

PERCEPTION OF PERFORMANCE APPRAISAL AND WORKERS' PERFORMANCE IN WEMA BANK HEADQUARTERS, LAGOS

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ABSTRACT: *Performance appraisal has increasingly become part of a more strategic approach to integrating human resource activities and business policies and may now be seen as a generic term covering a variety of activities through which organizations seek to assess employees and develop their competence, enhance performance and distribute rewards. The main objective of this study therefore, is to examine performance appraisal and worker's performance. The study adopted the survey research design. A total of 150 research subjects were drawn from the target population using the stratified and the simple random sampling technique. However 120 copies of questionnaire were returned upon which the data analysis was based. This represents 85percent response rate. Chi Square method was used for testing the hypothesis. Some of the findings show that: there is a significant relationship between performance appraisal and worker's performance; there is a significant relationship between performance appraisal and promotion exercise, and there is a significant relationship between performance appraisal and employees commitment to goals and objectives of the organization. The study recommends that for appraisals to yield the desired outcomes the Management should ensure that performance appraisal is carried out continuously, not only when it is time for promotion. The study also recommends that performance expectations and actual performance must be discussed often and regularly and raters must be adequately trained with modern techniques of rating periodically through organized workshops, debate and seminars.*

KEYWORDS: Performance Appraisal, Worker's Performance, Organization, Periodically, Objective.

INTRODUCTION

In today's competitive business world, it is understood that organizations can only compete with their rivals by innovating. Organization can only innovate by managing their human resources well. The human resource system can become more effective by having a valid and accurate appraisal system used for rating performances of the employees. Unfortunately, the number of organization using an effective performance appraisal system is limited.(Yalcin, 2002).

Performance appraisal is a key in human resource management function which is viewed as a subset of performance management. Rao (2005) opines that "performance appraisal is a method of evaluating the behaviour of employees in the work spot, normally including both the quantitative and qualitative aspects of job performance. Competition for scarce resources among organizations in Nigeria is becoming more and stiffer. This therefore means that organizations can grow to the extent that people who work in such organization are supported to grow.

However Banjoko (1982) asserts that there is probably no program in the arsenal of personnel management that is difficult to effectively implement and yet so fundamental to individual and organizational growth than performance appraisal. In business as well as in government, effective results are crucial to survival since improved performance is a basic criterion for individual and organization growth.

In many Nigerian organizations, performance appraisal is viewed and conducted solely in terms of its evaluative aspect thereby overlooking its use for facilitating growth and development in workers through training, coaching, counselling and feedback of appraisal information. It explains that performance appraisal is accorded a lesser role in Nigerian organization as more emphasis is given to selection, training, development and salary administration (Banjoko, 1982). This means that organizations are putting the cart before the horse and are in turn stifling genuine individual and organizational growth. It would be inappropriate for organizations to emphasize more on training without paying special attention to performance appraisal as Rao (2005) writes that it is the outcome of performance appraisal that would reveal training needs.

Organizational performance and its resultant efficiency and effectiveness can only be achieved when individuals are continuously appraised and evaluated. The inability of organization to install an effective performance appraisal strategy has hindered them from achieving competitive advantage which they require more now than ever before. Appraisal processes are not systematic and regular and often characterized by personal influences occasioned by organizations preoccupation to use confidential appraisal system which hinders objectivity and fairness.

Effective performance management is essential to ensure that a business is operating effectively and is on track to achieve strategic goals. Performance appraisals are a review of a workers performance against pre-determined objectives. They identify the strengths and weaknesses of an employee and address how to improve or develop these areas. They aim to motivate the employee and provide them with sufficient challenges and responsibilities in relation to the business objectives. Manoharan, Muralidharan and Deshmukh (2009) posit that performance appraisal is an important management tool to assess employees' efficiency in the workplace, and may be defined as a structured formal interaction between a subordinate and supervisor that usually takes the form of a periodic review which could be annual or semi-annual to evaluate work performance. Performance appraisal is intended to engage, align, and coalesce individual and group effort to continually improve overall organizational mission accomplishment (Grubb, 2007). In some organization's appraisal results may be used to determine relative rewards in the firm who should get merit pay increases, bonuses, or promotions. Similarly, appraisal results can be used to identify the poorer performers who may require some form of counselling, demotion, dismissal or decreases in pay. Interestingly, performance appraisal is a very controversial managerial issue. Some researchers have expressed doubts about the validity and reliability of the process. On the other hand, there are advocates of performance appraisal who claim that it may well be the most critical of all Performance Appraisal and Motivation.

