct Performance Evaluation**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	5	6.8
D	7	9.5
UN	13	17.6
A	30	40.5
SA	19	25.7
Total	74	100.0

Sources: Field Survey March, 2012

From the above table, 16.3 percent strongly disagreed and disagreed that CBN often embark of performance appraisal with 17.6 percent undecided; while 66.2 percent supporting agreed and strongly agreed. The response has shown that Central Bank of Nigeria conducts performance appraisal.

**Table 11: Performance Appraisal in CBN is Result-Oriented**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	19	25.7
D	9	12.2
UN	7	9.5
A	15	20.3
SA	24	32.4
Total	74	100.0

Sources: Field Survey March, 2012

From the above table, 37.9 percent strongly disagreed and disagreed that performance appraisal in CBN is result-oriented with 9.5 percent being undecided while 52.7 percent agreed and strongly agreed that it is result-oriented. It is imperative that most of the respondents are of the view that the performance appraisal in CBN is result-oriented.

**Table 12: Performance Review leads to Efficiency and Effectiveness**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	5	6.7
D	16	21.6
U	2	2.7
A	29	39.2
SA	22	29.7
Total	74	100.0

Sources: Field Survey March, 2012

From the above table, 28.3 percent strongly disagreed and disagreed that performance appraisal leads to employee and organizational efficiency and effectiveness; with 2.7 percent undecided, while 68.9 percent agreed and strongly agreed with the proposition. The analysis indicates that majority of the respondents are of the view t performance appraisal leads to employee and organizational efficiency and effectiveness. This is an advantage in the achievement of organizational goals.

**Table 13: There is no Significant Relationship between Performance Appraisal and Productivity**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	2	2.7
D	21	28.8
U	6	8.1
A	27	36.5
SA	18	24.3
Total	74	100.0

Sources: Field Survey March, 2012

From the above table, 31.5 percent strongly disagreed and disagreed that there is no significant relationship between performance appraisal and productivity; with 8.1 percent undecided, while 60.8 percent agreed and strongly agreed with the

proposition. The responses here, reveals that there is no significant relationship between performance appraisal and productivity in organizations.

**Table 14: Productivity is not dependent on Effective Performance Appraisal**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	9	12.7
D	30	40.5
UN	12	16.2
A	13	17.6
SA	10	13.5
Total	74	100.0

Sources: Field Survey March, 2012

An analysis of the above table reveals 53.2 percent strongly disagreed and disagreed that productivity is not dependent on effective performance appraisal; with 16.2 percent being undecided while another 31.1 percent favoured agreed and strongly agreed. The responses here, reveals that employee productivity is dependent on effective performance appraisal in organizations.

**Table 15: Training and Development is very relevant**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	3	4.1
D	2	2.7
U	0	0
A	22	29.7
SA	47	63.5
Total	74	100.0

Sources: Field Survey March, 2012

An analysis of the above table reveals, 6.8 percent strongly disagreed and disagreed that training and development is very relevant in the achievement of organizational goals; while undecided attracted 0 percent, with another 93.2 percent who agreed and strongly agreed the statement. With the above response, we conclude that training and development is very relevant in the achievement of organizational goals.

**Table 16: There is no Correlation between Appraisal and Attitude to Work**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	19	25.7
D	33	44.6
UN	3	4.1
A	12	16.2
SA	7	9.5
Total	74	100.0

Sources: Field Survey March, 2012

An analysis of the above table reveals, 70.3 percent strongly disagreed and disagreed that there is no between performance appraisal and attitude to work; with 4.1 percent undecided, while 25.7 percent agreed and strongly agreed with the proposition. The above responses, reveals that there is a between performance appraisal and attitude to work. This has a positive implication on the administrative efficiency and productivity of the bank.

**Table 17: Internal Environment is Conducive**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	7	9.5
D	20	27.0
UN	6	8.1
A	11	14.9
SA	30	48.6
Total	74	100.0

Sources: Field Survey March, 2012

An analysis of the above table reveals, 36.5 percent strongly disagreed and disagreed that the internal environment of Central Bank of Nigeria is conducive employee performance, with 8.1 percent being undecided while 63.5 percent agreed and strongly agreed that the organizational climate is conducive for performance. The above responses indicate that CBN environment is conducive for optimum employee performance.

