

**PERFORMANCE APPRAISAL AS A TOOL FOR ENHANCING  
ORGANIZATIONAL PRODUCTIVITY  
(A STUDY OF GREAT NIGERIA INSURANCE PLC)**

**BY**

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**A RESEARCH WORK SUBMITTED TO THE DEPARTMENT OF BUSINESS  
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**AUGUST, 2021.**

## CERTIFICATION

This is to certify that this research work titled performance appraisal as a tool for enhancing organizational productivity, A study of Great Nigeria Insurance PLC was carried out by Olatubosun Tobiloba Joseph under my supervision in partial fulfillment of the condition for the award of B.sc in Business Administration by Mountain Top University.

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## **DEDICATION**

This Research is dedicated to God Most High for His mercies and loving kindness, also to my parents, my siblings, friends, and supervisor for being there, and serving as guides for me through my stay in Mountain Top University.

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## ABSTRACT

The importance of performance appraisal in enhancing organisational productivity cannot be over emphasized. The current study examined performance appraisal as a tool for enhancing organisational productivity in GNI Great Nigeria Insurance PLC. The study adopted survey research design. The population of the study comprises of all the 101 employees of GNI Great Nigeria Insurance PLC. Data were collected from these employees through the use of structured questionnaire which was administered through online Google survey platform. Data generated was analyzed with the aid of SPSS version 23. Sociodemographic and other variable were analyzed and presented descriptively. Test of hypotheses were conducted through multiple regression and correlation. The findings of the study revealed a significant positive relationship between regularity of performance appraisal and organisational productivity ( $p=0.034$ ,  $r=0.217$ ), and also, significant positive correlation between performance appraisal and organisational productivity ( $p=0.019$ ,  $r=0.240$ ) at GNI. Conversely, the study found hypothetical nonsignificant positive correlation ( $p=0.077$ ,  $r=0.183$ ) between implementation of performance appraisal and organisational productivity. Finally, the study found significant positive relationship ( $p=0.011$ ,  $r=0.259$ ) between performance feedback and organisational productivity. The study therefore recommends regular appraisal should be conducted biannually or annually with the purpose of the appraisal well-communicated to the appraised.

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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

Employee performance appraisal is becoming more widely recognized as a valuable method for rising efficiency in businesses. Performance appraisal is an evaluation of an employee's recent deficiencies and achievements, individual strengths and weaknesses, and suitability for progression or advanced training, as well as a periodic assessment of the employee's performance against the job's specifications or specified goals (Sajuyigbe, 2017). Karak and Sen (2019) defined performance appraisal as a structured method for evaluating past and present employees' performance as well as assessing employees' capacity for more development and promotion within the organization's career ladder (Karak & Sen, 2019). Employee performance evaluations have the benefit of assisting a company in placing its workers in positions for which they are ideally suited, resulting in increased efficiency and profitability (James, 2016).

In simple terms, performance appraisal is a systematic assessment of an employee's productivity which is based on factors such as initiative, job knowledge, supervision, leadership potential, quantity and quality of output, judgment, teamwork, versatility, health, and so on. Performance appraisal is a global discussion and evaluation of employees' performance on assigned tasks and responsibilities. It is centered on results gotten by the employee in his/her work, not on the personality traits of the employee. Human resource management relies heavily on performance assessment. It is a means for performance evaluation and also achieving performance enhancement among employees of an organization (Abbas & Cross, 2019).

Eldman (2009), cited by James (2016), defines performance assessment as "the process by which each worker's performance and efficiency are evaluated in order to assess his or her contribution to the organization's effort toward the achievement of the defined goals and objectives." The system for measuring and evaluating a worker's output varies from

one company to the next. However, the ultimate goal is to estimate each employee's productivity in terms of achieving organizational goals. Within an organization, performance evaluations are also conducted for the purposes of advancement and transition to new job tasks and roles. (Abbas & Cross, 2019).

This procedure entails a variety of procedures, including the identification of an employee's strengths and weaknesses, career advancement, and job satisfaction (Matolo, 2016). In a similar vein, Wanjala and Kimuta (2015) observe that an organization without an adequate and effective performance assessment will fail, and its workers will anticipate poor performance. Employee performance assessment, according to Muhammad, Fadillah, Rosman, Altaf and Fazlulaini (2018), will play a major role in achieving institutional goals. On the topic of performance assessment and why it is performed, there are differing viewpoints. Some organizations conduct performance evaluations to ensure that they have a piece of paper in the employee's file in case they decide to take disciplinary action against the employee. Successful organizations, on the other hand, recognize the value of integrating performance analysis into their performance improvement approach and method. The method of evaluating and appraising employee performance is complicated by the fact that effective and unsuccessful performance metrics are often difficult to identify (James, 2016)

In an organizational context, employee productivity is described as the degree to which an employee contributes to the achievement of the organization's goals (Senyah, Coffie & Adu-Pakoh, 2016). According to Mathias and John (2013), employee productivity is a measure of the quality and quantity of work done while accounting for the expense of resources used. According to Sajuyigbe (2017), the worker's predicted outcomes and final outputs are often the same.

If done correctly, annual performance appraisals of employees in different organizations will help boost productivity. A suitable assessment method is tailored to increase employee efficiency while also encouraging them to offer their best effort. However, in the hands of management, performance assessment may be a valuable method for orienting new employee as well as improving the job performance of below-average

employees (Senyah, Coffie & Adu-Pakoh, 2016). According to Rehman (2017), there has been very little research on the relationship between performance assessment and employee productivity. As a result, the aim of this study was to see how performance appraisal affected productivity at GNI Great Nigeria Insurance PLC.

## **1.2 Statement of the Problem**

Many companies are experiencing low productivity as a result of management's permissive attitude toward performance appraisal systems. As an alternative paradigm to high productivity and performance, a performance appraisal method has been established. People and their labor manage and push organizations. Objectives are set by individuals, and goals are met based on the success of the staff. As a result, an entity's performance is determined by the sum total of its employees' performance. The ability of an organization to reliably measure the performance of its employees and use it critically to optimize them as a strategic resource and power is critical to its success.

Many companies have been unable to achieve competitive advantage due to their failure to implement an effective performance appraisal strategy (Obisi, 2011). Many Nigerian organizations have been found to have ineffective organizational appraisal systems (Sajuyigbe, 2017). Performance assessment is one of the Human Resource Management Practices (HRMP) that has been extensively studied in both developed and developing countries, and it has been described as a powerful motivator (Senyah, Coffie & Adu-Pakoh, 2016).

The failure to provide timely input to the appraisee or the use of the procedure to witch-hunt a subordinate are two major challenges that the performance assessment method faces (Sajuyigbe, 2020). Other major flaws in the Nigerian performance assessment process include a lack of employee participation in setting organizational targets, a lack of clarity of organizational expectations and goals, and a lack of employee input on performance appraisal outcomes (Karak & Sen, 2019).

Despite the fact that credible studies have been conducted on the issue, the insurance industry has been completely ignored. Great Nigeria Insurance (GNI) PLC is one of Nigeria's top performers in the insurance sector, but its official website lacks any assessment tool or record. This discrepancy in the literature must be addressed. As a result, the current research will be carried out in order to provide feedback on the impact of performance appraisal on employees' performance.

### **1.3 Objective of the Study**

The main objective of this study is to determine the effects of performance appraisal on employees' productivity at GNI great Nigeria Insurance PLC. Other specific objectives are to:

1. Examine the effect of regularity of performance appraisal on detection of need for staff development in GNI great Nigeria Insurance PLC.
2. Assess the effect of staff appraisal on employee performance on GNI great Nigeria Insurance PLC.
3. Investigate the effect of implementation of performance on GNI great Nigeria Insurance PLC.
4. Assess the effect of performance appraisal feedback on employee's job performance at the GNI great Nigeria Insurance PLC.

### **1.4 Research Questions**

1. What is the effect of regularity of performance appraisal on detection of need for staff development?
2. What is the effect of staff appraisal on employee performance?
3. How does the implementation of performance appraisal affect performance at GNI?
4. What is the effect of performance appraisal feedback on employee's job performance at GNI?

## **1.5 Null Hypothesis**

Ho1: Regularity of performance appraisal has no significant effect on staff development.

Ho2: Staff appraisal has no significant effect on employee's performance.

Ho3: implementation of performance appraisal has no significant effect on performance at GNI great Nigeria Insurance PLC.

Ho4: Performance appraisal has no significant effect on employee's job performance at GNI great Nigeria Insurance PLC.

## **1.6 Significance of the Study**

This study is expected to be of immense benefits to people in high managerial cadres in private sector. For top managers, the information provided by this study will help in the development of productivity-enhanced appraisal methods that will be acceptable to the employer and employees. For employers, it will help in identifying where changes have to be made for effective and efficient appraisal that will boost employees' morale and identify deficiencies that need to be polished up or weeded out. For employees, it will help in development of an acceptable appraisal method that enhances individual development and bring about sense of inclusiveness. Thus, the study will be useful in policies formulation and implementation.

The study will also serve as bedrock of further research, it will provide viable and adequate literatures for aspiring young researcher to provide work, identify gaps and problems and make recommendations. The findings of this work will also contribute to the body of knowledge. This study may be a good academic resource for researchers, especially at Mountain Top University, where such literature probably does not exist.

## **1.7 Scope of the Study**

This study focuses the effects of performance appraisal on employees' productivity at Great Nigeria Insurance PLC. This study examines the staff in a public liability company (Great Nigeria Insurance PLC). The findings of this study will be based on the data

collected (questionnaire) from staff of Great Nigeria Insurance PLC. Therefore, this study is delimited to the staff of GNI PLC, Lagos, Nigeria.

### **1.8 Definitions of Terms**

**Performances:** The lengths to which an employee or group of employees have gone in attaining the set goals or standards (Teo & Low, 2016).

**Performance Appraisal;** is a periodic evaluation of an employee's work performance and overall contribution to the organization. A performance appraisal, also known as an annual review, performance assessment or evaluation, or employee appraisal, evaluates an employee's abilities, accomplishments, and growth—or lack thereof (Hayes, 2021).

**Employees:** Person who work for compensation weather direct or indirect for another in return for stipulated series (Teo and Low, 2016).

**Organization:** A group of people who form a business in order to accomplish a specific goal (Abbas and Cross, 2019).

**Policy:** A course of action taken and pursued by an organization, government, ruler, political party etc. (James, 2016).

**Productivity:** The measure of the output of goods and series relative to resource's available (Abbas and Cross, 2019).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter includes the work of other researchers relating to financial information. It comprises of the Conceptual Review, Theoretical Review, and Empirical Review. The conceptual framework defines concepts like performance appraisal and employee's performance. Emphasis is on the need for financial appraisal, methods of appraisal, when to appraise, attributes, users of the information, components of financial statement, objectives of the financial statement, and the purposes of financial statement.

#### **2.1 Conceptual Review**

##### **2.1.1 Performance appraisal**

Performance appraisal is one of the cornerstones of management control systems. Appraisals may be used for both administrative and developmental purposes (assigning tasks, granting bonuses, and making promotions), according to Abbas and Cross (2019) (identifying employee strengths and weaknesses and assessing training needs). A structured and coordinated relationship between a subordinate and supervisor that takes the form of an annual or semi-annual interview in which the employee's job performance is thoroughly analyzed and addressed with the intent of identifying strengths and weaknesses, as well as challenges and opportunities for skill growth and improvement (Igbojekwe & Ugo-Okoro, 2015).