In spite of the large body of published work on the subject of performance appraisal, there are still gaps in empirical investigations of workers perception of performance evaluation. This study

attempts to fill in some of such gaps. Organizational performance and its resultant efficiency and effectiveness can only be achieved when individuals are continuously appraised and evaluated. The inability of organization to install an effective performance appraisal strategy has hindered them from achieving competitive advantage which they require more now than ever before. Appraisal processes are not systematic and regular and often characterized by personal influences occasioned by organizations preoccupation to use confidential appraisal system which hinders objectivity and fairness. Often organizations ignore management by objectives, critical incidents to personal prejudices. This is retrogressive as it affects the overall performance of the individuals.

Statement of Problem

This brings us to those problems that are associated with conducting performance appraisals. The process usually starts at the middle management level where it is the job of a middle manager to appraise his subordinates or employees who are under him. In fact every successive hierarchical level, the superiors are asked to evaluate the employees who are working under them. This can give rise to many issues that make performance appraisals an unpleasant task. As a result many managers view the process of appraisal as time consuming and burdensome. To begin with performance appraisals can cause friction, resentment and the consequent low morale. Since appraisals are rather subjective in nature, they can also be disputed in case of negative ones.

The performance appraisal systems tend to have several problems. Raters' evaluations are often subjectively biased by their cognitive and motivational states (DeNisi & Williams, 1988), and supervisors often apply different standards with different employees which results in inconsistent, unreliable, and invalid evaluations (Folger 1992). In order to create better systems, researchers have traditionally focused on validity and reliability (Bretz 1992) by designing newer "forms" of performance appraisals (e.g., behavioural-based systems that better define specific essential job functions of employees or 360-degree feedback mechanisms that allow for cross-validation via multiple raters). However, despite these recent advances in evaluation design, critics continue to argue that performance appraisal systems are not consistently effective (Atkins & Wood, 2002; DeNisi & Kluger, 2000).

Thomas and Bretz (1994) argue that evaluations are often perceived by employees and supervisors with "fear and loathing." Two possible explanations for the fear and loathing are the absence of a "sense of ownership" and an absence of rewards for properly completing the process. Cardy (1998) describes the appraisal process as "a difficult and error-ridden task." However, Cardy also points out that it is an important task that affects both the individual and the organization. As suggested by Drenth (1984), evaluation is a sensitive matter, often eliciting negative psychological responses such as resistance, denial, aggression, or discouragement, particularly if the assessment is negative. Thus high perceptions of evaluative performance appraisal use may result in negative feelings about the appraisal.

The employee reactions to appraisals can be an important condition to improve the employee's performance. Recently, scholars have begun to argue that employee emotions and perceptions are important in determining the efficacy of performance appraisal systems. In fact, appraisal

reactions such as satisfaction, acceptability, and motivation to use feedback, are cited as an important trend in the appraisal research during the past ten years in a recent review of that literature (Levy and Williams, 2004). Moreover, the appraisals sometimes might be coloured by the status based personal relationships in form of prejudice and unfair as the appraisal might be there is no way the superior's process of appraisal can be contested and thus causes resentment.

Furthermore, employers sometimes feel pressurized to give a good appraisal in order to avoid confrontation or any friction in the existent work environment. apart from these problems, appraisals also take up extra time and effort's on the manager's part. Hence all issues combine to generate an unpleasant connotation about the term performance appraisal. Burdensome as performance appraisal may be, performance appraisal system that are properly designed and implemented are a reflection of an organization's aims and objectives. Therefore, it can be concluded that the failure to implement an effective appraisal system often leads to no relationship existing between the work performance and the achievement of the organization. Hence, this research study is aimed at addressing the bottlenecks of performance appraisal over the development of worker's performance in the study organization.

Objectives of the Study

The general objective of the study is to examine the relationship between performance appraisal and workers performance. Other specific objectives of the study include;

- 1) To know if performance appraisal is an essential tool for worker's performance.
- 2) To assess if performance appraisal is an essential tool for identifying employees' commitment to organizational goals and objectives. .
- 3) To know if there are any significant relationship between performance appraisal and salary increment.
- 4) To understand the importance of performance appraisal as an essential tool for promotion exercise.