**Table 18: There are In-Service Training and Development**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	8	10.8
D	17	22.1
UN	7	9.5
A	29	39.2
SA	13	17.6
Total	74	100.0

Sources: Field Survey March, 2012

A closer look on the above table reveals 32.9 percent respondents strongly disagreed and disagreed that there is in-service training and development for staff of Central Bank of Nigeria (CBN), with 9.5 percent being undecided, while 56.8 percent agreed and disagreed with the statement. The responses reveal that organization under study in-service training and development for staff.

**Table 19: Factors Impeding Effective Performance Appraisal**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	9	12.2
D	27	36.5
UN	3	4.1
A	10	13.5
SA	25	6.8
Total	74	100.0

Sources: Field Survey March, 2012

An analysis of the above table reveals, 12.2 percent opined pressure of work, majority 36.5 percent favoured hoarding of information, 4.1 percent agreed with ineffectiveness of information, 13.5% said unnecessary delay with another 27.0 percent supporting all the above while 6.8 percent were undecided. The responses here, reveals that all the above listed factors are responsible for poor information processing.

**Table 20: There are Incentives for Hard Work**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	13	17.6
D	18	24.3
UN	14	18.9
A	20	27.0
SA	9	12.2
Total	74	100.0

Sources: Field Survey March, 2012

A study of the above table reveals, 41.9 percent strongly disagreed and disagreed that there are incentives for hard working staff in CBN, with 18.9 percent being undecided, while 39.2 percent agreed and strongly agreed that with the position. The responses show that there are incentives for hard working staff in CBN.

**Table 21: Labour - Management Relations is very cordial**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	12	16.2
D	10	13.5
UN	9	12.2
A	30	40.5
SA	13	14.9
Total	74	100.0

Sources: Field Survey March, 2012

A careful analysis of the above table reveals, 29.7 percent strongly agreed and agreed s, with 12.2 percent being undecided, while 55.4 percent agreed and strongly agreed that labour-management relationship in CBN is very cordial. The responses show that there are good labour-management relations in the organization.

**Table 22: Productivity is not dependent on Employees' Satisfaction and Performance**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	16	21.6
D	34	45.9
UN	1	1.1
A	5	6.75
SA	9	12.2
Total	74	100.0

Sources: Field Survey March, 2012



A careful look on the above table reveals, 67.5 percent respondents strongly disagreed and disagreed that productivity is not dependent on employees' satisfaction and performance, with 1.1 percent being undecided while 18.1 percent agreed and strongly agreed with the proposition. The analysis shows that productivity is dependent on employees' satisfaction and performance in an organization.

**Table 23: Superiors gives Feedback on Level of Performance**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	12	16.2
D	6	8.1
UN	20	27.0
A	10	13.5
SA	26	35.1
Total	74	100.0

Sources: Field Survey March, 2012

A study of the above table reveals, 24.3 percent strongly disagreed and disagreed that superiors communicate subordinates on level of their performance, with 27.0 percent being undecided, while 48.6 percent agreed and strongly agreed that the communicate them. The response shows that superiors communicate subordinates on level of their performance in organization under study.

**Table 24: Awareness of Skill gap enhances Productivity**

<b>Options</b>	<b>Frequency</b>	<b>Percent</b>
SD	6	8.1
D	2	2.7
UN	10	13.5
A	36	48.6
SA	20	27.0
Total	74	100.0

Sources: Field Survey March, 2012

A study of the above table reveals, 10.8 percent strongly disagreed and disagreed that awareness of skill gap and staff training needs will enhance level of employee productivity and commitment, with 13.5 percent undecided, while 75.6 percent agreed and strongly agreed that with the position. The response shows that better awareness of skill gap and staff training needs will enhance level of employee productivity in organizations.

**Table 25: Individual and Corporate Objectives can be integrated**

Options	Frequency	Percent
SD	4	5.4
D	6	8.1
UN	10	13.5
A	16	21.6
SA	36	48.6
Total	74	100.0

Sources: Field Survey March, 2012

A study of the above table reveals, 13.5 percent strongly disagreed and disagreed that individual and corporate objectives can be integrated to achieve better employee performance, with 13.5 percent undecided, while 70.2 percent agreed and strongly agreed that with the position. The response shows that individual and corporate objectives can be integrated to achieve better employee performance and productivity in organizations.