According to Sajuyigbe (2017), performance appraisal systems are used by various businesses to reward their workers in the form of bonuses, promotions, and pay raises. This method entails activities such as recognizing employees' accomplishments, providing daily reviews, and providing opportunities for career advancement.



Performance appraisal is a formal and organized interaction between a subordinate and supervisor that takes the form of an annual or semi-annual interview in which the employee's work performance is thoroughly examined and discussed with the goal of identifying strengths and weaknesses, as well as threats and opportunities for skill development and improvement (Igbojekwe & Ugo-Okoro, 2015).

Individual appraisal plan features are likely to be influenced by the firm's organizational background as well as the employees' specific job characteristics. Additionally, higher-level organizational considerations (e.g., organizational structure) will moderate the relationship between an individual employee's qualities (e.g., hierarchy position) and the appraisal plan's characteristics (James, 2016).

Employee job performance is described as those behavior that can be measured and assessed by others. Employee performance appraisal, according to Lansburry (1988), is "the method of recognizing, assessing, and improving an employee's job performance in the organization such that organizational goals and objectives are efficiently accomplished while, at the same time, benefiting employees in terms of acknowledgement, obtaining input, and providing career guidance" (Solomon, Oravee & Hangeio,2017)

### **2.1.2 Historical Development of Performance Appraisal**

According to Karabat, Calis and Karabat, (2013), since 1900, the concept of performance evaluation has included an individual's attitude, actions, mental understanding of features, and capabilities. However, the continuous measurement of variables that are identical to each other for many years (roughly a century) has caused problems. As a consequence of this scenario, the performance assessment requirements were modified. The relationship between individual performance and professional goals was defined standards on behavior scales in the 1960s, towards the end of the 1950s. The 1970s to the present-day exponents under the control of the evaluation systems of evaluation criteria developed for the multi-faceted

While the earliest examples of organizations appraising employee performance in a systematic and formal institutions delivering public services in the United States are from the beginning of the 1900s, Murphy and Cleveland argue that the first formal performance appraisal procedure recognized in America is conducted by evaluating the soldiers recruited in 1813.

In 1922, Patterson presented the general psychological world with a system known as the Graphic Rating Scale. Rather than make strictly qualitative decisions, this scale offered a measure on which to rate a trait or factor. However, the challenge of identifying performance standards was shown, and performance management has been troubled by the issue ever since.

According to Tekalegn (2016), evaluators' favorite performance appraisal methods (interpersonal comparison and graphics evaluation) yield dubious results on topics like reliability, validity, and identifying discrepancies on issues. Smith and Kendall, on the other hand, created the “Behaviorally Anchored Rating Scales” in 1963, which was the first method to focus on habits. These scales have been recognized as a tool adopted by evaluators because they are psychometrically adequate (reliable, valid, simple to use, and able to distinguish). In addition to that, Solomon, Oravee and Hangeior (2017) have discussed problems in developing valid and reliable measures for the performance appraisal systems.

### **2.1.3 Purpose of Performance Appraisal**

The primary goal of a performance evaluation is to collect accurate and reliable information about the behavior and performance of an organization's members (Solomon, Oravee & Hangeio, 2017). The higher the potential value of the device's knowledge, the more reliable and accurate it is. Despite the fact that all organizations have similar primary objectives in their performance assessment system, Akinbowale (2013) discovered that how organizations use the information acquired from employee performance appraisal differs greatly. On the other hand, performance evaluation objects can be classified into three groups as follows:

### ***1) Individual Evaluation and Motivation***

The results of performance appraisals, according to some scholars, are commonly used to measure the performance of members of the company on a regular basis. According to them, the data produced by the performance or appraisal method determines whether an individual is competent or incompetent, successful or ineffective, can be promoted or cannot be promoted, and so on. They aim to influence employee productivity and potential performance by linking the administration of different bonuses, such as pay raises and promotions, to the appraisal system's scores, with a specific emphasis on employee motivation.

### ***2) Individual Development***

The knowledge gathered by an assessment method can be used to help in the personal development of organizational members in addition to acting as a basis for the administration of organizational rewards and punishments. A successful assessment method can provide reliable data on a person's personal strengths and weaknesses. In this regard, the author asserted that providing such information to individuals in a clear, unambiguous, and non-threatening manner may serve two useful purposes.

- I. First, if the data indicates that the employee is doing well, the feedback process will reinforce and reward the employee by boosting self-esteem and professional competence.
- II. Second, if the data shows a mistake, the information can be used to kick start a training and development program to correct the problem.

### ***3) Organisational Planning***

According to the author, an effective performance management framework offers information that can help the organization plan for potential human resource needs and policies, as well as providing a basis for the evaluation, encouragement, and advancement of individual organization members.

A company's intellectual capital is made up of its employees. As a consequence, a performance assessment process provides data that helps a company to assess its human

resources and plan fair, systematic, and informed recruiting, personnel, and growth policies.

Individuals, according to Cameron (2008), are an important factor in the achievement of organizational results when they are ignored in the assessment process. Organizations that perform well are also said to be a result of their employees' contributions and accomplishments. Recognizing and properly acknowledging these efforts is critical to the organization's success. This is the main objective of performance assessment (Burnas, 2002).

According to Applebaum (2011) as cited by Mavis, Rosemary and Kwadwo (2016), performance appraisal is primarily used for three purposes:

- (1) As a basis for incentive distribution, such as pay increases, promotions, and other types of rewards.
- (2) As a basis for performance evaluation: A performance appraisal is a tool for identifying weaknesses and identifying areas where change is needed.
- (3) Performance appraisal should be used in the recruiting and training process.

It can differentiate between satisfactory and unsatisfactory performers. Selection, growth, pay, advancement, fines, layoffs, and retrenchment are all functions that performance appraisal can assist management with.

According to Kay (2007), performance appraisal serves five purposes:

1. Performance appraisal is primarily used to achieve organizational objectives.
2. Individual objectives are set through performance appraisal.
3. Used to assess individual performance in relation to set goals.
4. The purpose of performance appraisal is to improve performance.
5. Reward allocation is based on performance appraisal.

Mavis, Rosemary and Kwadwo (2016) reported that administrators should be less concerned with supervising and more concerned with leading. He found out that sustainable cultural change can take place within an organization only when the individuals within the organization first change themselves from the inside out. Appraisal methods can sometimes work against organizational performance since they are at conflict with processes that allow some risk-taking in order to address customer demands or develop approaches through trial.

#### **2.1.4 The Need for Appraisals.**

According to Mavis, Rosemary and Kwadwo (2016), performance appraisal helps to improve upon the performance of staff which also goes to improve upon the overall performance of the organisation. Performance appraisal can also develop a greater degree of consistency through regular feedback on performance. It helps to reveal problem areas which restrict progress and cause inefficiency. It can also identify an individual's strength and areas of development and indicate how such strengths may be utilized and weaknesses worked upon.

The different purposes of appraisal system frequently conflicts. Appraisal can be used to improve current performance, provide feedback, increase motivation, identify training needs, identify potentials, let individuals know what is expected of them and help them focus on career development. It can be used to provide information for Human Resource Planning and career succession. An appraisal according to Rendell et al (1984) may wish to discuss job related problems but is very cautious about what she says because of not wanting to jeopardise possible pay rise.

The purpose and nature of the appraisal should be made clear to both the appraiser and appraised. Weitzel (2014) sees performance appraisal as a power sharing exercise. To succeed it must be a corporative and constructive endeavour with inputs by both staff and supervisors. Also the system should focus on the strengths and accomplishments of staff rather than their faults and failures. The appraisal should lead to a plan for the future

development and progress of the individual. Top management should be fully committed to the concept of appraisal. They should ensure that there is consultation with Union Representatives and all members of staff. Employee renews his or her interest in being a part of the organization now and in the future. Training needs are also identified. Without consideration to financial concerns, time is spent discussing work quality. Supervisors become more at ease when it comes to analyzing employee performance. Employees believe they are valued as people and that their supervisor cares about their wants and objectives. (Mavis, Rosemary & Kwadwo, 2016).

### **2.1.5 Determinants of Performance**

According to Mavis, Rosemary and Kwadwo (2016), “job performance is the net effect of an employee’s effort as modified by abilities, role perceptions, and efforts”. This implies that in a given scenario, performance can be viewed as a result of the interplay between efforts, abilities and role perceptions.

- I. Abilities are personal characteristics used in performing a job. Abilities usually do not fluctuate widely over a short period of time.
- II. Efforts are the resulting factor of being motivated; it refers to the amount of energy an employee uses in performing a job.
- III. Role perception refers to the direction in which employees believe they should channel their efforts on their job.

### **2.1.6 Causes of Poor Performance**

Tekalegn, Solomon. Lodesso and Gebre (2016), identified the following as the causes of poor performance as;

- i. ***Absenteeism and Lateness:*** Absenteeism is when an employee does not come to work base on certain reasons that may be tangible or intangible whilst lateness is considered to be the rate at which an employee comes to work after the actual time schedule for reporting to work.

- ii. ***Lack of ability or knowledge:*** Employees' performance can be attributed to lack of knowledge. If employee with low knowledge is employed, it is very difficult for him or her to accomplish task that he or she does not know much about.
- iii. ***Alcoholism and drug abuse, medical problems and stress*** are some of the contributing factors to poor performance in an organization.

### **2.1.7 Principles of Performance Appraisal**

Mavis, Rosemary and Kwadwo (2016) identified three principles of performance appraisal to include;

Research has unearthed three substantiated psychological principles upon which performance appraisal rests. These are;

- A. The provision of feedback.
- B. Clear and attainable goals and
- C. The involvement of staff in the setting of tasks and goals

These principles have wider relevance and they go further than mere improvements in an individual's culture by contributing to broader goals of creating satisfaction of workers in the organisation. Another important principle in performance appraisal is that both the appraiser and the appraised should have clear ethical principles such as trust and openness. The appraiser should make an honest appraisal such as appraising on the basis of sufficient and relevant information, and also both written and oral appraisals must be consistent. Under no circumstances should there be inconsistency in what a sectional head says about a subordinate and what they write about them.

Two Questions to be addressed in the Performance Appraisal System are:

- 1. Who should be appraised?
- 2. And who should undertake the appraisal.

The simple answer to the first question is that all members of staff should be appraised. These include staff in managerial, administrative and technical positions as well as manual workers both skilled and unskilled.

Concerning the second question of who should undertake the appraisal, different opinions have been expressed on the matter. One school of thought believes that the immediate sectional head by virtue of the fact that they assigned duties to the staff being appraised are well placed because of their close working relationship with the staff concerned. They also have the necessary knowledge and information to assess staff under them. The other school of thought however believes that appraisal should be carried out by higher authorities who have the professional capacity to appraise staff. The appraisal system should be related to the corporate objective of the organisation and it should be designed to suit its culture and requirements. The system should be integrated with personnel policies and practices such as its human resource planning and development programmes (Abbas & Cross, 2019).

### **2.1.8 Preparing for the Annual Appraisal**

According to Senyah, Coffie and Kwadwo (2019), there has to be adequate preparations before the annual appraisal. The previous appraisal forms would have to be studied carefully, performance ratings would have to be checked and supervisor's views sought in order to ensure that everything needed for the objectives set are achieved.