Research Hypotheses

H1; There is a significant relationship between performance appraisal and worker's performance

H2; There is a significant relationship between performance appraisal and employees commitment to organizational goals and objectives

H3; There is a significant relationship between performance appraisal and salary increment

H4; There is a significant relationship between performance appraisal and promotion exercise

LITERATURE REVIEW

Performance means "a basic instructional method in which the trainee is required to perform, under controlled conditions, the operation, skills, or movement being taught" (Tracey, 1998). Performance appraisal is defined as evaluating employees how well do their jobs according to performance standards (Dessler, 2000). After an employee has been selected for a job, has been trained for it, and has worked for a period of time, her or his performance should be reviewed. So, performance appraisal is one of the most significant topics in Human Resource Management. Traditional performance appraisal relies on economic reward and the threat of

punishment to motivate employees to reach desired performance. But this concept does not hold true anymore. Today, performance appraisal is used for developmental and motivational purposes in the organizations. Performance appraisal is not a still evaluation activity, but a dynamic process, which should be viewed as follows; planning the employees' performance, evaluation, and improving the performance of the employees'. This process brings the new concept: performance management (Kaynak et al., 2000). This concept is essential for today's organization to integrate the management goals and employee performance. Performance management is a system for integrating the management of organization and employee performance in order to support and improve company's or organization's over all business goals (Williams, 1988).

According to Muo (2007), performance appraisal entails the systematic, organised and formalised process of evaluating individual employee's job related strengths and weaknesses with a view to providing feedback on which performance adjustment can be made. Thus, performance appraisal has both evaluative and developmental objectives. It evaluates both traits and results. As noted by Armstrong (2006): It is sometimes assumed that performance appraisal is the same thing as performance management. But there are significant differences. Performance appraisal can be defined as the formal assessment and rating of individuals by their managers at, usually, an annual review meeting. In contrast, performance management is a continuous and much wider, more comprehensive and more natural process of management that clarifies mutual expectations, emphasises the support role of managers who are expected to act as coaches rather than judges, and focuses on the future.

Performance management is a critical and necessary component for individual and organisational effectiveness. Without assessment and feedback, we have no basis for focusing our efforts to improve. However, when the entire process of performance management is considered, it is much more than simply evaluation and feed back (Cardy & Leonard, 2011). Performance appraisal forms the foundation for many human resources functions, effectively setting the standards to drive recruiting efforts, and it is customary to use these criteria in hiring, promoting, evaluating and equitably compensating employees, and forming the basis for many employee training programmes (Gibson, Harvey & Harris 2007).

Performance appraisals usually review past actions and behavior and so provide an opportunity to reflect on past performance. But to be successful they should also be used as a basis for making development and improvement plans and reaching agreement about what should be done in the future.

THEORETICAL FRAMEWORK

Goal theory was adopted for this study. The theory proposes that human beings are more motivated to act when there is a reward at the end of the performance of a task or behaviour. Motivation theories and need theories are all theories brought forward in view of understanding what underlying goals determine which kind of behaviour. The goal theory proposes that a reward at the end of a task or behaviour acts as a motivation for the performance

of that said task or behaviour. However the reward should be is clearly stated. The end state can be the reward in itself. It is proposed that an efficient goal must have three components: proximity, difficulty, specificity and feedback. An ideal goal is a goal where the time between the reaching out and the end state is close. It is moderate in difficulty, neither too easy, to present some challenge, nor too difficult, so that success seem possible. The goal should be specific. The individual must understand what is expected out of him, to start out for the goal. A specific goal gives direction of focus to that specific goal and away from distractions. Feedback is necessary for measuring progress towards the goal. Feedback makes it possible to know whether the level of efforts is adequate and in the proper direction or needs corrections.

The relevance of this theory to the research study can be credited to the works of Lathan and Locke (1979) that highlights four mechanisms that connect goals to performance outcomes. First, goals direct attention to priorities that is when specific goals are set for workers it drives their attention to priorities of achieving the goals. Second, they stimulate effort, in other words when sets goals are attached to specific reward system it stimulates workers to work better and effectively Third, they challenge people to bring their knowledge and skills to bear to increase their chances of success. Fourth, the more challenging the goal, the more people will draw on their full repertoire of skills.