**Table 26: There should be increase in Motivation**

Variables	Frequency	Percent
SD	0	0.0
D	0	0.0
UN	10	13.5
A	26	35.1
SA	38	51.4
Total	74	100.0

Sources: Field Survey March, 2012

A study of the above table reveals, 0 percent strongly disagreed and disagreed that there should be increase in motivation in the organization under study, with 13.5 percent being undecided, while 86.5 percent agreed and strongly agreed that there should be more motivation for the staff. The response shows that staffs of CBN need to be more motivated for increased performance and productivity.

#### 4.5 Presentation And Analysis Of Data According To Test Of Hypotheses

The hypotheses stated in chapter one are tested here one after the other using chi-square test of goodness of fit. Questions 14, 16 and 22 will be used in testing the hypotheses, using the formula:

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Where:  $X^2$  = Chi-square calculated

$(O - E)^2$  = the square of the result of each observed frequency minus its corresponding cells expected frequency

E = the expected frequency

$\sum$  = Sum (add all)

#### Hypothesis One

H<sub>0</sub>: Organizational productivity is not dependent on effective performance appraisal.

H<sub>1</sub>: Organizational productivity is dependent on effective performance appraisal.

**Table I:**

Response	O	e	(o-e)	(o-e) <sup>2</sup>	$\frac{(o-e)^2}{E}$
SD	9	14.8	-5.8	-11.60	-0.78
D	30	14.8	15.2	231.04	15.61
UN	12	14.8	-2.8	-5.60	-0.37
A	13	14.8	-1.8	-3.60	-0.24
SA	10	14.8	-4.8	-9.60	-0.64
TOTAL	<u>74</u>				<u>X<sup>2</sup> = 13.58</u>

**Interpretation:**

$$E = \frac{GT}{N}$$

Where GT = Grand Total

N = Number of Responses

$$= \frac{74}{5} = 14.8$$

$$\text{Chi-square (X}^2\text{c)} = X^2 = \sum \frac{(O - E)^2}{E}$$

$$X^2 = \underline{13.58}$$

The degree of freedom for Chi-square test of goodness is given as:

$$df = (n - 1)$$

Where df = degree of freedom

n = no responses.

$$df = 5 - 1$$

$$df = 4$$

At 4 d.f and assumed 5% (0.05) level of significance, the Chi-square tabulated value  $X^2_{t0.95} = 9.49$  (See Appendix 11: Chi-square Statistical Table).

**Decision Rule:** If the chi-square calculated ( $X^2_c$ ) is greater than the critical or tabulated value ( $X^2_t$ ); reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ ) and then conclude that the research hypothesis is false.

**Research Result:** From the computation above, the chi-square calculated ( $X^2_c$ ) is 13.58 while the chi-square tabulated ( $X^2_t$ ) is 9.49. Thus, the chi-square calculated is greater than chi-square tabulated. We therefore reject the null hypothesis and accept the alternative hypothesis and conclude that organizational productivity is dependent on effective performance appraisal.

### Hypothesis Two

H0: There is no correlation between performance appraisal and attitude to work by employees.

H1: There is a correlation between performance appraisal and attitude to work by employees.

**Table II:**

Response	O	e	(o-e)	(o-e) <sup>2</sup>	$\frac{(o-e)^2}{E}$
SD	19	14.8	4.2	176.4	1.19
D	33	14.8	18.2	331.24	22.38
UN	3	14.8	-11.8	-23.6	-1.59
A	12	14.8	-2.8	5.6	0.37
SA	7	14.8	-7.8	-15.6	-1.05
TOTAL	<u>74</u>				<u><math>X^2 = 21.30</math></u>

### Interpretation:

$$E = \frac{GT}{N}$$

Where GT = Grand Total

N = Number of Responses

$$= \frac{74}{5} = 14.8$$

$$= 14.8$$

$$\text{Chi-square } (X^2_c) = X^2 = \sum \frac{(O - E)^2}{E}$$
$$X^2 = 21.30$$

The degree of freedom for Chi-square test of goodness is given as:

$$\text{df} = (n - 1)$$

Where df = degree of freedom

n = no responses.

$$\text{df} = 5 - 1$$

$$\text{df} = 4$$

At 4 d.f and assumed 5% (0.05) level of significance, the Chi-square tabulated value  $X^2_{t0.95} = 9.49$  (See Appendix 11: Chi-square Statistical Table).