A form specially designed to be completed by both employees and heads of sections/departments are distributed to all staff of the organisation to be filled for the appraisal interview.

The appraisal forms which are set into different parts seeks to obtain information on

1. The job outlines
2. Job related activities
3. Assessment of performance
4. Development and training
5. Feedback
6. Third party opinion



The completed form should be signed by both the appraiser and the appraised before it is submitted to the personnel section for final approval. Even though many organisations appraise their staff on an annual basis, sight should not be lost of the fact that a good performance appraisal system should be a continuous one, especially for staff who have just been promoted and newly employed staff, proper guidelines should be put in place to monitor the extent to which they have been able to cope with the schedule of duties which have been allocated to them.

### **2.1.9 Feedback**

The provision of feedback in the performance appraisal system is very important; however, we now have what is called the 360-degree feedback. This method of feedback involves an appraisal and feedback from different groups within the work situations made up of peers, subordinates, bosses and even customers. The idea is to obtain a broader appraisal which covers all aspects of the working relations of the staff to be appraised including how they relate to their bosses, peers, students and outsiders. And also, qualities such as leadership, teamwork, decision making and services rendered to outsiders. To ensure an effective performance system, monitoring and follow up action should be a regular feature. This is an important way of achieving the right feedback from both heads of sections/departments so that any findings can be incorporated into the system. Additionally, the appraisal should be kept under continual review and where necessary modified to meet changing environmental influences of the organisation (Senyah, Coffie & Kwadwo, 2019).

### **2.1.10 Errors in Performance Appraisal**

According to Bue & Byars (2005) cited in Mavis, Rosemary & Kwadwo (2016), several errors have been identified in performance appraisals. These are:

1. **Leniency:** It is the grouping of positive evaluations at the top of a performance scale rather than dispersing them across the scale.

2. **Central tendency:** This occurs when the performance appraisal statistics shows that most employees are rated as performing average or above-average work.
3. **Recency:** It occurs when performance evaluations are based on tasks done recently, usually one or two months prior to the evaluation.

**Leniency, central tendency and recency** errors it's difficult, if not impossible, to distinguish between good and bad performers. Furthermore, these errors make comparing ratings from various managers difficult. A strong performer who is reviewed by a manager for making central tendency errors, for example, may earn a lower rating than a poor performance who is evaluated by a manager for making leniency errors.

4. **Halo Effect:** When managers let a single significant trait of employees to affect their evaluation on each individual item on the performance appraisal, this is what happens. This frequently leads in the employee earning nearly identical ratings on all items.
5. **Personal performance, prejudice and biases** can also be caused by errors in performance appraisals. Managers with prejudices or biases tend to look for employee behaviour that conforms to their biases.
6. **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.

### **2.1.11 Steps in Appraising Performance**

To (2017), the following steps must be followed for clear understanding of what performance appraisal entails. These steps are;

1. **Establishing Performance Standards:** This is an important step. Standards must be reasonable, clear, and subject to measurement. Both the manager and the subordinates must accept them.

2. **Communicating those standards:** Managers frequently assume that staff understand what is required of them, but such assumptions are at best risky. Employees must be informed of the standards and expectations, as well as how they will be met.
3. **Evaluating Performance:** Performance evaluation is relatively simple if the first two procedures are followed appropriately. It's a matter of assessing an employee's behavior to see if it's up to standards.
4. **Discussing result with employees:** Most people will make mistakes and fall short of expectations at first since learning a new job and doing it successfully takes time. Managers may be understanding and helpful by discussing an employee's successes and areas for growth. This allows them to guide the person to higher performance. Furthermore, a performance evaluation can be a helpful source of advice on how to accomplish a specific task more effectively.
5. **Taking Corrective Action:** A manager might take corrective measures or provide corrective feedback as part of the performance review to help the employee execute his or her job better. The major goal of this type of evaluation is to improve employee performance if at all possible.
6. **Using the Result to Make Decision:** Performance evaluations are used to make decisions concerning promotions, compensation, additional training, and dismissal. An effective performance appraisal system can help you meet certain legal requirements when making such a decision. (Senyah, Coffie, and Adu-Pakoh, 2016).

### **2.1.12 Methods for Appraising Employees**

Again, (James, 2016) commented that “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”. Performance appraisal consist of three main methods, these are:

1. **Rating System Method:** Tekalegn, Solomon. Lodesso and Gebre (2016) 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. 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.

2. **Descriptive Method:** This system of appraisal requires the appraiser to give a rating profile on the performance of appraisee on 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. The limiting factor here is that, if the appraiser has not gotten control over the language he is using to conduct the appraisal, as a 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 appraisee (Solomon, Oravee & Hangeior, 2017).
3. **Management by Objective (MBO):** This method is based on the management by objective principle, in which the appraiser and the appraisee set standards or targets to be accomplished. Actual performance is compared to the standards or targets established at the end of a certain period.  
  
This approach is used to motivate appraisees to meet the target or standard set because it has been shown to improve employee morale, as well as the appraisee's, because he is participating in the entire appraisal process. In most cases appraising employees generally takes one year. But it will be advisable for management to conduct interviews purposely for employees' appraisal (Muhammad, Fadillah, Rosman, Altaf, & Fazlulaini, 2018).

### **2.1.13 Employee Job Productivity**

Performance may be defined as those actions which can be examined and able to assess are called as performance (Solomon, Oravee & Hangeior, 2017). In the same tune, Wanjala and Kimuta (2015) explain performance that it is not only linked to the activities but it also comprises of judgment and assessments procedures and that performance standards have been improved as how to measure and assess employee's performance and he also suggests that a planned and systematic approach will be applied to evaluate employee's performance accurately. There are some issues and problems that are associated with job performance i.e., subjectivity in assessments reduces employee's satisfaction and recognition of performance appraisal and knowledge and skills related to job performance are also ignored (Belete, Tariku & Assefa 2014). Employees with high job performance will get more satisfaction than those who have low performance at all (Solomon, Oravee & Hangeior, 2017). Employee's performance is a vital part of every organization to help out low performers for attaining organizational productivity and efficiency (Muhammad, Fadillah, Rosman, Altaf, and Fazlulaini, 2018). Obi (2016) proposed that the success and survival of every organization is reliant on employee output and directly on performance. Tekalegn, Solomon. Lodesso and Gebre (2016) identified some issues like feelings of employees about job work place and fair ratings are the fundamental problems that rater/manager needs to be focused.

#### **2.1.14 Relationship of Performance Appraisal and Employee Job Performance**

Studies have been carried out so far on the association of employee job performance and other variables i.e., have done re-search on training and development and employee job performance. Likewise (Muhammad *et. al.*, 2018), Sajuyigbe (2017) studied the relationship of job satisfaction and employee job performance. Nominal study can be seen so far to find out the relationship between performance appraisal and employee job performance in the Asian context particularly in Pakistan (Muhammad *et. al.*, 2018). Moreover, the past literature on this subject has revealed that efforts has made to determine its observational facets and very little attention has been given to the effectiveness of performance appraisal and its impact on employee performance (Matolo,

2015). Performance appraisal has been researched extensively in different organizations and also its effect on employee performance (Solomon, 2017). Employee performance is linked to performance appraisal practices, but this relationship has to be researched in Pakistani university teachers. (Muhammad, Fadillah, Rosman, Altaf, and Fazlulaini, 2018). Sajuyigbe (2017), advocated that various organizations use performance appraisal systems to improve employee job performance. According to Solomon (2017) the performance appraisal system explores the gap of performance and found possible solution for that gap or issue concerned. It is self-evident that a fair and accurate performance review is one that focuses on an employee's performance behavior rather than his personal characteristics. (Solomon, 2017). Performance appraisal faces different challenges regarding subjectivity and common problems created with subjective evaluation of employees rather than objective measurements (Muhammad, Fadillah, Rosman, Altaf, & Fazlulaini, 2018). A positive association has been identified by between performance appraisal and employee job performance. Several researchers urge that there is positive relationship between performance appraisal and organizational performance (Senyah, Coffie, & Adu-Pakoh, 2016).

#### **2.1.15 Problems in Performance Appraisal**

Sajuyigbe (2017) notes that for a number of decades, performance appraisals have been the most admired, criticized and debated management practices. According to Bekele, et al. (2014), The practice of performance appraisal has been criticized due to supervisors' lack of skills and knowledge, subjectivity, favoritism, and bias, lack of continuous documentation, and failure to provide timely feedback. Employees have a negative impression of the performance appraisal system, and they are dissatisfied with how performance appraisal practices are implemented (Sajuyigne, 2017). Vroom (1990) also confirms that Managers are concerned about the appraisal process, especially the interview. The author notes that managers tend to have a normal dislike for criticizing a subordinate, and often mistrust the employee performance appraisal system instrument.

Studies also identify five various types of problems in performance appraisal which can be; an unfair perception of performance appraisal system, the use of inconsistent criteria that may lead to negative attitude towards the appraisal system, unskilled appraisers who lack communication skills and consequently are not able to conduct an effective performance feedback, lack of tools aimed at improving the performance appraisal system and finally the lack of the senior management support (Kampkotter, 2014; Muhammad & Suraya, 2013).

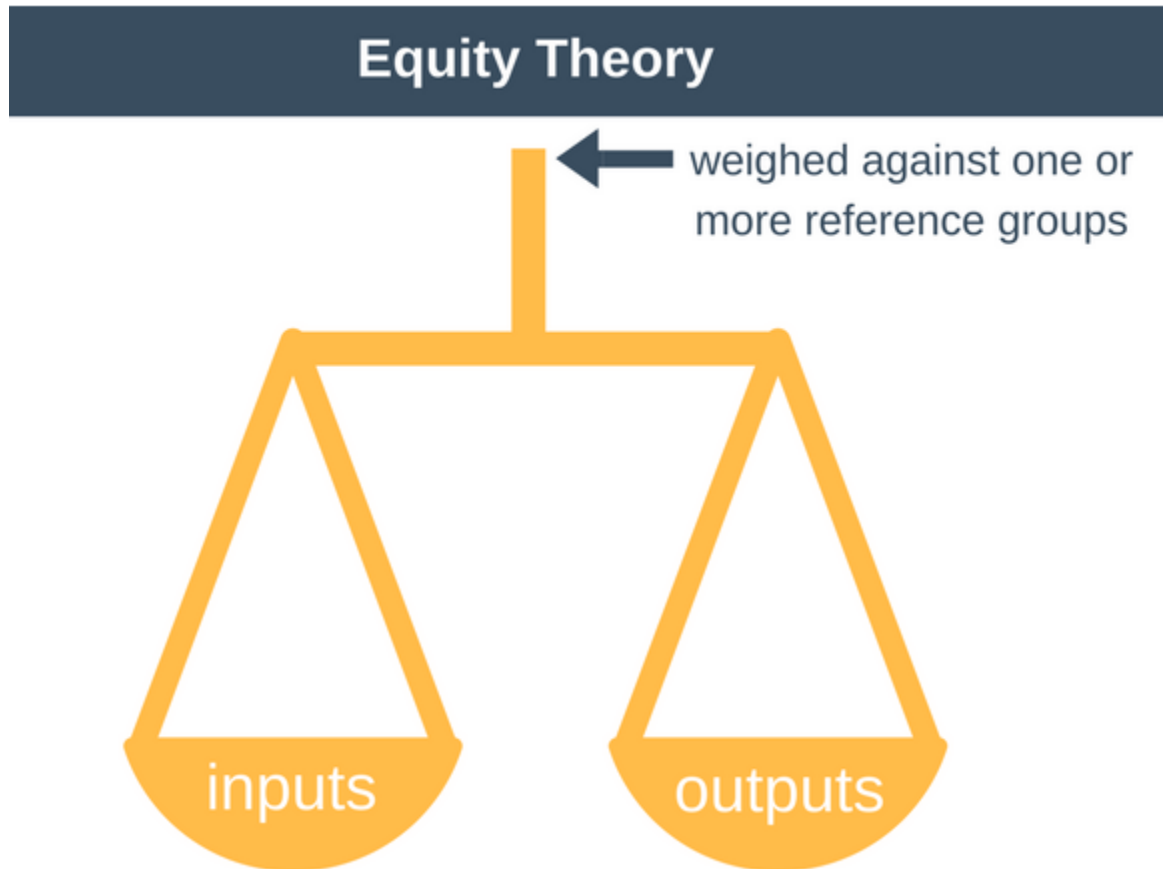
## **2.2 Theoretical Frameworks**

### ***2.2.1 Equity Theory***

Adam's Equity Theory, also known as the Equity Theory of Motivation, was developed by John Stacey Adams a workplace behavioral psychologist in 1963. The concept of equity theory is based on the idea that fairness motivates individuals. Simply put, equity theory suggests that if a person perceives an inequity between themselves and a peer, they will modify their effort to make the situation more equitable in their perspective. As an illustration of equity theory, if an employee discovers that a colleague doing the exact same job as them earns more money, they may choose to work less, producing fairness in their view.

