EFFECT OF PERFORMANCE APPRAISAL ON EMPLOYEES’ PERFORMANCE OF SELECTED DEPOSIT MONEY BANKS IN LOKOJA

OCHIDI, Zekeri1; SULEIMAN, Olusegun2; OLUMOYEGUN, Peter Mayowa3; YUSUFU, Ojochenemi Sunday4

1,2,3&4 Department of Business Administration, Faculty of Management Sciences, Kogi State University, Anyigba
1 zackochidi@gmail.com; 2 olusegunsuleiman@gmail.com; 3 talk2olupete@yahoo.com; 4 sunnylivia42@gmail.com

Abstract
Performance appraisal is one of the critical aspects of human resource management in every organization. Performance appraisal may have a negative impact on motivation, role perceptions, and turnover, if the appraisal technique is poorly designed or administered. In Nigeria, most of the performance appraisal exercises programmes are used as some management of organizations tend to view it as a punitive measure, which may likely be the case in the selected deposit money banks in Lokoja under study. This study examined performance appraisal and employees’ performance in selected deposit money banks in Lokoja, Kogi State. The population of this study consists of permanent employees of ten (10) banks in Lokoja, Kogi State, with the total staff strength of six hundred and three (603) while Taro Yamane sampling technique was used to determine the sample size of two hundred and forty-one (241). The questionnaire was used to generate the data and the hypotheses were tested using One-Sample T-test. The results revealed that appraisal techniques have a significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi state. Also, appraisal feedback system has a significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi State. The conclusion of the study showed that performance appraisal techniques must be designed by the management of the deposit money banks in Lokoja, Kogi State with inputs from employees’ representatives in order to make them more objectives. The study recommended among others that the management should design Performance Appraisal criteria in conjunction with the employees’ of the organizations, in order to earn sound employees’ productivity. Also, the organisations’ feedback should be timely, actionable and involve discussions of strengths and weaknesses of the employees’, this will further enhance employees’ productivity.

Keywords: Performance Appraisal, Employees’ Performance, Job Performance and organizations’ feedback.

1.0 Introduction
Performance Appraisal (PA) is concerned with identifying, measuring, influencing and developing job performance of employees in the organization in relation to the set norms and standards for a particular period of time in order to achieve various purposes. Performance appraisal is comparing the employee’s present and past performance to his/her performance standards. Performance appraisal is a procedure to evaluate how individual personnel are performing and how they can improve their performance and contribute to overall organizational performance. Performance appraisal is the systematic evaluation of employees according to their job and potential development. Performance appraisal involves an employee knowing what is expected of him and remains focused with the help of the supervisor to tell them how well they have done that motivates the employees toward the good performance.
Job performance is the value and measure of output of the employees that is essential to do a definite work. In the organizational context, performance is usually defined as the extent to which an organizational member contributes to achieving the goals of the organization. Good employee performance has been linked to increased consumer perception of service quality, while poor employee performance has been linked to increased customer complaints and brand switching. Employee performance could be simply understood as the related activities expected of a worker and how well those activities were executed (Cook & Crossman, 2004).

Performance appraisal plays a key role to measure the employee's performance and help the organization to check the progress towards the desired goals and objectives. Performance appraisal helps aligns individual goals and objectives with the organizational goals.

The system engages, motivates employees and thereby directs them toward achieving the strategic goals of the organization. Employees who receive a good score on his/her appraisal are generally motivated to perform well and maintain his/her performance. Positive feedback on appraisals gives the employee a feeling of worth and value, especially when accompanied by salary increases. If a supervisor gives an employee a poor score on his/her appraisal, the employee may feel a loss of motivation in the workplace.

Consequently, this can impact on the employee's performance (Cook & Crossman, 2004). The existence of performance appraisal policy indicates to an employee that the organization is genuinely interested in the individual's performance and development. This alone can have a positive influence on the individual's sense of worth, commitment and belonging. Performance appraisal in the modern organization is a system by which employees are provided with feedback about their performance and help the organization to make decisions about rewards and sanctions.

A well-designed performance appraisal system should develop criteria for successful performance, give performance feedback and enable a more equitable reward system. Performance criteria form the basis for evaluating the employees' performance and their contribution towards the organization goal. It consists of the desired outputs expected of employees. Performance criteria should be aligned with goals, relevant to given roles, specific and measurable, under employees control and understood and accepted by participants (Dattner, 2010).