**Decision Rule:** If the chi-square calculated ( $X^2_c$ ) is greater than the critical or tabulated value ( $X^2_t$ ); reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ ) and then conclude that the research hypothesis is false.

**Research Result:** From the computation above, the chi square calculated ( $X^2_c$ ) is 6.02 while the chi-square tabulated ( $X^2_t$ ) is 9.49. Thus, the chi-square calculated is greater than chi-square tabulated. We therefore reject the null hypothesis and accept the alternative hypothesis and conclude that there is a correlation between performance appraisal and attitude to work by employees.

### Hypothesis Three

$H_0$ : Organisational productivity is not dependent on employees' satisfaction and performance.

H<sub>1</sub>: Organisational productivity is dependent on employees' satisfaction and performance

**Table III:**

Response	O	E	(o-e)	(o-e) <sup>2</sup>	$\frac{(o-e)^2}{E}$
SD	16	14.8	1.2	1.44	0.09
D	34	14.8	19.2	368.64	24.90
UN	1	14.8	-13.8	-27.6	-1.86
A	5	14.8	-9.8	-19.6	-1.32
SA	9	14.8	-5.8	-11.6	-0.78
TOTAL	<u>74</u>				<u>X<sup>2</sup> = 21.03</u>

**Interpretation:**

$$E = \frac{GT}{N}$$

Where GT = Grand Total

$$N = \text{Number of Responses}$$

$$= 74$$

$$5 = 14.8$$

$$\text{Chi-square (X}^2\text{c)} = X^2 = \sum \frac{(O - E)^2}{E}$$

$$X^2 = 21.03$$

The degree of freedom for Chi-square test of goodness is given as:

$$df = (n - 1)$$

Where df = degree of freedom

n = no responses.

$$df = 5 - 1$$

$$df = 4$$

At 4 d.f and assumed 5% (0.05) level of significance, the Chi-square tabulated value  $X^2_{t0.95} = 9.49$  (See Appendix 11: Chi-square Statistical Table).

**Decision Rule:** If the chi-square calculated ( $X^2_c$ ) is less than the tabulated value ( $X^2_t$ ); accept the null hypothesis ( $H_0$ ) and reject the alternative hypothesis ( $H_1$ ) and then conclude that the research hypothesis is false.

**Research Result:** From the computation above, the chi-square calculated ( $X^2_c$ ) is 21.03 while the chi-square tabulated ( $X^2_t$ ) is 9.49. Thus, the chi-square calculated is less than chi-square tabulated. We therefore accept the alternative hypothesis and reject the null hypothesis and conclude that Organisational productivity is dependent on employees' satisfaction and performance in organization.

#### **4.5 Discussion of Findings**

This study highlighted a number of challenges which have varied implication for the attainment of goals and objectives of the Central Bank of Nigeria (CBN) on the one hand and a broader one on the side of the Nigerian public sector in general. It is therefore imperative that we discuss some of the problems and prospects of our findings.

The study revealed the Central Bank of Nigeria has not yet established a comprehensive performance appraisal system promote the morale of the workers towards a greater performance and productivity. This can be deduced from the findings of this study which were discussed earlier in this chapter.

There is no well established welfare scheme for junior and middle cadre staff and this is where majority of the workforce falls. Closely aligned to non-availability of welfare schemes to its workers is the non-granting of wage incentives. Wage incentives was first to be developed by industrial engineers. This was popularized by Taylor (1947) and his associates in the scientific management movement who believed that workers would produce more if they are given the incentives to do



so. This position was equally shared by Margaret Attwood in Mali's book "*Improving Total Productivity*", in her opinion, whether or not employees live up to the expectation of those who employ them depends on management success in motivating them at work effectively, (Mali, 1999) .

Every worker comes into an organization with his personal goals or needs, and performance and productivity depends on the proper integration of the needs of the worker with that of the organization. This is found to be lacking in CBN.