Adam's Equity Theory states that the higher a person's perception of equity (fairness), the more motivated they will be. Conversely, an individual will be demotivated if they perceive unfairness. There must be balance between input and output for individuals to feel well-compensated. inputs include: number of hours worked (effort), commitment shown, experience brought to the role, responsibilities and duties of the individual in the role, loyalty the individual has demonstrated to superiors or the organization. Outputs (also known as outcomes) are the results that an individual obtains as a result of their contributions to the organization. Some of these benefits will be tangible, such as a salary, while others, such as recognition, will be intangible. Adam's Equity Theory goes a

step further and states that Individuals do not comprehend equity in isolation; instead, they examine circumstances and compare themselves to others. They will change their inputs to restore balance if they detect an inequality.



Source; [managementstudyguide.com](http://managementstudyguide.com),2021.

Equity simply means fairness. Workers are motivated when they discover that they are treated fairly in compensation, promotion and that there is transparency in their evaluations. Workers reduce their efforts if they feel that they are treated inequitably (Hyde, 2005).

### **2.2.2 Goal-Setting Theory**



Goal-setting theory was proposed by Edwin Locke in the year 1968. According to this theory, goal-setting is essentially linked to task performance. It states that specific and challenging goals, as well as appropriate feedback, results in increased and improved task performance. This theory suggests that the individual goals established by an employee play an important role in inspiring him or her to achieve higher levels of performance. This is due to the employees' continued pursuit of their objectives. If these objectives are not met, they must either improve their performance or modify the objectives to make them more realistic. (Salaman, 2005).

The important **features of goal-setting theory** are as follows:

- The willingness to put in the effort to achieve a goal is the main source of job motivation. Easy, generic, and ambiguous goals are less motivating than clear, specific, and difficult goals.
- Goals that are **specific and unambiguous** lead to increased productivity and improved performance.
- Goals should be both **realistic and challenging**. When an individual achieves a goal, he feels proud and triumphant, and it prepares him for the next goal. The more difficult the goal is, the higher the reward and the greater the passion for reaching it.
- Employee behavior is directed by better and appropriate feedback on results, which leads to higher performance than when feedback is not provided. Feedback is a tool for establishing reputation, clarifying issues, and regulating goal difficulties. It encourages people to be more involved in their work, which leads to higher job satisfaction.
- **Employee involvement** in a goal isn't always desired.
- Participation in goal-setting, on the other hand, makes goals more acceptable and promotes additional participation.

**Eventualities in Goal setting theory**

- a. **Self-efficiency-** Self-efficiency is defined as an individual 's self-confidence in his ability to perform tasks. When confronted with challenging tasks, an individual with a high level of self-efficiency will put up more effort. When a person's self-efficiency is low, he or she will put in fewer efforts or perhaps quit when confronted with problems
- b. **Goal commitment-** Goal setting theory assumes that the individual is committed to the goal and will not leave the goal. The goal commitment is dependent on the following factors:
  - i. Goals are publicly disclosed, known, and broadcasted.
  - ii. Goals should be set-self by individual rather than designated.
  - iii. Individual goals should be aligned with the organization's vision and goals. .

### **Advantages of Goal Setting Theory**

- Goal setting theory is a technique for motivating employees to execute tasks quickly and efficiently
- Goal setting improves performance by increasing motivation and effort, as well as increasing and improving the quality of feedback.

### **Limitations of Goal Setting Theory**

- Occasionally, organizational aims and managerial goals are in conflict. When goal conflict induces incompatible action drift, it has a negative impact on performance.
- Goals that are extremely difficult and complex stimulate risky behavior.
- If the employee lacks the abilities and competencies to carry out the actions required to achieve the goal, the goal-setting process may fail, resulting to undermining performance.
- There is no evidence to prove that goal-setting improves job satisfaction.

### **Application to the Study**

The theory emphasizes the important relationship between goals and performance. Research supports predictions that the most effective performance occurs when goals are specific and challenging, when they are utilized to evaluate performance and linked to feedback on results, and create commitment and acceptance. The motivational impact of goals may be affected by moderators such as ability and self-efficacy. Goal setting is widely accepted by managers as a way to enhance and maintain performance (DuBrin, 2012). The major findings of goal setting are that people who are given specified, difficult, but attainable goals do better than people who are given easy, vague, or no goals at all, based on hundreds of studies. Individuals must, however, have sufficient ability, accept the goals, and receive performance feedback at the same time (Latham, 2003).

### **2.2.3 Expectancy Theory**

**Victor Vroom** of Yale School of Management proposed the expectation theory in 1964. Unlike Maslow and Herzberg, Vroom emphasizes and focuses on outcomes rather than needs. The theory states that the intensity of a tendency to act in a certain way is determined by the intensity of an expectation that the performance would be followed by a specific outcome and the appeal of the outcome to the individual.

The **Expectancy theory** states that employee's motivation is determined by how much an individual wants a reward (Valence), the assessment that the effort will lead to expected performance (Expectancy) and the belief that the performance will lead to reward (belief) (Instrumentality).

In short, **Valence** is the significance associated by an individual about the expected outcome. It is the expected and not the actual level of satisfaction that an employee expects to receive after attaining the goals. Expectancy is the belief that putting in more effort will result in greater results.

**Expectancy** is influenced by factors such as possession of appropriate skills for performing the job, availability of right resources, having access to critical information, and having the required support for completing the job.

**Instrumentality** is the belief that if you do your job well, you will get a valid result. Instrumentality is affected by factors such as believe in the people who decide who receives what outcome, the simplicity of the process deciding who gets what outcome, and clarity of relationship between performance and outcomes. Thus, the expectancy theory concentrates on the following three relationships:

- Effort-performance relationship: What is the likelihood that the individual's effort be recognized in his performance appraisal?
- Performance-reward relationship: It talks about the extent to which the employee believes that getting a good performance appraisal leads to organizational rewards.
- Rewards-personal goals relationship: It all comes down to the attractiveness or appeal of the possible reward to the individual.

Vroom was of view that employees intentionally choose whether or not to perform at the job. This decision was completely based on the level of motivation of the employee, which is determined by three factors of expectation, valence, and instrumentality.

### **Application of Expectancy Theory to the Study**

Expectancy theory (Vroom, 1964) indicates that employees will be motivated to exert high level of effort when they believe that their efforts will lead to improved performance (expectancy), higher performance will lead to rewards (instrumentality) and rewards are valuable to them (valence). This effort will lead to a good performance appraisal, which will be followed by organizational benefits such as bonuses, salary increment, or promotions, all of which will help you achieve your own goals (Vroom, 1964). This theory is based on the hypothesis that people alter their behavior in the workplace based on the likelihood of achieving their desired outcomes. Individuals modify their behavior in such a way that they are more likely to achieve their goals. This theory underlies the concept of performance management, as it is thought that expectations about future occurrences influence performance (Salaman, 2005).

### **2.3 Empirical Studies**

Senyah, Coffie and Adu-Pakoh (2016), conducted study on the assessment of the effectiveness of performance appraisal on work productivity: a case study of Kumasi polytechnic. According to the findings, performance appraisal has a beneficial impact on performance. However, the researchers discovered that performance appraisal is mostly undertaken on annual basis at the workplace. Again, it was also realized that Kumasi Polytechnic uses rating scale, descriptive system and management by objective system methods of appraisal to evaluate employees. It was also realized that management by objective is the mostly utilized method. Hence, it was discovered that the institution conducts appraisals annually. Finally, the study realized from the research that performance appraisal has got much influence on job performance of Kumasi Polytechnic employees.

In a Nigerian Study conducted in 2017 by Sajuyigbe titled “Impact of Performance Appraisal on Employee Performance in Nigerian Telecommunication Industry (A study of MTN, Nigeria)”. The study examined the impact of performance appraisal system on employee’s performance in Telecommunication sector. Simple random sampling technique was employed to select two hundred and sixty (260) respondents from the total population of one thousand three hundred (1,300) employees of MTN, Nigeria. Results revealed that the level of performance appraisal awareness is high among the staff of MTN, Nigeria. Results also established that performance appraisal system has significant impact on employee’s performance. Results also revealed that inability to provide on time feedback is a challenge to performance appraisal system in MTN, Nigeria. Subsequently, the study recommended that management should be objective during appraisal exercise, provide regular feedback and offer career development in order to help an organization wins the desired competitive advantage.

Tekalegn, Solomon and Gebre (2016) conducted a study to determine the Effect of Performance Appraisal on Employee Performance: A Survey on Administrative Staff of Hawassa Univesity. The study aims to explore the effect of Performance appraisal process on employee performance in Hawassa university administrative staff. The data

were collected through structured questionnaires from 320 permanent administrative staff. The findings revealed that there are positive and significant relationships between independent and dependent variables. That is establishing performance standards, communicating established standards, measuring actual performance and compare with standards, discussing the appraisal and giving feedback and indicating corrective action with employee performance. Thus, for effective performance appraisal system the management of the university has to make some improvement in the appraisal system practice.

Abbas and cross (2020) conducted a study titled “Impact of Performance Appraisal on Employee Productivity in Nigeria Breweries PLC”. The aim of the study was to determine the “impact of performance appraisal on employee’s productivity”. This research was conducted as a case study to help guarantee high productivity of products and services in the organization. It also examines the promotion, motivation, placement, training and job satisfaction of employees so as to appraise the job performance in the organization. The findings of the research survey discovered that objective and well-planned high performance of employee’s productivity, retraining and consistent training are to be organized for the people involved in appraisal programme.

In a study conducted by Alberto, Jose and Sara (2019), titled “Performance appraisal: dimensions and determinants. Using a sample of Spanish establishments in the manufacturing sector, the article analyses the determinants of the dimensions of performance appraisal. The dimensions examined are performance measures, who evaluates performance and frequency. The results show that the degree of autonomy of the workforce affects positively the use of subjective criteria. It is also more likely that performance appraisal is carried out by the supervisor in the presence of teams and internal promotions. Regarding the explanation of the frequency, teams affect negatively this dimension of performance appraisal.