Performance appraisals are often linked to incentives such as praises and promotion for a worker whose performance is reviewed as high, and job cuts for a worker whose performance is reviewed as low (Joison, 2001). While it should be a standard policy, not every company endeavours to reward proficient employees for their added efforts. According to Ishaq, Iqbal and Zaheer (2009), appraisal results are used in many organizations, either directly or indirectly, to help identify the better-performing employees who should get the majority of the available merit pay increases, bonuses and promotions. In this study, the research is concerned with performance appraisal and employees’ performance in selected deposit money banks in Lokoja, Kogi State.

The performance evaluation system is supposed to identify the gap of performance (if any), i.e. the problem that occurs when performance does not meet the standards that are set by the organization. The feedback system tells the employee about the quality of his or her work
performance. There is an argument that employees who feel that the feedback of performance appraisal is unfair often leave the organization and their morale and involvement will be let down. It will change their behaviour in wrongdoings for taking revenge against the organization. Since performance appraisal involves evaluation of employee performance, some employees may be scared of the act of evaluation. The possible explanations for this may be the absence of rewards for the properly completed process.

Blau (1999) argued that performance appraisal can contribute to job dissatisfaction and to the development of negative employee attitudes toward their company thus lowering productivity. Performance appraisal may have a negative impact on motivation, role perceptions, and turnover if the appraisal technique is poorly designed or administered. In Nigeria, most of the performance appraisal exercises programmes are not well designed and focused as some management of organizations tend to view it as a punitive measure, which may be the case in the selected deposit money banks in Lokoja. Performance appraisals that require managers to rate employees on subjective criteria such as "customer service skills" or "leadership ability" lack specific outcomes that can be a bed to measurable results.

Performance Appraisal process can also be a bitter process which can create emotional pressures, stress and sometimes can adversely affect the morale and lead to de-motivation. Performance appraisals are often time-consuming and use incorrect methods to measure performances. They are generating false results and the decisions taken can be greatly influenced. The empirical review which has been conducted on this study shows that most of the studies on effect of performance appraisal on employees’ performance have been done in deposit money banks in other areas and with none conducted in deposit money banks in Lokoja, Kogi State, thus, creating a gap which calls for this research in this area. This inspired the need to design this current study to fill in the existing gap by examining performance appraisal and employees’ performance in selected deposit money banks in Lokoja, Kogi State. The main objective of this study is to examine performance appraisal and employees’ performance in selected deposit money banks in Lokoja, Kogi State.

2.0 Literature Review

2.1 Conceptual Framework

Performance appraisal can be defined as a periodic evaluation of the output of an individual measured against certain expectations. The process involves observing and evaluating staff members' performance in the workplace with relation to pre-set standards. Conventional approaches to performance appraisal treat it as a measurement exercise, while more contemporary approaches are more concerned with information processing within the performance appraisal decision-making process (Bladen, 2001).

Bladen (2001) saw Performance Appraisal as the process of evaluating the performance and qualifications of the employee in terms of the requirements of the job for which he is employed, for the purpose of administration, including placement, selection for promotion, providing financial rewards and other actions. According to Boswell and Boudreau (2001), Performance Appraisal can be described as a systematic attempt to distinguish the more efficient workers from the less efficient workers and to discriminate among strengths and weaknesses an individual has.
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The success of an organization largely depends on how efficiently employees perform their jobs. The employee’s productivity can be measured in terms of volume of sales, the number of customers served, customer relations, and display of items to be sold, the quality of goods handled, quality of work, punctuality, customer care within a given period and so on. Employee’s performance can be measured in terms of responsiveness, morale, quality and quantity of production, customer satisfaction (Ali & Opatha, 2008). Work performance is defined as a result of an action or accomplishment of given tasks (Suliman, 2001). It is basically an action or behaviour of an individual in achieving the organizational goals (Honiball, 2008). It is the quality and quantity of human output essential for achieving the organizational goals.