Control Theory

Control theory has shown multiple applications in the workplace. To increase employee performance, managers need to ensure that employees have specific and challenging goals which result in better performance than ambiguous goals. Ambiguous goals such as “do your best” or “try harder” provide no good comparative standard and direct feedback (Campion & Lord, 1982). Without a specific standard and clear feedback, an employee will not be able to recognize errors and then will not engage in behaviour changes that improve performance. Theoretical statements by R. G. Lord and P. J. Hanges (1987) and by C. S. Carver and M. F. Scheier (1981) suggest that supervision in the workplace can be analyzed as a control system made up of supervisors and subordinates.

Management by Objectives (MBO) programs can also utilize Control Theory “to describe and organize the feedback loop between managers, their subordinates, and the tasks they are accomplishing as a team, as that team is a social network” (PSU, 2011). Control theory emphasizes that people continually seek feedback (PSU, 2011). Therefore you will see the control theory applied in areas of evaluation, weekly check-ins, and team meetings. Workplace applications of control theory also arise when focusing on other control mechanisms that may factor into the “system” such as social control, social climate, and cultural changes. Control theory has also been used in human resource management where they use behaviour control, output controls, and input controls to affect behaviour and work performance. According to Snell (1992), a major benefit with output control provides for lower level consideration, but it still affords encouragement and obligation which enhance the employer.

Further, it also allows lower level employee’s the ability to change their behaviour and engage in the occasion, and bypass any hazards which may come up.. The relevance of this theory to the

research study is that it explains the importance of feedback on worker's performance and also centres on feedback as a determinant of behaviour and this theory also relates to the role of feedback on employee's performance when people receive feedback on their behaviour, they are aware of the difference or divergence between their actual performance and expected performance, and then take corrective action where necessary. Thus feedback mechanism is essential in performance management.

METHODOLOGY

Study Design

This is a case study descriptive self-reported perception of performance appraisal and workers' performance in Wema Bank Headquarters, Lagos.

The Study Area

The location of this study is Wema Bank Plc Headquarter, Lagos has over the years, diligently offered a fully-fledged range of value-adding banking and financial advisory services to the Nigerian public.

Incorporated in 1945 as a Private Limited Liability Company (under the old name of Agbomagbe Bank Limited) and commencing banking operations in Nigeria the same year, Wema Bank later transformed into a Public Limited Company (PLC) in April 1987 and was listed on the floor of the Nigerian Stock Exchange (NSE) in January 1990. On February 5, 2001, Wema Bank Plc was granted a universal banking licence by the Central Bank of Nigeria (CBN), thus allowing the Bank provide the Nigerian public with diverse financial and business advisory services. However, in 2009, the Bank underwent a strategic repositioning exercise spearheaded by a new management team that has seen its profile rise considerably which finally culminated into its taking a sound strategic decision to operate as a commercial Bank with regional Scope in South-South Nigeria, South-West Nigeria, Lagos and Abuja in 2011.

Sampling Techniques and Sample Size

This entails a combination of simple random technique and the stratified among workers in Wema Bank headquarter, Lagos. This enables us to achieve proper representation of all departments or units in the bank. It also enhances the reliability and validity of the study. A total of (120) respondents consisting of top management, senior workers and junior workers of Wema Bank.

Instruments of Data Collection

A self-designed questionnaire was constructed by the researcher to collect relevant information from the respondents. This survey questionnaire was of two sections: 'A' and 'B'. Section A is designed to obtain personal data of the respondents, while Section B is made up of statements and options of individual opinions by respondents on the subject of the research study.

Methods of Data Analysis and Presentation

Data was analyzed using the statistical analytical package of social sciences. Data was presented in tables using percentage distributions. Chi-square statistics was used to test statistical significance of the association between the independent and dependent variables of the study.