Karak and KrishnenduSen (2019). Performance appraisal of employees: a literature review. The amount of research regarding the topic “Performance Appraisal” is so vast. The paper which is based on an observational study of the researchers’ daily work

experiences and review of literature identified constraints to performance appraisal in employees in the institutions, which includes the current knowledge in Performance Appraisal findings, as well as theoretical and methodological contributions to a particular topic.

In the manuscript published by Malik et. al., (2014) on the Impact of Performance Appraisal on Employee Performance, this manuscript is an attempt of the researchers to highlight the significance of performance appraisal in the organizations and business world. Appraisal is one of the most significant and effective tool that can lead an organization to vanquish their ultimate goals by improving the efficiency and effectiveness of the employees. Performance appraisal helps managers to identify the gap between desired and actual performance and in case of deficiency, it can be removed by imparting required training. Fair performance evaluation and proper training motivates employees that results in improved performance and achieve organizational competitiveness.

Asamoah (2012), conducted a research to determine how performance appraisal affect employees' attitude and at the long run work performance. The study assessed the performance appraisal process and whether the process is a fair one. Mixed design were used to generate primary data. The results indicated that employees were not given enough feedback concerning their work performance and viewed the system to be bias. Most of the respondents were of the view that the main shortcoming to performance appraisal was favoritism. It was discovered that, Performance appraisal had an impact on employees' performance, thus, when appraisal is fairly done, employees tend to be pleased and it reflects in their work output on the other side, when it's poorly done employees become bitter and it affects their performance. Effective and fair performance appraisal process would enhance employees' performance. The studies also revealed that majority of the respondents were not counseled after performance appraisal. It is recommended among other things, that the processes involved in performance appraisal should be duly followed; feedback should be given so as to help employees know how they are faring on the job.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter will discuss the operational principles and deals extensively with the methods that will be employed in carrying out this research work, it gives explanation and details of the procedures to be followed in arriving at any conclusion. It also focuses on the design of research and methodology procedures to complete this study. The methodological procedures include a comprehensive analysis of the techniques that will be used in carrying out this study which includes the research design, study population, sampling procedures and sample size, data collection instruments, validity and reliability of the research instruments and method of data analysis.

#### **3.2 Research Design**

For any research to be carried out, there is the need to identify the right research approach/design as this determines how the vital information for the study will be conducted. The research design to adopt to carry out a research highly depends on the problem being addressed by the research. According to Check & Schutt (2012), Survey research is defined as “the collection of information from a sample of individuals through their responses to questions.” Survey defines and clarifies why certain situations occur (Wimmer and Dominick, 2011).



Therefore, the research design that will be adopted for this study is the survey design. Survey design will be adopted in this study because it allows data to be collected from a sample with the aim of discovering the interactions among variables. In other to do this, a questionnaire was used as the means collection of data. Consequently, the study will collect data through the use of structured questionnaire. The questionnaire will be designed in such a way that it will capture the basic objectives of the study. In addition, questions will be structured and made simple for respondents to understand clearly in order to generate reliable data.

### **3.3 Study Setting**

Great Nigeria insurance PLC, commenced business in 1960. The ownership of the company is made up of diverse shareholders from wide range of individuals and institutional investors with a robust board of directors of distinguished personalities. The company has invested in the best of people and technology, improving on processes, growing its market share and thereby expanding its balance sheet size. The company continuously strives to be amongst the top players in the insurance industry. The board of directors of the company is made up of reputable individuals that have distinguished themselves in their respective fields of endeavour.

Recently, following Central Bank of Nigeria (CBN)'s directive that required banks to either divest from non-core banking subsidiaries or form holding company to hold those subsidiaries; WEMA bank divested transferring its 75% equity stake in GNI PLC to insurance resource and consultancy services limited. The acquisition process started in 2011 and as concluded on September 21, 2016. The head office is located on 8, Omosagie Street, off Awolowo road, Ikoyi, Lagos with regional, branch and agency offices spread across the country. Presently, GNI has 101 staff capacity.

### **3.4 Population of Study**

The population for this research study refers to the totality of the population from which samples will be drawn from. Population is the entire aggregation of items from which

samples can be drawn for a study. According to Kombo and Tromp (2006), a population is a precisely defined or collection of persons, organizations, divisions, activities, social occasions of items, or families that are fully inspected for the results. These are group of people with a given characteristics one wishes to study.

The population of study for this research is all 101 staff of the Great Nigeria Insurance PLC, Lagos. This population is made up of various employee cadres and in different units of operation in which the study will proportionate to make it representative.

### **3.5 Sample Size Determination**

A sample size is derived from the estimated population of the study. A sample size is referred to as a subset of the population that serves as a representation of the entire population of the study from which generalizations can then be made. It involves the study in considerable details of relatively small number of information taken from large groups. This study will make use of total sampling technique where all staff of the Great Nigeria Insurance PLC, Lagos will be sampled. The study will attempt to collect data from minimum of 90% of the staff, the loss of remaining 10% can be attributed to attrition rate, lack of interest in the study and other unforeseen circumstances.

Therefore, the estimated sample size for this study is 91 participants which is equivalent to 90% of total study population and in tandem with the position adopted by Sajuyigbe (2017).

### **3.6 Sampling Technique**

The sampling process allows relevant inferences or generalizations to be made based on the proportion of the population. Samples are not chosen haphazardly; instead, they are chosen in a systematic way, allowing for the use of chances or probability. A representative sample of respondents from the specified population must be used. The

knowledge from the sample can be applied to the population if the samples are truly representative of the target population in all of its parameters or characteristics.

Purposive sampling techniques will be employed for this research work in which information is intended to be collected from all staff members of the Great Nigeria Insurance PLC.

### **Inclusion Criteria**

- A. Must be a staff of Great Nigeria Insurance PLC, Lagos.
- B. Those who are on duty at the time of data collection.
- C. Willingness to give consent to be part of the study.

### **Exclusion Criteria**

- A. Not a staff of Great Nigeria Insurance PLC, Lagos
- B. Those on leave at the time of data collection and gathering.
- C. Refusal to give consent to participate in the study.

## **3.7 Method of Data Collection**

The data for this study will be collected using structured questionnaires that will be self-administered to the respondents by the researcher and research assistants. This necessitates the researcher identifying respondents who will be objective in answering specific questions as outlined in the questionnaire. The instrument administration will be carried out in such a way that all study cadres will be fairly represented.

## **3.8 Instrument for Data Collection**

Questionnaires will be used to gather information. According to Ogili (2005), a questionnaire is a collection of questions related to the study's goal, objective, and hypotheses that respondents respond to by writing down their answers.

As outlined in the study objectives, the questionnaire will include questions about performance appraisal and employee productivity.

### **3.9 Validity and Reliability of the Instrument**

When the situation is constant, reliability is concerned with how reliable the data collection instrument is, which means whether the questions in the survey get the same form of answer. The instrument's reliability will be calculated by conducting a pilot study with a sample size of 10% of the total sample size and testing its reliability using the Chronbach's Alpha method, with an alpha value of 0.7 being considered appropriate.

The validity being the appropriateness, meaningfulness and usefulness of specific inference made from the research instrument, validity would be ascertained in a number of ways which include showing the instrument to the supervisor who is an experienced researcher as well as other experts in the area of study who will assess the feature of the validity, which will help to assess an appropriate sentence construction, the comprehensiveness of instrument and the language clarity.

### **3.10 Method of Data Analysis**

Data collected will be analyzed using statistical packages for social sciences (SPSS) Version 23. Two main analytical methods will be applied in this study, namely, descriptive statistics and inferential statistics. In order to effectively conduct a valid analysis in the presentation and analysis of the data collected on the research field, the researchers used descriptive Statistical knowledge that will be employed is descriptive Statistics such a percentage, frequency and inferential Statistics such as correlation and regression.

### **3.11 Limitations of Research Design**

The primary aim of quantitative analysis is to measure data. It allows for result generalizations by analyzing the viewpoints and responses of the sample population. Any research technique is divided into two stages: planning and execution. As a consequence, it is clear that there will be limitations in these two phases that are beyond our influence.

Since surveys only gather data at one point in time, it's difficult to track demographic shifts unless two or more surveys are performed at different times. Frequent periodic surveys are impractical since such repetition is often costly and time-consuming.

### **3.12 Sources of Data**

Data will be collected through primary source by directly administering questionnaires to the respondents. The two ways by which data can be sourced from are;

#### **Primary Data.**

According to Petir Driller (1975), primary data is the original data gathered specially for a project at hand. It refers to materials which the investigator or researcher originates for the purpose of inquiry in hand. Data which are expressly collected for a specific purpose are referred to as primary data. One of the advantages is that the exact information is obtained because it is gotten from the researcher. They are information that are gathered fresh, they haven't been collected and used before. Data which are collected afresh and for the first time which happens to be original in character are termed primary data.

#### **Secondary Data.**

Secondary data is pre-existing information that could be useful for a particular survey's function. Secondary data is information that has already been gathered and processed. Internal and external sources of secondary data include books, journals, magazines, government periodicals, business reports, internet services, newspapers, government departments, and so on. The major feature of this data is that it may or may not match or be useful for some types of information.

Basically, in this research only the use of primary data will be adopted.

**CHAPTER FOUR**  
**DATA ANALYSIS, PRESENTATION, AND INTERPRETATION**

**4.1 Introduction**

This chapter deals with the presentation of results which begins with the description of the bio-data information. The objectives and hypotheses formulated for this study guided the arrangement of the tables. The descriptive statistics uses tables, bar charts and pie charts to help in making numbers visible for comprehension purposes.

**Table 4.1.1 Sociodemographic Statistics**

<b>Variable</b>	<b>Frequency (n) N=102</b>	<b>Percent (%)</b>
<b>Sex</b>		
Male	50	52.60
Female	45	47.40
<b>Age (in years)</b>		
18-30	26	27.40
31-40	35	36.90
41-50	20	21.10
51-60	14	14.70

<b>Educational Qualification</b>		
SSCE	1	1.10
NCE/OND	7	7.40
HND/BSc	44	46.30
Postgraduate	43	45.50
<b>Department/Division</b>		
Accounting	14	14.70
Administration/HR	20	21.10
Communication and ICT	6	6.30
Marketing	26	27.40
Complaint and Claims	8	8.40
General Business and Technology	6	6.30
Life Department	4	4.20
Others	11	11.60
<b>Years of Experience</b>		
0-5	26	27.40
6-10	23	24.20
11-15	23	24.20
16-20	23	23.20
<b>Staff Category</b>		
Junior Staff	14	14.70
Senior Staff	39	41.10
Management Staff	14	14.70
Others	1	1.10

Evidence given on table 4.1 shows that 50 (52.6.0%) of the respondents were females while 45 (47.40%) of the respondents were males.

On the respondents age group, 26 (27.4%) of them are between 18 years and years, majority (36.9%) are between the ages 31 and 40, 20 (21.1%) of the respondents are between ages 41 and 50, while 14 (14.7%) were of 51 years and above.