2.2.1 Performance Appraisal Criteria and Employees’ Performance

Anne, Poti and Isaac (2012), submit that the regulatory requirements for planning an employee's performance include, first of all, the establishment of the elements and standards in their Employees’ Performance Appraisal Plan (EPAP). EPAP outlines the specific elements and standards that the employee is expected to accomplish during the rating cycle. Wesley points out that performance elements and standards should be measurable, understandable, verifiable, equitable, and achievable. In addition, EPAPs should be flexible so that they can be adjusted for changing programmes, objectives and work requirements.

Anne, Poti and Isaac (2012), posit that the elements established in appraisal plans should all be considered critical. Through these elements, employees are held accountable as individuals for work assignments and responsibilities of their positions. A critical element is an assignment or responsibility of such importance that unsatisfactory performance in that element alone would result in a determination that the employee's overall performance is unsatisfactory. The performance standards, according to Anne, Poti and Isaac (2012), are expressions of the performance threshold(s), requirement(s), or expectation(s) that must be met for each element at a particular level of performance. Kurt (2004) says they must be focused on results and include credible measures such as quality, quantity, timeliness and cost-effectiveness.

2.2.2 Performance Appraisal Feedback and Employees’ Performance

One of the most important conditions in the appraisal is to provide clear, performance-based feedback to employees (Caroll & Schneier, 1982). There should be a workflow for tracking of feedback sessions. When a mistake is detected, immediate remedial steps are taken, with minimum loss to the company. This should be measured in terms of the extent to which he meets the performance criteria set by the Management in fulfilling the objectives of the organization. Providing an employee with feedback is widely recognized as a crucial activity that may encourage and enable self-development which is instrumental to the success of the whole organization (Baruch, 1996). Therefore, the frequency of feedback is important and can influence future performance of the employee (Denis & Robert, 2006).

Nurse (2005) states that negative feedback from PAP not only fail to motivate the typical employee but can also cause employees to perform worse. An employee’s performance appraisal serves as a means for management to evaluate him and provides feedback on the employee’s job
performance, including steps to improve on their deficiencies as needed. A study of Brown, Hyatt and Benson (2010) has indicated that the feedback mechanism serves as a means of identifying their strengths and weaknesses.

Some scholars adduced that to improve the performance of an individual worker, it becomes important to first identify his areas of strengths and weaknesses through feedback and assistance which assure of the employee's involvement, improvement and commitment to improving his or her performance (Macey, Schneider, Barbera & Young, 2009). For the survival of the organizational business, management needs to continually inform workers of their worth, values, strengths and recognize them for jobs well done and set a record of open-minded and fair-minded feedback.

Feedbacks leave room for improved competitive positioning (Roberson & Stewart, 2006). If it is done, there is a high possibility of this feedback raising an inner drive within the employee and motivating him to do more or increase his level of commitment to the organization which in turn will lead to an improved and better competitive positioning for an organization. It was observed that the absence of feedback mechanism generates job dissatisfaction among employees as they see the system as ineffective and unfair.

2.2.3 Rewards System and Employees Performance

The development of reward management can be seen along the lines as suggested by Etzioni (1975) in terms of coercive (work harder or lose your job), remunerative (work harder and receive more money) and normative (work harder to achieve organizational goals). Bannister and Balkin (1990) have reported that an employee seems to have greater acceptance of the appraisal process, and feel more satisfied with it when the process is directly linked to rewards. Randell (1994) reports implicitly that if good performance is observed and then rewarded, the chances of it being repeated are increased, while poor performance is discouraged or even punished to decrease the chance of it happening again.

Important issues that help ensure a successful reward process are many. They include: rewards can be used effectively to enhance interest and performance; rewards do not undermine performance and interest; verbal rewards lead to greater task interest and performance; tangible rewards enhance motivation when they are offered to people for completing work or for attaining or exceeding specified performance standards. Others are: rewards given for creativity encourage generalized creativity in other tasks; reward systems should support the new dynamics of team-based organizations and reward the right kind of team behaviour and performance; reward systems should recognize both the importance of co-operation and the differences in individual performance.

After evaluating and checking the feedback, managers or organizations should provide the pay-for-performance. A financial appraisal is a useful tool to incent employee's passion for their work. In this stage, managers still need to focus on developing staff to further improve performance, and their career progression, in the future. Rewards represent important mechanisms by which employee’s behaviours can be aligned with the interests of the organization (Eisenhardt, 1989). Particularly, pay-for-performance is a reward practice that links one's pay increase to one's performance, and could be used to direct, sustain, and motivate desirable behaviours, such as knowledge sharing (Bartol & Srivastava, 2002), creativity (Eisenhardt, 1998), quality (Cowherd & Levine, 1992) and customer satisfaction (Delaney &
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Huselid, 1996). Pay-for-performance establishes the behavioural criteria by which rewards are allocated and, in doing so, underpins the alignment of employee’s behaviour with organizational values and objectives. Therefore, if an employee achieves his or her performance objectives, then the employee receives a pay increase.