RESEARCH FINDINGS**TABLE 1: Social Characteristics of Respondents**

| Age | Frequency | Percentage |
|-----------------------|------------------|-------------------|
| Below 25 years | 21 | 17.5 |
| 25-35 years | 75 | 62.5 |
| 36-45 years | 22 | 18.3 |
| 46 and above | 2 | 1.7 |
| Total | 120 | 100.00% |
| Sex | | |
| Male | 77 | 64.2 |
| Female | 43 | 35.8 |
| Total | 120 | 100.0% |
| Marital Status | | |
| Single | 61 | 50.8 |
| Married | 56 | 46.7 |
| Divorced | 3 | 2.5 |
| Total | 120 | 100% |
| Staff Category | | |
| Top management | 6 | 5.0 |
| Senior worker | 44 | 36.7 |
| Junior worker | 70 | 58.3 |
| Total | 120 | 100% |

Authors Fieldwork, 2013

Table 2; Cross Tabulation of Performance Appraisal and Worker's Performance

| Performance appraisal | Worker's performance | | Total |
|-----------------------|----------------------|-----------|------------|
| | High | Low | |
| Annually | 10 | 7 | 17 |
| Semi annually | 89 | 11 | 100 |
| Quarterly | 1 | 1 | 2 |
| Not regular | 1 | 0 | 1 |
| Total | 101 | 19 | 120 |

$$X^2_c = 11.886 \quad X^2_t = 7.815 \quad D.F = 3 \quad N=120$$

Table 3: Cross Tabulation of Performance Appraisal and Worker's Promotion Exercise

| Performance appraisal | Promotion exercise | | | Total |
|-----------------------|--------------------|-----------|------------------|-------|
| | Very essential | Essential | Fairly essential | |
| Annually | 15 | 2 | 0 | 17 |
| Semi annually | 59 | 33 | 8 | 100 |
| Quarterly | 0 | 1 | 1 | 2 |
| Not regular | 0 | 1 | 0 | 1 |
| Total | 74 | 37 | 9 | 120 |

$$X^2_c = 14.058 \quad X^2_t = 12.592 \quad D.F = 6 \quad N = 120$$

Table 4: Cross Tabulation of Performance Appraisal and Employees Commitment to Organization Goals And Objectives.

| Performance appraisal | Employees commitment to organizational goals and objectives | | | Total |
|-----------------------|---|------------|------------|-------|
| | Most definitely | Definitely | Not at all | |
| Very High | 43 | 15 | 1 | 59 |
| High | 14 | 32 | 6 | 52 |
| Very Low | 2 | 3 | 1 | 6 |
| Low | 1 | 2 | 0 | 3 |
| Total | 60 | 52 | 8 | 120 |

$$X^2_c = 26.138 \quad X^2_t = 12.592 \quad D.F = 6 \quad N = 120$$

Table 5: Cross Tabulation of Performance Appraisal and Worker's Salary Increment

| Performance appraisal | Worker's salary increase | | | Total |
|-----------------------|--------------------------|-----------|------------------|-------|
| | Very essential | Essential | Fairly essential | |
| Annually | 14 | 3 | 0 | 17 |
| Semi annually | 42 | 41 | 17 | 100 |
| Quarterly | 0 | 1 | 1 | 2 |
| Not regular | 0 | 1 | 0 | 1 |
| Total | 56 | 46 | 18 | 120 |

$$X^2_c = 14.252 \quad X^2_t = 12.592 \quad D.F = 4 \quad N = 120$$

SUMMARY AND DISCUSSION

The data in table 1 shows that 21 (17.5%) of respondents falls below 25years of age, while those within the age group of 25-35 were 75(62.5%) and respondents who were within the age group of 36-45 were 22 (18.3%), and respondents who were within the age 46years and above were 2 (1.7%). From the table it can be deduced that majority of those that responded to the questionnaires are within the age bracket of 25-35 years. This usually represents the style of bank workers in Nigeria. In another development, the male respondents were more than female. The

male respondents were 77 (64.2%). while the female respondents accounted for 43 (35.8%). The table also shows that 61 (50.8%) were single, 56 (46.7%) were married and 3 (2.5%) were divorced. It can therefore be said that the highest number in the distribution were the single. Equally on the staff category in the bank, about 6(5.0%) are in top management, while respondents who falls in the category of senior workers are 44(36.7%) and respondents who falls in the category of junior workers are 70(58.3%).

Table 2 is the first hypothesis. It tested the significant relationship between performance appraisal and worker's performance. The result therefore showed that there is a significant relationship between performance appraisal and worker's performance. This implies that one of the major factors that affect the worker's performance in an organization is the performance appraisal conducted over time. This finding can be related with the views of Peretomode and Peretomode (2001); Manoharan, Muralidharan and Deshmukh (2009) who posit that performance appraisal is an important management tool used to assess employees' efficiency in the workplace and usually takes the form of a periodic review which could be annual or bi-annual to evaluate work performance.