The findings here run counter to Herzberg's theory that incentives which he categorized into "Hygiene" or "Maintenance" factors do not motivate. It could be recalled that Herzberg is of the opinion that only intrinsic (Satisfiers) factors in a job actually activate worker to higher performance and productivity (Herzberg, 1966). However, our findings supported the Vroom's Expectancy theory on performance which stipulates that human behaviour is a joint function of the degree to which that behaviour is perceived as having relative value to achievement of one's goals or instrumental to the attainment of an output and the probability that the outcome will be forthcoming. Secondly, individuals select that behaviour which they perceived as most directly leading to things they want. Hence Blunt (2004) opined that "irrespective of how interesting or how challenging a job might be (i.e. intrinsically motivating), there will still be dissatisfaction if pay or working environment are inadequate". It can be concluded from the foregoing argument that incentives go a long way in influencing the attitude of workers positively towards better performance and increased productivity. This is in line with the previous findings in psychological research which hold that incentives play a tremendous role in satisfying workers' needs and wants.

Another problem discovered by this study is that promotion and career prospect is very low and based on favoritism. This has some adverse implication on the performance and productivity of an individual worker. The importance of

promotion and career prospect becomes apparent when we note that Herzberg classified it as a motivator. Promotion is an indication of achievement which Maslow viewed as a higher-order need though achievement/ promotion can also serve to make a worker more secured and confident in his post thereby satisfying another need for safety and security which are lower-order needs (Maslow, 1943). It worthy to note that performance appraisal report assist management in promotion; Yet, the importance of promotion in the Nigerian context is that, it usually comes with an increase in pay packet. In support of this submission, Anikpo, (2001) observed that:

*Money actually dominates the needs of Nigerian worker because in the capitalist system in which Nigeria operates, money is the soul of the system ... in symbolic and concrete terms; it represents property, power and status”.*

However, employee performance and productivity in any human organization is a child of many factors, one of which is conducive environment. This has been found to exist in CBN. It has positive implication for the attainment of the overall goal of the service. In the words of Rue and Byers (2005), the role of environment in employee performance is three directional. They influence abilities and traits; effort, task and direction which are the core elements that influence productivity. Some environmental factors include education, economy, supervision, company policies, societal expectation, training, values and satisfactional factors etc.

Another revelation of this study is the existence of staff training and development in CBN. This has positive implication on staff performance and productivity, the impact of training; retraining and staff development cannot be over emphasized if an organization is to achieve a degree of success. This is rightly supported by Adeleke (1990), when he posits that training is the means and process of imparting special skills which equip individual to perform specific jobs. Although it is a supplement to education, it can be acquired concurrently.

In our discussion in review of relevant literature and the subsequent testing of hypotheses, we came to conclusion that, all things being equal, there is a link between effective performance appraisal, working environment, satisfaction, morale, motivation and employee performance and productivity at work. Our assumption was basically that if workers in any organization be it public or private are satisfied and happy; their individual and collective commitment to the realization of the organizational goals and objectives is likely to be assured. There is high morale among workers of Central Bank of Nigerian.

Commenting on this, Smith and Western (1951) viewed morale as "an attitude of satisfaction with, or desire to continue in, and willingness to strive for the goal of a particular group of organization" They argued that employee morale is a significant factor because plant productivity and efficiency depend upon employee cooperation in attaining desired output standard.

In a nutshell, the argument of this discussion tends to highlight both the intrinsic and extrinsic variables that should be considered in order to ensure better employee performance and appraisal in CBN. This is in line with the view of Macgregor (1967) that the performance of an individual at work in any organization is a function of certain characteristics of the individual including his knowledge, skills, motivation, attitudes and certain aspects of the environment which include the nature of his job, the reward associated with its performance and the leadership provided for him.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This study was carried out to ascertain the extent to which effective performance appraisal system are employed in the appraisal of employee CBN; this to determine the impact it has made on administrative efficiency and effectiveness of organization. The study focused on the staff of Central Bank of Nigeria Zonal located in Enugu, Nigeria.

The questionnaire which highlighted the key areas of concern were administered, collated, and analyzed using the simple percentage and chi-square analysis and the respondents expressed different views or opinions. Opinions were formed from these responses about the relevance and impact of the performance appraisal in enhancing administrative efficiency and productivity and suggestions on ways to improve on employee performance review in the organization were made.