In terms of respondent’s educational qualifications, 1(1.1%) were holders of ordinary level (O-level) certificate, 7 (7.4%) respondents hold either a Nigeria certificate in Education (NCE) or National Diploma (ND), 44 (46.3%) are Higher National Diploma (HND) or Bachelor’s Degree (BSc.) certificate holders while impressively, 43 (45.3%) of the respondents have postgraduate degrees.

Majority, 26 (27.4%) respondents have been employed in the service of the GNI between 0 and 5 years, 23 (24.2%) respondents have been employed between 6 and 10 years, another 23 (24.2%) have been in the organization’s services between 11 and 15 years, while another 23 (24.2.0%) have been employed in the service of the institution for more than 15 years.

Finally, table 4.1 presents that staff category in the organization that participated in the study, 14 (14.7%) are in the management category, 39 (41.7%) respondents are senior staff, while 41 (43.2%) are in the junior staff category, 2 respondent is not in the any of the listed categories.

#### 4.1.2 Answers to Research Questions

**Research Question One:** What is the effect of regularity of performance appraisal on detection of need for staff development?

Table 4.2: Effect of regularity of performance appraisal on detection of need for staff development

S/N	Item	SD (%)	D (%)	U (%)	A (%)	SA (%)
a.	A regular appraisal benefits employees in terms of acknowledgement, obtaining input, and providing career guidance.	24 (25.30)	9 (9.50)	.....	28 (29.80)	34 (35.80)



b.	Regular appraisals may be used for staff developmental purposes	24 (24.20)	8 (8.40)	2 (2.10)	24 (25.30)	38 (40.00)
c.	A regular appraisal system is essential for detection of staff's career needs.	22 (23.20)	9 (9.50)	5 (5.30)	22 (23.20)	37 (38.90)
d.	Work performance of the employee can be examined and discussed with intent of recognizing strengths and weaknesses as well as threats and opportunities for skills development and improvement with regular appraisal.	25 (26.30)	8 (8.30)	2 (2.10)	23 (24.20)	39 (41.10)
e.	A successful regular assessment method can provide reliable data on a person's personal strengths and weaknesses.	20 (20.10)	11 (11.60)		27 (28.40)	37 (38.90)

Table 4.2 presents the responses gotten in respect to the effect of regularity of performance appraisal on detection of need for staff development. Majority (35.8%) of the respondents strongly agreed that regular appraisal benefits employees in terms of acknowledgement, obtaining input, and providing career guidance. 29.8% also agreed, while 9.5% and 25.3% disagreed and strongly disagreed respectively. Also, most (25.3% and 40%) of the respondents agreed and strongly agreed that regular appraisals may be used for staff developmental purposes, while 8.4% and 24.2% disagreed and strongly disagreed that regular appraisals may be used for staff developmental purposes, 2.1% were undecided. Likewise, majority (23.2% and 38.9%) of the respondents agreed and strongly agreed that a regular appraisal system is essential for detection of staff's career needs, 8.3% and 36.3% disagreed and strongly disagreed respectively that a regular appraisal system is essential for detection of staff's career needs. Furthermore, majority (41.1%) of the respondents strongly agreed that work performance of the employee can be examined and discussed with intent of recognizing strengths and weaknesses as well as threats and opportunities for skills development and improvement with regular appraisal, additional 24.2% agreed to the statement, 2.1% were undecided concerning the,

while 8.3% and 26.3% disagreed and strongly disagreed respectively that work performance of the employee can be examined and discussed with intent of recognizing strengths and weaknesses as well as threats and opportunities for skills development and improvement with regular appraisal. Finally, majority (38.9%) of the respondents strongly agreed that a successful regular assessment method can provide reliable data on a person's personal strengths and weaknesses, 21.1% strongly disagreed, and 11.6% disagreed.

**4.1.3 Research Question Two:** What is the effect of staff appraisal on employee performance?

**Table 4.3: Item Analysis of the responses on Research Question 2**

S/N	Item	SD	D	U	A	SA
a.	The primary goal of a performance evaluation is to collect accurate and reliable information about the behavior and performance of an organization's members	19 (20.00)	13 (13.70)		27 (28.40)	36 (37.90)
b.	Staff appraisal can help improve qualities such as leadership, teamwork, decision making and services rendered to outsiders.	23 (24.20)	9 (9.50)	1 (1.10)	31 (32.60)	31 (32.60)
c..	Performance appraisal helps to improve upon the performance of staff	18 (18.90)	14 (14.70)	1 (1.10)	24 (25.30)	38 (40.00)
d.	Employee job performance is described as those behavior that can be measured and assessed by others.	22 (23.20)	10 (10.50)	2 (2.10)	29 (30.50)	32 (33.70)
e.	Employees precisely know what the	<b>17</b>	8 (8.40)	15	45	30 (31.80)

standards and expectations are and how they are to be met.	(17.50)		(15.80)	(26.30)	
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Table 4.3 shows the responses gotten regarding the effect of performance appraisal on employees' performance. The table showed that most (37.9%) of the respondents strongly agreed that the primary goal of a performance evaluation is to collect accurate and reliable information about the behavior and performance of an organization's members, 28.4% also agreed, while 13.7% and 20% of the respondents disagreed and strongly disagreed respectively. In the same manner, 65.2% of the respondents concurred that staff appraisal can help improve qualities such as leadership, teamwork, decision making and services rendered to outsiders, 24.9% of the respondents strongly disagreed that staff appraisal can help improve qualities such as leadership, teamwork, decision making and services rendered to outsiders, and 9.5% also disagreed, while 1.1% was undecided. Furthermore, 40% of the respondents strongly agreed that performance appraisal helps to improve upon the performance of staff, 25.3% also agreed, 1.1% was neutral, while 18.9% strongly disagreed that performance appraisal helps to improve upon the performance of staff, and 14.7% also disagreed. Finally, from the table 4.3, 31.8% strongly agreed that employees precisely know what the standards and expectations are and how they are to be met, 26.3% agreed, while 17.5% strongly disagreed, 8.4% disagreed, and about 16% were undecided.

**4.1.4 Research Question Three:** How does the implementation of performance appraisal affect performance at GNI?

**Table 4.4:** Effect of implementation of performance appraisal on performance at GNI

S/N	Item	SD	D	U	A	SA
a.	At GNI, appraisals is be used for both administrative and developmental purposes.	27 (28.40)	6 (6.30)	3 (3.20)	23 (24.20)	36 (37.90)
b.	Performance appraisal implementation is primarily done at GNI to achieve	21 (22.90)	10 (10.50)	8 (8.40)	22 (23.20)	34 (35.80)

	organizational objectives					
c.	Implementation of performance appraisal helps to improve upon the performance of staff which also goes to improve upon the overall performance of GNI as an organisation	19 (20.00)	13 (13.70)	4 (4.20)	20 (21.10)	39 (40.00)
d.	Performance appraisal and implementation provide data that helps GNI management to assess its human resources and plan fair, systematic, and informed recruiting, personnel, and growth policies.	18 (18.90)	10 (10.50)	7 (7.40)	20 (21.10)	40 (42.20)
e.	Differentiating between satisfactory and unsatisfactory performers, selection, growth, pay, advancement, fines, layoffs, and retrenchment are all functions that performance appraisal can assist management with	21 (22.10)	9 (9.50)	4 (4.20)	29 (30.50)	32 (33.70)

Table 4.4 above shows responses of the respondents to the effect of implementation of performance appraisal on performance at GNI. Almost 4 out of ten of the respondents strongly agreed that at GNI, appraisals are being used for both administrative and developmental purposes, about a further quarter also agreed to the statement, while about 35% showed exception to the statement, 3.2% were undecided. Moreover, 35.8% strongly agreed that performance appraisal implementation is primarily done at GNI to achieve organizational objectives, 23.2% simply agreed, 8.4% were undecided, while 22.9% strongly disagreed and 10.5% disagreed that performance appraisal implementation is primarily done at GNI to achieve organizational objectives. Furthermore, 40% of the respondents strongly agreed that implementation of performance appraisal helps to improve upon the performance of staff which also goes to improve upon the overall performance of GNI as an organisation, additional 21.1% simply agreed to the statement, 4.2% were undecided, while 20% strongly disagreed, and

13.7% also disagreed. Finally, a combined 60% of the respondents concurred that differentiating between satisfactory and unsatisfactory performers, selection, growth, pay, advancement, fines, layoffs, and retrenchment are all functions that performance appraisal can assist management with, 4.2% were neutral, while 22.1% strongly disagreed and 9.5% disagreed.

**4.1.5 Research Question Four:** What is the effect of performance appraisal feedback on employees' job performance at GNI?

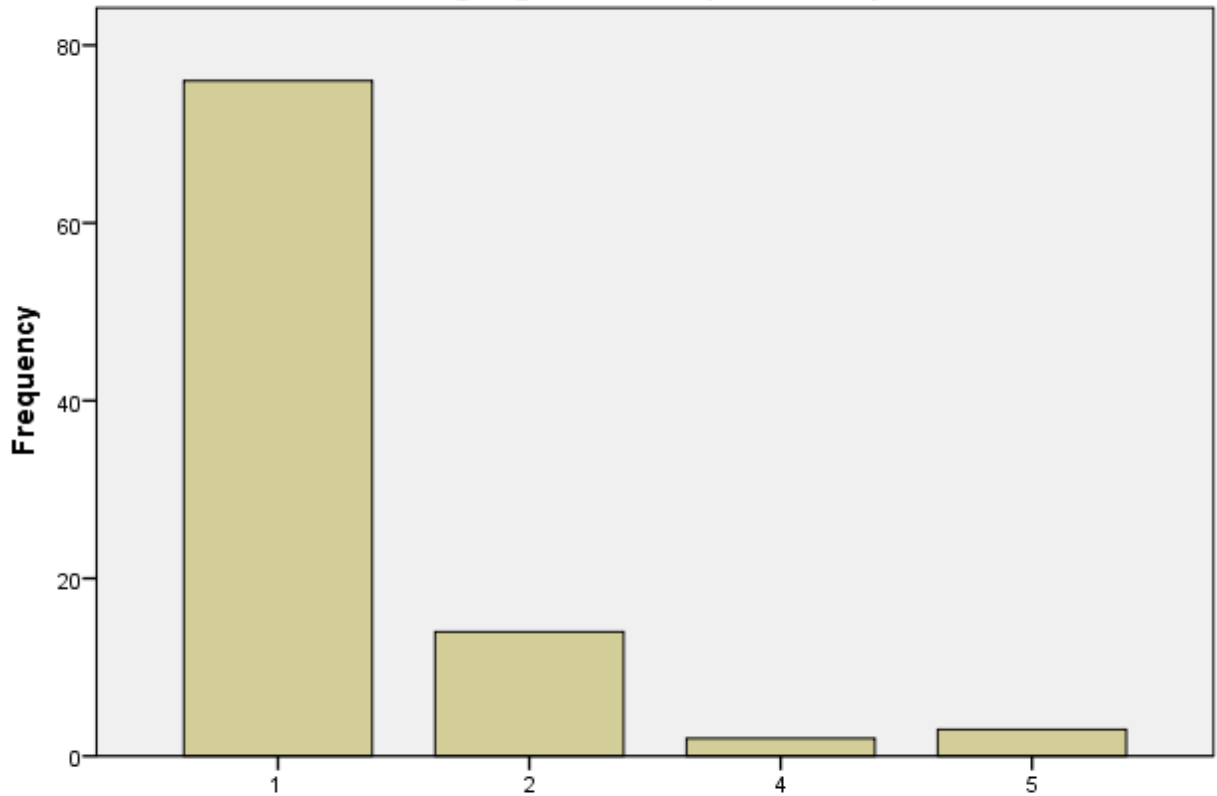
**Table 4.5:** Effect of performance feedback on employee' performance