This simple and visible link between pay and performance recognizes an employee for a specific level of accomplishment, therefore nurturing favourable work attitudes, such as satisfaction and commitment (Heneman, Greenberger & Strasser 1988). Thus, the effectiveness of pay-for-performance has a direct influence on high levels of service quality and desirable work attitudes. In developing an appraisal system for organizations, management needs to think through pay increases and promotions (Moulder, 2011). Employees who get a large bonus will possibly want to get it next year, too. If the employees fail to meet the set target, a career development plan can be implemented through training and provision of appropriate reward system to enhance their performance (Mone & London, 2010). The reward should reflect the business objectives and the fair contribution of employee’s individual efforts to achieve high performance. Bannister and Balkin (2010) have reported that those appraised seem to have a better acceptance of the appraisal process, and feel more satisfied with it when the process is directly associated with rewards.

Kanfer (2010) states that employees are constantly involved in a social exchange process wherein they offer service in exchange for rewards. They also associate the energy or contribution that they put in towards accomplishing a certain task and acquiring rewards in exchange for productivity. Recognition and appreciation are other important elements of a winning strategic reward system. Macey, Schneider, Barbera and Young (2009) point out that the rewards system should be capable of identifying the employees’ strengths and weaknesses for enhanced performance.

2.3 Empirical Review

Gichuhi, Abaja and Ochieng (2014) examined the effect of performance appraisal on employees’ productivity in a case study of supermarkets in Nakuru Town, Kenya. They employed a cross-sectional survey design. The population of the study was 1,560 employees distributed among the 7 main supermarkets operating in Nakuru Town. A sample of 308 respondents was selected using multi-stage sampling technique. 178 copies of a questionnaire were filled and returned. Multiple regression models were used to analyze the data collected. Their study found that performance criteria, feedback and frequency significantly influenced employee productivity. They recommended that feedback should involve discussions of strengths and weaknesses of the employee and be made actionable. Further, rewards should be given to employees whenever feedback is positive.

Oshode, Alade and Arogundade (2014) assessed performance appraisal in the Nigerian banking sector: the individual and joint variables analyses, with a sample of one hundred and ninety-five (195) drawn from banks with branches in Ado Ekiti, the capital city of Ekiti State. Their samples were gotten via random sampling of the entire 360 staff members of the bank branches in Ado Ekiti. Regression analysis was employed for data analysis and F-statistics for the hypothesis testing. Their study found that sound management of performance appraisal (PA) system will guarantee good employees’ productivity. That is, a very strong and positive relationship exists between performance appraisal criteria and employees’ productivity. They recommended that,
for Nigerian banks to earn sound employees’ performance, a conscious effort towards improved
Performance Appraisal criteria is required.

Omusebe, Gabriel and Douglas (2013) investigated the effects of performance appraisal (PA) on
employees’ productivity in Mumias Sugar Company Limited. Their study targeted a total of 877
unionisable employees, 422 supervisory level employees, 182 middle-level management and 9
top-level management. Simple random sampling was used to select 149 employees. The research
instruments used for data collection were the questionnaire and interview schedules. Descriptive
analysis and inferential statistics i.e. regression analysis and t-test were used. Results indicated
that there was a positive and significant effect between performance appraisal and employees’
efficiency in Mumias Sugar Company Limited.

Ojokuku (2013) examined the effect of performance appraisal system on motivation and
performance of academics in Nigerian public universities. Their sample was drawn from four (4)
public universities in southwestern Nigeria. Data were sourced with the aid of a questionnaire,
while percentage and multiple regression analysis were used for data analysis. Their results
showed that the university academics see their performance appraisal system as not being
accurate and fair enough because it does not capture, adequately, all the job components that
make up their performance during the review period. The performance appraisal system was also
found to exert a strong influence on the academics’ motivation and overall performance. They
recommended that the PA system for academics should be reviewed by university management
such that all the components of their jobs are captured, evaluated, and adequately rewarded.