#### **5.2 Summary of the Findings**

The relevance of performance appraisal and human motivation to the understanding of workers performance and productivity cannot be overemphasized. However, it is important to note that theories of performance are seldom conclusive with regards to the production of what factors actually ignite employees towards productivity.

The need to trained and retrain organization staff so as to have good knowledge of what is expected of them and what management plan to achieve cannot be over emphasized. No matter how good a performance appraisal method may be, if it is not properly implemented, the end result will not measure up to set standard; hence it will end up a fruitless effort. More emphasis should be placed on proper

training and reorientation of workers and those who fail to perform should be sanctioned.

In a nut-shell, productivity is the objectives of all organization. What we do know is that a multiplicity of factors is involved in performance and productivity improvement, and many of these factors are interdependent. It responds to many factors as x-rayed in our literature review; how the leader in the organization use these variables determine the level of employee performance and productivity. Knowledge of them and how to use them by leaders are therefore conditions precedent to better employee performance and productivity enhancement.

### **5.3 Conclusion**

It was concluded from the findings of this study that CBN is faced with performance appraisal problems which have affected their service delivery. The study established the problems affecting performance appraisal in CBN as lack of managerial skills, emphasizes on connections and informal contacts, inadequate and insincere performance appraisal, inadequate training and development.

These problems have created difficulties for the bank to perform and deliver as a regulatory financial institution. As a result of these problems in the system, the study also observed that workers are not induced to compete for excellence and greater performance. The study also revealed that CBN designs performance appraisal system but with relatively low level of utilization at the lowest grade levels which has affected position classification and identification of defined duties and responsibilities in the system. It was finally concluded that as a result of lack of effective performance appraisal system in CBN, the system is perceived to comprise of lazy, lousy, ineffective and inefficient people, resulting to low employee performance and productivity in the organization.

#### **5.4 Recommendations**

Based on the study's findings and conclusions, we recommend that more emphases should be placed on training, retraining and development of staff. This is because training is an antidote for better employee performance and productivity. There should be regular and effective institutionalized training in performance appraisal and implementation for executive and administrative managers. There should be a correlation between training and training needs when designing training programs.

Central Bank of Nigeria should design and implement remuneration, incentives and welfare schemes that are in consonance with the private sector and in realities with the cost of living index or standard. Also, individual and corporate objectives should be integrated to achieve better employee performance and high productivity in the organization. This is based on the fact that while other resources are important to the success of any organization, the human elements are the most significant because it is the people who have to coordinate and use other resources to achieve organisational objectives.

That emphases placed on all kinds of subjective and informal contacts in recruitment exercise should be discouraged. Reliable and valid selection instruments should be devised. The aim is to attract and recruit as many qualified applicants as possible.

The need to re-assert meritocracy in reward and reward management, as well as the need to improve accountability in the organization cannot be over emphasized, as higher pay alone will not automatically lead to higher performance and productivity. The enforcement should start from the top level down to lower cadre; there should be a level of accountability from those who manage the organization.

Finally, there should also be a human capital audit, organizational and physical performance audit and audit reports should be submitted to management periodically. The immediate priority, therefore, is the need to re-examine the validity and reliability of performance management and appraisal instruments in use in the bank. Above all, the recommendations must be sustained overtime and must be inculcated as a way of life in the study area in particular and the various Ministries, Departments and Agencies (MDAs) in general for sustained performance management and appraisal.

## REFERENCES

- Adu, A.L. (1995). *The Civil Service in African State*, London: Allen and Urwin Ltd.
- Afam, E.F. (2003). "Nigerian Worker: A Sacrificial Lamb", in *Business Times*, Wednesday, January 12, P. 7
- Arhuidese, J.E. (2003). "Target Setting and Performance Measurement for Public and Private Sector", *Global Forum for Manpower Development-Developing Human Resources Skills Held for CBN Directors* in Jos pp 1-11.
- Arhuidese, J.E. (2002). *Public Personnel Management, Monograph Series*, Ekpoma: Department of Public Administration, Ambrose Alli University, Ekpoma.
- Armstrong, M. (2006). *A Handbook of Human Resource Management Practice*, 10<sup>th</sup> edition, London: Kogan Page.
- Armstrong, M and Murlis, H. (2006). *Reward Management*, 4<sup>th</sup> edition, London: Kogan Page.
- Armstrong, M. (2009). *A Handbook of Human Resource Management Practice*, 11<sup>th</sup> edition, London: Kogan Page.
- Asika, N. (2002). *Research Methodology in the Behavioral Sciences*, Lagos: Longman Nigeria Plc.
- Babangida, I. (1988), "MANSER: A Signal for National Re-awakening", *Being an address Presented on the Occasion of the Launching of MANSER at the National Stadium Lagos on 25<sup>th</sup> July, in one year of MANSER in Anambra State*, Directorate of Mobilization p. 12.
- Bandura, A. (1986). *Social Boundaries of Thought and Action*. Prentice Hall, Englewood Cliffs, NJ