S/N	Item	SA	A	U	D	SD
I.	Performance appraisal can lead to a greater degree of consistency through regular feedback on performance.	33 (34.70)	14 (14.70)	.....	21 (22.10)	27 (28.40)
Ii.	Appraisal can be used to improve current performance and provide feedback.	29 (30.50)	15 (15.80)	3 (3.20)	25 (26.30)	23 (24.20)
Iii.	Providing feedbacks let individuals know what is expected of them and help them focus on career development.	33 (34.70)	14 (14.70)		30 (31.60)	18 (18.90)
Iv.	By getting feedbacks, employee renews his or her interest in being a part of the organization now and in the future.	31 (32.60)	13 (13.70)	6 (6.30)	22 (23.20)	23 (24.20)
v.	The provision of feedback in the performance appraisal system is very	33 (34.70)	14 (14.70)		25 (26.30)	23 (24.20)

important in enhancing organisational performance.					
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Table 4.5 presents responses gotten in regard to the effect of performance appraisal feedback on employees' job performance at GNI. The table shows that most (34.7%) of the respondents strongly agreed that performance appraisal can lead to a greater degree of consistency through regular feedback on performance, 14.7% also agreed, while 28.4% strongly disagreed, and 22.10 also disagreed. Also, the table shows 30.5% of the respondents strongly agreed that appraisal can be used to improve current performance and provide feedback, 15.8% equally agreed, 3.2% were undecided, while 24.2% strongly disagreed, and 26.3% disagreed that appraisal can be used to improve current performance and provide feedback. Furthermore, 34.7% of the respondents strongly agreed that providing feedbacks let individuals know what is expected of them and help them focus on career development. 14.7% also agreed, while 31.6% disagreed and 18.9% strongly disagreed with the statement. About 33% of the respondents were in strong agreement that by getting feedbacks, employee renews his or her interest in being a part of the organization now and in the future, 13.7% also agreed, 6.3% were undecided, while 24.2% strongly disagreed, and 23.2% disagreed. Finally, 34.7% strongly agreed that the provision of feedback in the performance appraisal system is very important in enhancing organisational performance, 14.7% agreed, while 26.3% and 24.2% disagreed and strongly disagreed respectively that the provision of feedback in the performance appraisal system is very important in enhancing organisational performance.

On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.



On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

Keys: 1= Very Effective, 2=Moderately Effective, 3=Somehow Effective 4=Not Effective 5= Very Useless

The chart above showed that vast majority of the respondents believe that performance appraisal is very effective tool for enhancing organisational productivity.

#### 4.2 Test of Hypothesis

In this section, the research hypothesis is tested based on the data collected from the field survey on the study using regression analysis.

### 4.2.1 Test of Hypothesis One

H<sub>0</sub>1: There is no significant relationship between the regularity of performance appraisal on detection of need for staff development and organisational productivity.

**Table 4.6a: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.217 <sup>a</sup>	.047	.037	.842	1.764

a. Predictors: (Constant), Regularity of staff appraisal

b. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

**Table 4.6b: ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.269	1	3.269	4.610	.034 <sup>b</sup>
	Residual	65.952	93	.709		
	Total	69.221	94			

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

b. Predictors: (Constant), Regularity of staff appraisal

**TABLE 4.6C: Coefficients**



Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.983	.186		5.278	.000
BTot	.114	.053	.217	2.147	.034

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

From the regression tables above (Tables 4.6a-4.6c), the model summary result indicated that there is a positive but fairly weak significant correlation between the regularity of performance appraisal and organisational productivity. This is reflected on the value of the co-efficient of the correlation (R) which is 0.217. This value indicates that the strength of the relationship between the two variables under study is about 21.7% while holding other independent variables constant. The co-efficient of determination ( $R^2$ ) showed a value of 0.047 which indicates about 4.7% variations in organisational performance is systematically explained by changes in regularity of staff performance on the detection of need for staff development. Thus, not more than 95.3% variations in organisation performance remains unexplained by this explanatory variable. The Adjusted  $R^2$  of 0.037 is close to the  $R^2$  value of 0.047, meaning that the model is fit for making generalization.

Durbin Watson statistic of 1.861 is close to 2, pointing to the absence of auto-correlation. Since p-value ( $p=0.034$ ) which is less than 0.05 (typically  $\leq 0.05$ ) is statistically significant. This depicts a statistically significant relationship between regularity of staff performance on the detection of need for staff development and organisational productivity. We therefore reject the null hypothesis of no significant effect of in

regularity of staff performance on the detection of need for staff development on organisational productivity.

#### 4.2.2 Test of Hypothesis Two

Ho2: Staff appraisal has no significant effect on employees' performance

**Table 4.7a: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.240 <sup>a</sup>	.058	.048	.837	1.778

a. Predictors: (Constant), Staff Appraisal

b. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

**Table 4.7b: ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.995	1	3.995	5.696	.019 <sup>b</sup>
	Residual	65.226	93	.701		
	Total	69.221	94			

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

b. Predictors: (Constant), Staff Appraisal

**Table 4.7c: Coefficient**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	.853	.220		3.879	.000
	CTotal	.140	.059	.240	2.387	.019
a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.						

From the regression tables above (Tables 4.7a-4.7c), the model summary result indicated that there is a positive but fairly weak significant correlation between the staff appraisal and organisational productivity. This is reflected on the value of the co-efficient of the correlation (R) which is 0.24. This value indicates that the strength of the relationship between the two variables under study is about 24% while holding other independent variables constant. The co-efficient of determination ( $R^2$ ) showed a value of 0.058 which indicates about 5.8% variations in organisational productivity is systematically explained by changes in staff appraisal on organisational productivity. Thus, not more than 94.2% variations in organisation productivity remains unexplained by this explanatory variable. The Adjusted R2 of 0.048 is close to the R2 value of 0.058, meaning that the model is fit for making generalisations.

Durbin Watson statistic of 1.778 is close to 2, pointing to the absence of auto-correlation. Since p-value ( $p=0.019$ ) which is less than 0.05 (typically  $\leq 0.05$ ) is statistically significant. This depicts a statistically significant relationship between the staff appraisal

and organisational productivity. We therefore reject the null hypothesis of no significant effect of staff performance appraisal on organisational productivity.

### 4.2.3 Test of Hypothesis Three

**Ho2:** implementation of performance appraisal has no significant effect on performance at GNI.

**Table 4.8a: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.183 <sup>a</sup>	.033	.023	.848	1.774

a. Predictors: (Constant), DTotal

b. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

**Table 4.8b: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.308	1	2.308	3.208	.077 <sup>b</sup>
	Residual	66.913	93	.719		
	Total	69.221	94			

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

b. Predictors: (Constant), DTotal

**Table. 4.8c: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.988	.213		4.629	.000
DTotal	.101	.056	.183	1.791	.077

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

From the regression tables above (Tables 4.8a-4.8c), the model summary result indicated that there is a positive but weak nonsignificant correlation between the implementation of staff appraisal and organisational productivity. This is reflected on the value of the coefficient of the correlation (R) which is 0.183. This value indicates that the strength of the relationship between the two variables under study is about 18.3% while holding other independent variables constant. The co-efficient of determination ( $R^2$ ) showed a value of 0.033 which indicates about 3.3% variations in organisational productivity is systematically explained by changes in implementation staff appraisal on organisational productivity. Thus, not more than 96.7% variations in organisation productivity remains unexplained by this explanatory variable. The Adjusted R2 of 0.023 is close to the R2 value of 0.033, meaning that the model is fit for making generalisations.

Durbin Watson statistic of 1.774 is close to 2, pointing to the absence of auto-correlation. Since p-value ( $p=0.077$ ) which is greater than 0.05 (typically  $\leq 0.05$ ) is statistically nonsignificant. This depicts a statistically nonsignificant relationship between the implementation of staff appraisal and organisational productivity. We therefore fail to reject the null hypothesis of no significant effect of implementation of staff performance appraisal on organisational productivity.

#### 4.2.4 Test of Hypothesis Four

**Ho4:** Performance appraisal feedback has no significant effect on organisational productivity at GNI

**Table4.9a: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.259 <sup>a</sup>	.067	.057	.833	1.605

a. Predictors: (Constant), Performance Appraisal feedbacks

b. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

**Table 4.9b: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.654	1	4.654	6.703	.011 <sup>b</sup>
	Residual	64.568	93	.694		
	Total	69.221	94			

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

b. Predictors: (Constant), ETotal

**Table 4.9c: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.933	.178		5.249	.000
ETotal	.138	.053	.259	2.589	.011

a. Dependent Variable: On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

From the regression tables above (Tables 4.9a-4.9c), the results indicated that there is a positive fairly strong significant correlation between the Performance appraisal feedback and organisational productivity at GNI. This is reflected on the value of the co-efficient of the correlation (R) which is 0.259. This value indicates that the strength of the relationship between the two variables under study is about 25.9% while holding other independent variables constant. The co-efficient of determination ( $R^2$ ) showed a value of 0.067 which indicates about 6.7% variations in organisational productivity is systematically explained by changes in performance appraisal feedback. Thus, not more than 93.3% variations in organisation productivity remains unexplained by this explanatory variable. The Adjusted R2 of 0.057 is close to the R2 value of 0.067, meaning that the model is fit for making generalisations.

Durbin Watson statistic of 1.605 is close to 2, pointing to the absence of auto-correlation. Since p-value ( $p=0.011$ ) which is less than 0.05 (typically  $\leq 0.05$ ) is statistically significant. This depicts a statistically significant effect of staff appraisal feedback on organisational productivity. We therefore reject the null hypothesis of no significant effect of staff appraisal feedback on organisational productivity.

### 4.3 Discussion of Findings

Performance appraisal is an evaluation of an employee's recent deficiencies and achievements, individual strengths and weaknesses, and suitability for progression or advanced training, as well as a periodic assessment of the employee's performance against the job's specifications or specified goals (Sajuyigbe, 2017). The Sociodemographic statistics collected showed that gender distribution of the accounting staff is almost 1:1, therefore, information from this study does not reveal the opinions of a certain gender. Slightly above 63% of the respondents fall below the age of 40years, this implies that most of the staff at GNI are young and full of energy.

Over Ninety percent of the respondents have a minimum of University degree or its equivalent with 45% of them have postgraduate degrees. This implies that the respondents are well knowledgeable and learned, therefore, the information supplied by them can be confidently said to be reliable. Also, most of the respondents are well experienced with average of 10 work experience. Senior and management staff also constitute more than half of the respondents.

The study found out that a regular appraisal benefits employees in terms of acknowledgement, obtaining input, and providing career guidance, which can be used for developmental purposes. This is in line with the submission of Abbas and Cross (2018) that appraisals may be used for both administrative and developmental purposes (assigning tasks, granting bonuses, making promotions, identifying employee strengths and weaknesses and assessing training needs). Also, further findings on regularities of appraisal showed that regular appraisal system is essential for detection of staff's career needs, and a successful regular assessment method can provide reliable data on a person's personal strengths and weaknesses. Test of hypothesis also revealed positive significant positive relationship ( $p=0.034$ ,  $r=0.217$ ) between regularity of performance appraisal and organisational productivity. This hypothetical finding is in line with priori expectations



though a (very) strong positive significant effect was envisaged between the regularity of performance appraisal and organisational productivity.