Kibichii, Kiptum and Chege (2016) examined the effects of Performance Management Process
on Employees’ Productivity: A Survey of Commercial Banks in Turkana County. They adopted a
descriptive survey research design with a target population of 200 employees. Using Yamane
formula, the sample size of 133 was determined. The researcher collected data using a
questionnaire. Quantitative data were analyzed using descriptive statistics and inferential
statistics. Their study established that the following elements of performance management
process: performance appraisal system, training and development and reward system affects
employees’ productivity (p values were less than 0.05). They recommended that for enhanced
employees’ productivity, the policymakers and the banks should ensure that performance of the
employees is appraised, training and development be conducted and reward system adopted.

Idemobi and Onyeizugbe (2011) assessed performance management as an imperative for
effective performance in public owned organizations in Delta State of Nigeria. Data were
collected using a questionnaire administered to 44 respondents selected from five public
organizations in Delta State. Data obtained were analyzed using statistical summarization
techniques and chi-square. Results showed that performance review techniques have a significant
effect on employees’ performance and that there is a significant relationship between
performance incentives and employees' morale. They recommended that organizations in the
Delta public sector should establish and adopt incentive systems that will motivate employees to
work better after performance management review exercise.

Mollel, Mulongo and Razia (2017) examined the influence of performance appraisal practices on
employees’ productivity: a case study of Muheza District, Tanzania. A sample of 339 employees
participated in the study through the use of a questionnaire and interviews. Descriptive statistics
represented mean scores while Pearson Product moment correlation coefficient evaluated
potential relationships between the independent and dependent variables. Their study revealed
that performance appraisal tools such as recognition and feedback are vital to employee’s performance and indeed influence employees’ productivity in the organization. However, surprisingly training, development and promotion did not have a significant effect on employees’ productivity. The study recommends that to improve employees’ productivity, training and promotion should focus on increasing employees’ commitment and should be based on performance. Furthermore, raising employees’ satisfaction through recognition should be used as a tool for maintaining competent employees and screening out less effective ones.

2.4 Theoretical Framework
The theories relating to the study are discussed below.

2.4.1 Two-Factor Theory
Hertzberg’s (1966) two-factor theory is based on the notion that the presence of one set of job characteristics or incentives lead to workers’ satisfaction at work, while another and separate set of job characteristics lead to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in dissatisfaction.

2.4.2 Goal Setting Theory
Goal setting is a motivational technique used extensively in organizations as a method of directing individual's efforts at work and providing a standard against which performance can be measured. It is fundamental to many appraisal schemes. Goal setting theory is based on the premise that people have needs that can be thought of as specific outcomes or hope to attain. It makes the assumption that human actions are purposeful and that goals direct and sustain individuals' energies towards performance in a particular action. According to Lock and Lethal (1990), goals have two dimensions: contents and intensity. Goal contents refer to the feature of the goal itself.

2.3.4 System's Theory of Performance Appraisal
An open system perspective assumes that the individual does not exist in a social vacuum (Kanfer, 2010). Events and behaviours are viewed as a function of the interactions between the employees and situational contexts. Kanfer referred to that kind of interaction as system character. The system's theory of performance appraisal focuses attention on the reciprocal relationship. The input into a system's theory is categorized into three broad groups: organizational, individual and appraisal related characteristics. The theory assumes that system's character varies across the situational contexts. Organizational variables such as structure and technology influence the way jobs are designed, supervised and appraised and they affect the way performance appraisal interview is conducted.

3.1 Methodology
This study adopted descriptive survey. The population of this study consists of permanent staff of First Bank Plc, Union Bank Plc, UBA Plc, Ecobank Plc, Unity Bank Plc, GT Bank, First City Monument Bank, Zenith Bank, Diamond Bank and Skye Bank, all in Lokoja, Kogi State, with the total staff strength of six hundred and three (603) as obtained from staff attendance registers of the banks. The sample size of two hundred and forty-one (241) was determined using Taro
Yamane (1973) sampling technique. A stratified sampling method was adopted so as to give a fair representation of the banks employees’ in their ratios respectively, using the proportionality formula. The questionnaire was administered on only the selected banks’ employees’. This is because the subject matter under study is directly related to them. Therefore, they stood a good chance of providing the required information needed to carry out this study.