- Buchner, T.W (2007). "Performance Management Theory: A Look from the Performers Perspective with Implications for HRD", *Human Resource Development International*, Vol.10 No.1 PP 59-73
- Cascio, W.F. (2006). *Managing Human Resources: Productivity, Quality of Work Life, Profits, International Editions*, Management Series, New York: McGraw-Hill.
- Chandan, J.S (2004). *Management Theory and Practice*, New Delhi: Vikas Publishing House
- Chukwuemeka, E.E.O. (2002). *Research Methods and Thesis Writing: A Multi-Disciplinary Approach*, Enugu: Hope-Rising Ventures Publishers
- Chukwudubem, U. (2006). "Nigerians' Attitude to Work: A Theoretical Examination" in P.N.O. Ejiofor and V.A. Aniagoh (eds.), *Managing the Nigerian Worker*, Ibadan: Longman
- Drucker, P.F. (1993). *Management, Task Responsibility and Practice in* Onyeonoru, I.P. 2005, *Industrial Sociology: An African Perspective*, Ibadan: SAMLAD Printers
- Etuk, E. (2002). *The Nigerian Public Service in Search of Creative Excellence*, Ibadan: Spectrum Books Limited
- Fatile, J.O. (2010). *Principles of Public Personnel Management, Monograph Series*, Lagos: Department of Public Administration, Lagos State University, Ojo.
- Herzberg, F. (1966). *Work and the Nature of Man*. Cleveland: World Press
- Igbokwe-Ibeto, C.J. (2011). "The Role of Human Resources Management in Mitigating the Consequences of the Global Financial Crisis" *International Journal of Social Sciences and Humanities Review*, Vol.2, No.4 p.116

- Kothari, C.R. (2004). *Research Methodology, Methods and Techniques* 2<sup>nd</sup> Revised Edition, Delhi: New Age International
- Kumekpor, T. K. B. (2002). *Research Methods and Techniques of Social Research*. Accra: Sonlife Press
- Mali, P. (1999). *Improving Total Productivity*, New York: John Willy
- Maslow, A.H. (1934). *Motivation and Personality*, New York: Harper and Bros Ltd.
- McGregor, E.B. (1991). "The Comparative Civil Service Reform Agenda" *Getting the Question Right*, Occasional Paper No. 31, Bloomington: *School of Public and Environmental Affairs*.
- McGregor, D. (1960). *The Human Side of Enterprise*, New York: McGraw-Hill.
- Nwachukwu, C.C. (2008). *Management: Theory and Practice*, Revision Edition, Onitsha: Africana-FEP Publishers Limited
- Oko, M. A. (2002). *Productivity Management and Measurement*, *Monograph Series*, Ekpoma: Department of Public Administration, Ambrose Alli University, Ekpoma
- Okoro, C.O. (2001). *Public Administration and Social Science Research Methodology*, *Monograph Series*, Ekpoma: Department of Public Administration, Ambrose Alli University, Ekpoma
- Oladimeji, A. (1999). *Human Resources Management in Nigeria*, Lagos: Business & International Support Association Ltd
- Peretomode, V.F, Peretomode, O. (2001). *Human Resources Management, Principles, Policies and Practice*, Lagos: Onosomegbowho Ogbmaka Publishers
- Robbins, S.P. (1998). *Essentials of Organization Behaviour*, New Delhi: Prentice-Hall International 2<sup>nd</sup> ed.