The second hypothesis tested in table 3 sought to examine if there is a relationship between performance appraisal and promotion exercise. The results showed that performance appraisal is related to the promotion exercise carried out in the organization. Thus, these findings can be linked with the views of (Gibson, Harvey & Harris, 2007) that say that the periodicity of performance appraisal is to a large effect a determining factor on promotion exercise in an organization.

Table 4 hypothesis result showed that there is a significant relationship between performance appraisal and employees commitment to organizational goals and objectives. Performance appraisal therefore is used in assessing employees commitment to organizational goals and objectives. This results supports the principles of management by objective (MBO) and is consistent with the views of (Dessler ,2008). According to Dessler, MBO entails the setting of specific measurable goals with each employee and then periodically reviews the progress made. The finding also agrees with the views of Ikemefuna (2005), who posits that MBO is a performance appraisal method that includes mutual objective /goal setting and evaluation based on the attainment of specific objectives or goals.

Table 5 showcased the fourth hypothesis which examined the relationship between performance appraisal and salary increment. The results indicated that there is a significant relationship between performance appraisal and salary increment. This finding that performance appraisal serves as a means for salary increment or distribution of rewards is in consonance with the views of Briscoe and Claus (2008) as well as Fajana (2002) who hold the view that appraisal is a means for distributing rewards.

SUMMARY OF MAJOR FINDINGS

The study investigated the perception of performance appraisal on workers' perception using the headquarters of WEMA bank as an empirical study. Data was collected at the individual level and stratified sampling procedure was adopted in the administration of a well-structured questionnaire in the study area.

The four hypotheses tested in this study revolved around the attempt to determine the relationship between the perception performance appraisal and workers' performance. The chi-square (X^2) test was used to test the relationships between the dependent and the independent variables as confirmed by the chi-square test. On the four hypotheses tested, the findings arising from the test are as follow:

1. There is a significant relationship between performance appraisal and workers' performance.
2. There is a significant relationship between performance appraisal and promotion exercise.
3. There is a significant relationship between performance appraisal and employees commitment to organizational goals and objectives.
4. There is a significant relationship between performance appraisal and workers' salary increment.

The findings of this study were presented under three main headings: the socio-demographic characteristics of the respondents, information on the perception of performance appraisal and workers' performance, findings of the four hypotheses tested and its discussion. Based on this, the following represent the major findings of the study.

The research findings for this study indicate that performance appraisal is an essential tool for organizational development and that performance appraisal serves as a tool for employees' performance. More so, it was found that performance appraisal is used as an assessment tool for promotional exercise. The research findings also reviewed that performance appraisal is used in assessing employees' commitment to organizational goals and objectives and that performance appraisal serve as a means for salary increment or distribution of rewards.

CONCLUSION AND RECOMMENDATIONS

The study has demonstrated that the adoption of the right performance appraisal technique in the organization was found to improve workers performance and commitment. Performance appraisal is an important tool used to assess employees' efficiency in the work place and it usually takes the form of periodic review to evaluate work performance.

From the foregoing, it is recommended that, for appraisal to yield the desired outcomes, adequate attention should be paid to the avoidance of appraisal politics and the pursuance of fairness and transparency. Performance appraisal exercise should not be seen as ingestion but rather as a means of developing the employee in his job with the intention of strengthening the strong points

of the employee while enabling him to improve his weak point. In addition, for management to achieve the objective of performance appraisal, the performance of workers at work and errors committed should be pointed out to them from time to time since this will aid their careers development.

Employees must be given specific instruction on how performance can be improved and must have short- and long-term goals set to show incremental improvements. It is not enough to tell an employee who has performance problems that his or her performance is poor, or to identify problem areas without specific instructions on how performance can be improved. This only upsets employees without solving the underlying problems.

Finally, Performance expectations and actual performance must be discussed often and regularly and raters must be adequately trained with modern techniques of rating periodically through organized workshops, debate and seminar.

In view of the above, the contribution of the paper to existing body of knowledge is:

- Performance appraisal serves as an enriching attitude and skills that improves the effectiveness of employees.
- Performance appraisal provides a basis for Identifying and correcting disparities in workers' performance.
- It affirms that performance appraisal is a management tool used to motivate employees and lays emphasis on continuous improvement. Hence, performance appraisal has both evaluative and development objectives.

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