The primary data were basically collected through the questionnaire instrument. A five-point Likert scale of Strongly Agree, Agree, Undecided Disagree and Strongly Disagree was used. There are fifteen (15) questions in the questionnaire to address the objectives. The researcher, in a bid to ensure the validity of the research instrument, the questionnaire was properly structured by the researcher. To ascertain the reliability of the instrument, a pre-test of all the questions contained in the questionnaire was carried out using Cronbach's Alpha reliability test and the result shows reliability coefficient of 0.976, meaning that the instrument was reliable as presented in this study. Data were presented using tables while the mean score of rating was used to interpret the respondents' responses. The mean score results were compared with the average mean of 2.5 for decision making. The average mean was computed as \(1 + 2 + 3 + 4 = 10/4 = 2.5\). Any mean equal to 2.5 and above was accepted while any mean below 2.5 was rejected. One sample t-test was used in Statistical Package for Social Sciences (SPSS) version 20.0 software for data analysis.

3.2 Result and Discussions
This study used a sample size of two hundred and forty-one (241) drawn from the employees' of First Bank Plc, Union Bank Plc, UBA Plc, Eco Bank Plc, Unity Bank Plc, GT Bank, First City Monument Bank, Zenith Bank, Diamond Bank and Skye Bank in Lokoja, Kogi State. These banks were used based on the fact that they constantly carry out performance appraisal on their staff to determine their efficiency from time to time. From a total of two hundred and forty-one (241) copies of the questionnaire distributed to the respondents, two hundred and twenty-two (222) copies were retrieved from the respondents, giving a response rate of 92%. Analysis of the data was based on the questionnaire administered on the respondents to analyse the biodata, the research objectives and to test the null hypotheses formulated.

The results from the data and their various statistics are presented below. This starts with the reliability test using Cronbach's Alpha, the descriptive statistics to obtain mean score and standard deviation and the t-test results to test all the null hypotheses formulated. The Cronbach's Alpha test of 97.6% shows a satisfactory result as presented below.

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>.976</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2018
Table 1: Responses on the effect of appraisal techniques on employees’ productivity in selected deposit money banks in Lokoja, Kogi State

<table>
<thead>
<tr>
<th>Item (Appendix C)</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Job Knowledge</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.1646</td>
<td>.71101</td>
</tr>
<tr>
<td>2. Quality and quantity of work</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.1584</td>
<td>.57172</td>
</tr>
<tr>
<td>3. Team Work</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.0404</td>
<td>1.13905</td>
</tr>
<tr>
<td>4. Interpersonal Skills</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>2.8851</td>
<td>1.11454</td>
</tr>
<tr>
<td>5. Personal Skill Development</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.3696</td>
<td>.67215</td>
</tr>
</tbody>
</table>

Valid N (listwise): 222

Source: Field Survey, 2018

Item 1, the mean score of 3.1646 and the standard deviation of .7110 on table 1 indicated that majority of the respondents agreed that appraisal based on job knowledge enhances employees’ job productivity in an organisation. The mean score of 3.1584 and the standard deviation of .57172 of item 2 on the table equally shows that majority of the respondents agreed that appraisal based on quality and quantity of work enhances employees’ job productivity in an organisation. The mean score of 3.0404 and the standard deviation of 1.13905 of item 3 on the table further shows that majority of the respondents agreed that appraisal based on teamwork enhances employees' job productivity in an organisation.

The mean score of 2.8851 and the standard deviation of 1.11454 of item 4 on the table further shows that majority of the respondents agreed that appraisal based on interpersonal skills enhances employees’ job productivity in an organisation. The mean score of 3.3696 and the standard deviation of .67215 of item 5 on the table finally shows that majority of the respondents agreed that appraisal based on personal skill development enhances employees’ job productivity in an organisation.