Furthermore, the study corroborated the findings of Solomon, Oravee & Hangeio (2017) that the primary goal of a performance evaluation is to collect accurate and reliable information about the behaviour and performance of an organization's members which can help improve staff qualities such as leadership, teamwork, decision making and services rendered to outsiders. Employee job performance is described as those behavior that can be measured and assessed by others and can be improved by staff appraisal, this finding is in line with the opinion of Lansburry (1988). Staff at GNI precisely know what the standards and expectations are and how they are to be met. This is also in consonance with Weitzel (2014) who sees performance appraisal as a power sharing exercise which purpose and nature should be made clear to both the appraiser and appraised. Test of hypothesis also revealed significant positive relationship ( $p=0.019$ ,  $r=0.240$ ) between performance appraisal and organisational productivity at GNI. This hypothetical finding is in line with priori expectations though a (very) strong positive significant effect was envisaged between performance appraisal and organisational productivity.

While examining the effect of implementation of performance appraisal on performance at GNI, the respondents who are all staff of GNI PLC opined that appraisals at GNI are being used for both administrative and developmental purposes, and primarily done to achieve organisational goals. This opinion is also shared by Kay (2007), Cameron (2013), and Akinbowale (2013). According to the majority of the respondents, implementation of performance appraisal helps to improve upon the performance of staff which also goes to improve upon the overall performance of GNI as an organisation because it provides data that helps GNI management to assess its human resources and plan fair, systematic, and informed recruiting, personnel, and growth policies. This argument is also highlighted by Mavis, Rosemary and Kwadwo (2016) when they highlighted three primary purposes of performance appraisal which also include differentiating between satisfactory and unsatisfactory performers, selection, growth, pay, advancement, fines, layoffs, and retrenchment. Test of hypothesis revealed nonsignificant positive correlation ( $p=0.077$ ,

$r= 0.183$ ) between implementation of performance appraisal and organisational productivity. This hypothetical finding is not in line with priori expectations as strong positive significant effect was envisaged.

Finally, the study sought to established the effect of performance feedback on employees' productivity, it was unanimously agreed that performance appraisal can help develop a greater degree of consistency through regular feedback on performance, because it can be used to improve current performance and provide feedback. The study's participants were of the opinion that providing feedbacks let them know what is expected of them and help them focus on career development. By getting feedbacks, employee renews his or her interest in being a part of the organization now and in the future. They see provision of feedback in the performance appraisal system as very important in enhancing organisational performance. Mavis, Rosemary and Kwadwo (2016) highlighted the importance of providing feedbacks to employees; however, we now have what is called the 360-degree feedback. This method of feedback involves an appraisal and feedback from different groups within the work situations made up of peers, subordinates, bosses and even customers. Test of hypothesis also revealed significant positive relationship ( $p=0.011$ ,  $r=0.259$ ) between performance feedback and organisational productivity. This hypothetical finding is in line with priori expectations as positive significant effect was envisaged between performance feedback and organisational productivity.

## CHAPTER 5

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### Introduction

This chapter discusses the summary of the research findings, conclusion gotten from the survey and the necessary recommendations.

#### 5.1 Summary

The broad objective of the study was to determine the effects of performance appraisal on employees' productivity at GNI great Nigeria Insurance PLC. The study adopted a survey research design to collect primary data through through online Google survey link sent to 95 staff of the GNI PLC through their group and individual social media platforms. The data generated were subjected to both descriptive and inferential analysis. The descriptive statistics revealed the characteristics of the respondents and responses gotten from them, while the inferential statistics tested the hypotheses using the both linear and multiple linear regression analyses. The independents variable was measured by regularity of staff appraisal, staff appraisal on employees' performance, implementation of staff appraisal at GNI, and performance feedback, while the dependent variable was organisational productivity.

The main findings of this study are summarized thus;

1. Staff of GNI PLC. are well-educated with over 90% graduates and close to half of them having postgraduate degrees. The bulk of the staff are still youthful with average age less than 40years.
2. A regular appraisal benefits employees in terms of acknowledgement, obtaining input, and providing career guidance. A successful regular assessment method can provide reliable data on a person's personal strengths and weaknesses.

3. The study also found a significant positive relationship between regularity of performance appraisal and organisational productivity ( $p=0.034$ ,  $r=0.217$ ).
4. Staff appraisal can help improve qualities such as leadership, teamwork, decision making and services rendered to outsiders.
5. Test of hypothesis revealed significant positive correlation ( $p=0.019$ ,  $r=0.240$ ) between performance appraisal and organisational productivity at GNI.
6. At GNI, appraisals is being used for both administrative and developmental purposes and its implementation provides data that helps GNI management to assess its human resources and plan fair, systematic, and informed recruiting, personnel, and growth policies.
7. Conversely, the study found revealed hypothetical nonsignificant positive correlation ( $p=0.077$ ,  $r= 0.183$ ) between implementation of performance appraisal and organisational productivity at GNI.
8. Performance appraisal develop a greater degree of consistency through regular feedback on performance, because by getting feedbacks, employee renews his or her interest in being a part of the organization now and in the future.
9. The study found significant positive relationship ( $p=0.011$ ,  $r=0.259$ ) between performance feedback and organisational productivity.
10. Lastly, respondents were unanimous that performance appraisal is as a very effective tool for enhancing organizational productivity.

## **5.2 Conclusion**

This study determines the effects of performance appraisal on employees' productivity at GNI great Nigeria Insurance PLC. The findings of the study revealed that performance appraisal is a very effective tool in enhancing organisational productivity and its influence on the performance of staff at GNI PLC. cannot be overemphasis. Based on the findings the study concludes that for appraisal to be very effective it must be structured toward meeting organisation goal, it must also be done regularly, and must provide

performance feedback to the appraise. The aim of performance appraisal is to influence employee productivity and potential performance by linking the disbursement of different bonuses, such as increase in pay and promotions, to the appraisal system's scores, with a specific emphasis on employee motivation, therefore, staff development and career goals should be well taken care of during appraisal process.

Both the appraiser and the appraised should understand the goal and nature of the appraisal. For the appraisal to be successful, it must be a collaborative and productive effort including both employees and management. Also, rather than focusing on employees' flaws and shortcomings, the process should emphasize their strengths and accomplishments. The evaluation should result in a plan for the individual's future development and advancement. The concept of appraisal should be completely embraced by top managers.

### **5.3 Recommendations**

The study recommends that:

1. Regular appraisal should be conducted biannually or annually.
2. The purpose of the appraisal should be well communicated to the appraised.
3. Employees precisely know what the standards and expectations are and how they are to be met.
4. Appraised should be given performance feedbacks and allow to critique the ratings.
5. The focus of the appraisal should be organisational goals and employee' development.
6. The appraisal process should take inputs from other sources such as colleagues, customers etc.

### **5.4 Areas of Further Studies**

Further comprehensive research should be carried out:

1. Among the appraised to determine their knowledge and perception of appraisal process.

2. Among the management to ascertain level of implementation of performance appraisal findings and recommendations.
3. To determine the level of employees; participation in the appraisal process.

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**APPENDIX**  
**DEPARTMENT OF BUSSINESS ADMINISTRATION,**  
**MOUNTAIN TOP UNIVERSITY.**  
**QUESTIONNAIRE**

Dear respondent,

**LETTER OF INTRODUCTION.**

I am a student of the above-named institution involved in research work as an important part of requirements for the award of Bachelor of Science in Business Administration. This study intends to investigate the **Effect of Performance Appraisal on Employees' Performance (A Study of Great Nigeria Insurance Plc.)**.

In view of this, kindly assist in responding to questions below. Be rest assured that any information supplied will be purely used for academic purposes and with confidentiality.

Thank you.

Yours Truly,

Olatubosun Tobiloba

**Section A- Personal Data**

Please complete this section by ticking the applicable box

1. Gender:        Male        {   }                    Female    {   }
2. Please indicate your age group; 18-30 years {   } 31- 40 years {   }  
41-50 years {   }            51- 60 years {   }        61 and above {   }
- 3 Educational Qualification: SSCE {   }            OND/NCE {   }        B.Sc/HND {  
}
- MBA/MS.c/Ph,D {   }

4 Experience 0-5 Years { } 6-10 Years { } 11-15 Years { } 15 and Above { }

3. Department/Division .....

6. Tick the current rank/position you belong in the Great Nigeria Insurance Plc

Top Management { } Middle management { }

Junior staff { } Others, please signify \_\_\_\_\_

**Note:** In the remaining Sections, kindly indicate the extent to which you agree or disagree with the corresponding statements, by ticking ( )

Scale: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), Strongly Disagree (SD)

7. Examining the effect of regularity of performance appraisal on detection of need for staff development

S/N	Item	SD	D	U	A	SA
a.	A regular appraisal benefits employees in terms of acknowledgement, obtaining input, and providing career guidance.					
b.	Regular appraisals may be used for staff developmental purposes					
c.	A regular appraisal system is essential for detection of staff's career needs.					
d.	Work performance of the employee can be examined and discussed with intent of recognizing strengths and weaknesses as well as threats and opportunities for skills development and improvement with regular appraisal.					
e.	A successful regular assessment method can provide reliable data on a person's personal strengths and weaknesses.					

8. Assess the effect of staff appraisal on employees' performance

S/N	Item	SD	D	U	A	SA
a.	The primary goal of a performance evaluation is to collect accurate and reliable information about the behavior and performance of an organization's members					
b.	Staff appraisal can help improve qualities such as leadership,					

	teamwork, decision making and services rendered to outsiders.					
c..	Performance appraisal helps to improve upon the performance of staff					
d.	Employee job performance is described as those behavior that can be measured and assessed by others.					
e.	Employees precisely know what the standards and expectations are and how they are to be met.					

9. Investigate the effect of implementation of performance appraisal on performance at GNI.

S/N	Item	SD	D	U	A	SA
a.	At GNI, appraisals is be used for both administrative and developmental purposes.					
b.	Performance appraisal implementation is primarily done at GNI to achieve organizational objectives					
c.	Implementation of performance appraisal helps to improve upon the performance of staff which also goes to improve upon the overall performance of GNI as an organisation					
d.	Performance appraisal and implementation provide data that helps GNI management to assess its human resources and plan fair, systematic, and informed recruiting, personnel, and growth policies.					
e.	Differentiating between satisfactory and unsatisfactory performers, selection, growth, pay, advancement, fines, layoffs, and retrenchment are all functions that performance appraisal can assist management with					

10. Effect of performance feedback on employee' performance

S/N	Item	SA	A	U	D	SD
I.	Performance appraisal can lead to a greater degree of consistency through regular feedback on performance.					
Ii.	Appraisal can be used to improve current performance and					

	provide feedback.					
Iii.	Providing feedbacks let individuals know what is expected of them and help them focus on career development.					
Iv.	By getting feedbacks, employee renews his or her interest in being a part of the organization now and in the future.					
v.	The provision of feedback in the performance appraisal system is very important in enhancing organisational performance.					

11. On the overall, kindly indicate how effective performance appraisal is as a tool for enhancing organizational productivity.

Very Effective      [    ]      Moderately Effective    [    ]      Somehow Effective    [    ]  
 Not Effective        [    ]      Very Useless            [    ].