Smith, R.G and Western, R. (1951). *Studies of Morale: Methodology and Criteria*, San Antonio: USAF Air Training Command, Human Resources Research Centre.

Taylor, F. (1947). *Scientific Management*, New York: Harper and Row

Umo, J.U. (2003). "Poor Work Attitude can Ruin a Nation", in *Business Times*, Monday, April 11, p. 8

Vroom, V.H. (1964). *Work and Motivation*, New York: John Willey

Zikmund, W. G. (1999). *Essentials of Marketing Research*, Orlando: The Dryden Press

## APPENDIX I

### **Questionnaire for Survey on the Impact of Performance Appraisal on Employees Productivity: A Study of Central Bank of Nigeria (CBN).**

Faculty of Business Administration  
Department of Management  
University of Nigeria, Enugu Campus

7<sup>th</sup> March, 2012

**Dear Respondent,**

#### **RESPONSE TO QUESTIONNAIRE**

I am postgraduate student of the above named University currently conducting a research on the above topic to elicit information concerning the impact of performance appraisal in the Nigerian public sector. The essence of the survey is to ascertain the impact of performance appraisal on employees' productivity with special reference to the Central Bank of Nigeria Enugu Zonal Office.

We therefore, count on your cooperation and would be most grateful if you could kindly complete the questions below. To assure you of the intended confidentiality and anonymity of your response to our questions, your name is not required anywhere in the questionnaire please. Thanks for your anticipated cooperation

Yours Sincerely,

Sign: \_\_\_\_\_

**Anaeye, Estervera**

**SECTION A: Demographic Characteristic of Respondents**

For each question, please tick (✓) the box you consider most appropriate or that which represent your situation. Once again, I thank you

- 1. Sex: (a) Male ( ) (b) Female [ ]
- 2. Age: (a) 20 years & below [ ]  
(b) 21 ó 30 years [ ]  
(c) 31 ó 40 years [ ]  
(d) 40 ó 50 years [ ]  
(e) 51 years & above [ ]
- 3. Marital Status: (a) Single [ ] (b) Married [ ] (c) Divorced [ ] (d) Widowed [ ]
- 4. Length of Service: (a) 5 years & above [ ] (b) 6 ó 10 years [ ] (c) 11 ó 15 years [ ] (d) 16 ó 20 years [ ] (e) 21 years & above [ ]
- 5. Official Status:                     ..
- 6. Salary Grade Level: (a) 04- 06 [ ] (b) 07 ó 14 [ ] (c) 15 and above [ ]
- 7. Educational Qualification:
  - (a) Postgraduate Degree [ ]
  - (b) First Degree/HND [ ]
  - (c) NCE/ND [ ]
  - (d) WASC/SSCE/NECO [ ]
  - (e) FSLC [ ]

**Please note**  
**SD-Strongly Disagree**  
**D-Disagree**  
**UN-Undecided**  
**A-Agree**  
**SA-strongly agree**

<b>S/N</b>	<b>STATEMENT</b>	<b>SD 1</b>	<b>D 2</b>	<b>U 3</b>	<b>A 4</b>	<b>SA 5</b>
8	The level of performance and productivity in CBN is very high					
9	Public sector managers employ performance appraisal strategies in improving workers performance and productivity					
10	CBN often embark on employee performance evaluation					
11	Performance appraisal is result oriented					
12	Performance appraisal can lead to organizational efficiency and effectiveness					
13	There is no significant relationship between employees performance appraisal and productivity					
14	Organizational productivity is not dependent on effective performance appraisal.					
15	Training and development is very relevant to employee performance					
16	There is no correlation between performance appraisal and attitude to work by employees					
17	Internal environment is conducive for human development and satisfaction					
18	There are in-service training and development for both senior and junior					

	staff					
19	The factors impeding effective performance appraisal include the following lack of fund, lack of skills required for appraisal, nonchalant attitude of management, lack of well articulated manpower policy, inadequate personnel.					
20	There are incentives for hardworking staff					
21	The labour - management relations is very cordial.					
22	Organisational productivity is not dependent on employees' satisfaction and performance.					
23	Superiors give feedback on your level of performance					
24	Better awareness of skill gap and staff training needs will enhance level of employee productivity					
25	Individual and corporate objectives can be integrated					
26	There should be increase in employee motivation					