Table 2: Responses on effect of appraisal feedback system on employees’ productivity in selected deposit money banks in Lokoja, Kogi State

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Timely Appraisal Feedback</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.3665</td>
<td>.56579</td>
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<tr>
<td>7. Specific Appraisal Feedback</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.2888</td>
<td>.62187</td>
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<tr>
<td>8. Actionable Appraisal Feedback</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.2671</td>
<td>.56102</td>
</tr>
<tr>
<td>9. Positive Appraisal Feedback</td>
<td>222</td>
<td>2.00</td>
<td>4.00</td>
<td>3.5497</td>
<td>.51671</td>
</tr>
<tr>
<td>10. Negative Appraisal Feedback</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>1.4752</td>
<td>.67047</td>
</tr>
</tbody>
</table>

Valid N (listwise): 222

Source: Field Survey, 2018

Item 6, the mean score of 3.3665 and the standard deviation of .56579 on table 2 indicates that majority of the respondents agreed that timely appraisal feedback enhances employees’ job productivity in an organisation. The mean score of 3.2888 and the standard deviation of .62187 of item 7 on the table equally shows that majority of the respondents agreed that specific employees’ appraisal feedback enhances employees’ job productivity in an organisation. The mean score of 3.2671 and the standard deviation of .56102 of item 8 on the table further shows...
that majority of the respondents agreed that actionable appraisal feedback enhances employees’ job productivity in an organisation.

The mean score of 3.5497 and the standard deviation of .51671 of item 9 on the table further shows that majority of the respondents agreed that positive appraisal feedback enhances employees’ job productivity in an organisation. The mean score of 1.4752 and the standard deviation of .67047 of item 10 in the table finally shows that majority of the respondents disagreed that negative appraisal feedback does not enhance employees’ job productivity in an organisation.

**Table 3:** Responses on effect of reward based appraisal system on employees’ productivity in selected deposit money banks in Lokoja, Kogi State

<table>
<thead>
<tr>
<th>Item</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Promotion</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.2857</td>
<td>.71850</td>
</tr>
<tr>
<td>12. Salary</td>
<td>222</td>
<td>2.00</td>
<td>4.00</td>
<td>3.4441</td>
<td>.53968</td>
</tr>
<tr>
<td>13. Employees' Recognition</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.1801</td>
<td>.67338</td>
</tr>
<tr>
<td>14. Bonuses</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.1770</td>
<td>.64347</td>
</tr>
<tr>
<td>15. Training</td>
<td>222</td>
<td>1.00</td>
<td>4.00</td>
<td>3.2950</td>
<td>.69032</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>222</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Item 11, the mean score of 3.2857 and the standard deviation of .71850 in table 3 indicated that majority of the respondents agreed that promotion following appraisal exercise enhances employees’ job productivity in an organisation. The mean score of 3.4441 and the standard deviation of .53968 of item 12 in the table equally shows that majority of the respondents agreed that salaries increase following appraisal exercise enhances employees’ job productivity in an organisation. The mean score of 3.1801 and the standard deviation of .67338 of item 13 in the table further shows that majority of the respondents agreed that employees’ recognition following appraisal exercise enhances employees’ job productivity in an organisation.

The mean score of 3.1770 and the standard deviation of .64347 of item 14 on the table further shows that majority of the respondents agreed that bonuses following appraisal exercise enhance employees’ job productivity in an organisation. The mean score of 3.2950 and the standard deviation of .69032 of item 15 on the table finally shows that majority of the respondents agreed that training following appraisal exercise enhances employees’ job productivity in an organisation.

### 3.3 Test of Hypotheses

The null hypotheses were tested using One-Sample t-Test.

**Test of Hypothesis one**

\[ H_0 : \text{Appraisal techniques have no significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi State} \]
Effect of Performance Appraisal on Employees’ Performance

Table 4: One-Sample t-Test for Hypothesis One

<table>
<thead>
<tr>
<th>Item</th>
<th>Test Value = 0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
</tr>
<tr>
<td>1. Job Knowledge</td>
<td>79.868</td>
</tr>
<tr>
<td>2. Quality and quantity of work</td>
<td>99.131</td>
</tr>
<tr>
<td>3. Team Work</td>
<td>47.897</td>
</tr>
<tr>
<td>4. Interpersonal Skills</td>
<td>46.451</td>
</tr>
<tr>
<td>5. Personal Skill Development</td>
<td>89.958</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2018

The result from table 4 above showed that appraisal techniques have a significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi State, considering all the items’ significance levels at 1% (as indicated by sig. levels of 0.000). Based on this, the null hypothesis one is rejected.

Test of Hypothesis Two

H02: Appraisal feedback system has no significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi State

Table 5: One-Sample t-Test for Hypothesis Two

<table>
<thead>
<tr>
<th>Item</th>
<th>Test Value = 0</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>t</td>
</tr>
<tr>
<td>6. Timely Appraisal Feedback</td>
<td>106.769</td>
</tr>
<tr>
<td>7. Specific Appraisal Feedback</td>
<td>94.900</td>
</tr>
<tr>
<td>8. Actionable Appraisal Feedback</td>
<td>104.499</td>
</tr>
<tr>
<td>9. Positive Appraisal Feedback</td>
<td>123.273</td>
</tr>
<tr>
<td>10. Negative Appraisal Feedback</td>
<td>39.481</td>
</tr>
</tbody>
</table>


The result from table 5 above showed that appraisal feedback system has a significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi State, considering all the items significance levels at 1% except item 10 (as indicated by sig. levels of 0.000). Based on this, the null hypothesis two is rejected.

3.4 Discussion of Findings

This study revealed that appraisal techniques have a significant effect on employees' productivity in selected deposit money banks in Lokoja, Kogi State. This implies that appraisal based on job knowledge, quality and quantity of work, teamwork, interpersonal skills and personal skill enhanced employees' job productivity in an organisation. This is in consonance with the findings of other researchers like Gichuhi, Abaja and Ochieng (2014) who found that performance
criteria, significantly influenced employees’ productivity. Oshode, Alade and Arogundade (2014) also found that a very strong and positive relationship exists between performance appraisal criteria and employees’ productivity. Ojokuku (2013) equally found that the performance appraisal system exerts a strong influence on the academics’ motivation and overall performance. Idemobi and Onyeizugbe (2011) further found that performance review techniques have a significant effect on employees’ performance. Kibichii, Kiptum and Chege (2016) study established that the performance appraisal system affects employees’ productivity.

The study also revealed that appraisal feedback system has a significant effect on employees’ productivity in selected deposit money banks in Lokoja, Kogi State. This means that timely appraisal feedback, specific employees’ appraisal feedback, actionable appraisal feedback and positive appraisal feedback enhance employees’ job productivity in an organisation. This is in agreement with Baruch (1996) who argued that providing employees with feedback is widely recognized as a crucial activity that may encourage and enable self-development and thus may be instrumental for the organization as a whole. Denis and Robert (2006) also argued that the frequency of feedback is important and can influence future performance of the employee. Kuvaas (2006) further found that employees who receive good scores on their performance appraisals are generally motivated to perform well and maintain their performance.

However, it was revealed that negative appraisal feedback does not enhance employees’ job productivity in an organisation. This is in line with Nurse (2005) who states that negative feedback from performance appraisal policy not only fails to motivate the typical employee but can also cause employees to perform worse. Cook and Crossman (2004) argued that if a supervisor gives an employee a poor score on his/her appraisal, the employee may feel a loss of motivation in the workplace. Consequently, this can impact negatively on the employees’ performance.

### 3.5 Conclusions and Recommendations

Based on the findings, the study concluded that appraisal techniques have a significant effect on employees' productivity in selected deposit money banks in Lokoja, Kogi State. This implies that appraisal based on job knowledge, quality and quantity of work, teamwork, interpersonal skills and personal skill enhanced employees’ job productivity in an organization. The management of the organization must ensure that positive appraisal results must be communicated to the employees' on time; it must be specific and actionable in nature. The negative appraisal feedback must be mitigated by way of training the employees' in order to enhance employees' job productivity in an organization.

The study also concluded that the management of deposit money banks in Lokoja must ensure that appropriate rewards be given to all employees’ who earned good results from performance appraisal exercise at the end of performance appraisal feedback. Promotion, salaries’ increase, employees’ recognition, bonuses and training must be given to all employees with good performance.

From the findings of this study, the following recommends are presented:

i. The management of deposit money banks in Lokoja should design Performance Appraisal criteria in conjunction with the employees’ of the organizations, in order to earn sound employees’ productivity.
ii. The banks' feedback should be timely, actionable and involve discussions of strengths and weaknesses of the employees as this will further enhance employees' productivity.

iii. Appropriate rewards should be given to employees whenever feedback is positive. Also, the organizations should provide intensive training programmes for their employees after appraisal exercise in order to strengthen their employees’ skills and further enhance their productivity.

References


