

Performance Appraisal as Bedrock for the Growth of Nigerian Money Deposit Banks in South East, Nigeria

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Abstract: The study was on performance appraisal as the bedrock for the growth of Nigerian money deposit banks. The specific objectives included to: ascertain the effect of performance appraisal on the income of Nigerian money deposit banks; evaluate the effect of performance appraisal (PA), on product sales of Nigerian money deposit banks, determine the effect of performance appraisal on banks' value of Nigeria money deposit banks. The study used the survey approach. The instruments used were the administration of the questionnaire to the bank managers and their staff. The study population was a total number of 4,503. The sample size for the study was 346. The study used the Taro Yamane formula in the determination of the sample size. A total number of 321 staff returned the questionnaire and accurately filled. The validity of the instrument was tested using content analysis, and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability coefficient of 0.92 which was also good. The hypotheses were tested using F-statistic. The result showed that performance appraisal has a significant positive effect on income of Nigerian money deposit banks $F(n = 321) = 6.427, p < 0.05$; performance appraisal has positive effect on product sales of Nigerian money deposit banks $F(n = 321) = 12.527, p < 0.05$ and there is significant positive effect of performance appraisal on bank value on Nigeria money deposit banks $F(n = 321) = 54.444, p < 0.05$. The study concluded that when performance appraisal is effectively used, employees and managers established goals for the period; performance appraisal is a good instrument for mobilizing employees in money deposit banks to achieve the strategic goals of the money deposit banks. It was recommended that money deposit banks should formulate detailed written human resource policy on performance appraisal and employees' productivity to ensure safe working environment in money deposit banks to promote productivity, growth, and motivation of workers to improve productivity should be given serious attention by Management.

Keywords: Performance, Appraisal, Growth, Deposit bank.

INTRODUCTION

Performance management in a general term is a managerial process that combines organisational or corporate objectives, performance standards, and evaluation to which the output or performance review or performance appraisal is often applied [1]. The performance appraisal is a discrete, formal, organisationally sanctioned event, mainly not appearing more than once or twice a year, which has stated performance dimensions and/ or criteria that are used in the evaluation process [2]. Majority of organizations today, station some forms of

performance appraisal system to equip the employees with a response about their performance and to help the organisation or company to shuffle proper decisions about those things that increase their pay and promotion. Productivity is considered to be an essential factor in improving organisational performance and company competitiveness as well as a critical long-term resource especially in banking industries for national economic and social development [3]. Productivity depends on the quality of human resource, as well as their effective use.

Competent appraisal of individual performance in an organisation or company serves to improve the overall effectiveness of the entity. Kane and Lawler [4] indicate that the three main functional areas of performance appraisal systems are administrative, informative, and motivational. Appraisals affect the administrative in that it serves the role of facilitating an orderly means of determining salary increases and other rewards, and of delegating authority and responsibility to the most capable individuals. The informative function is fulfilled when the appraisal system supplies data to managers and exposes individual strengths and weaknesses. Finally, the motivational role entails creating a learning experience that motivates workers to improve their performance. When effectively used, performance appraisals help employees and managers establish goals for the period before the next appraisal.

Appraisers, (managers), and companies all reap benefits from effective performance appraisals. Employees gain in many ways; for example, they discover what is expected of them and can set goals. They also gain a better perspective of their faults and strengths and can adjust behavior accordingly. Also, appraisals create a useful forum for providing feedback to workers about individual behaviour, and for allowing workers to provide a contribution to their managers. Finally, employees are (ideally) given assistance in creating plans to improve behaviour, and can get a better grip on the goals and priorities of the company.

Money deposit banks operate on a commercial basis, that is, they are out to maximize profit by trading in money. They differ from other financial institutions because they honour cheques drawn on them by their customers on their demand deposit. Last decade experienced several heavyweights of the industry stumble and collapse without much warning. A significant part of the failure was attributed to human factors like distorted payment on higher risks, greedy play with performance data, and lesser long-term accountability. To avoid the recurrence of these incidents, organisations need to pay attention to the organisation's building initiatives. The values, employee information, employee performance, integrity and transparency in the processes must be meticulously examined and managed[5].

Banks play a vital role in the economic development of nations as they, in no small extent, exert charge over the supply of money in flow and are the main stimuli of economic progress. Economic development is a dynamic and constant process which is highly dependent upon the mobilisation of capital, investment, and the operational effectiveness of the various segments of the economy. Therefore, a healthy banking sector is vital for growth, creating jobs,

generating wealth, eradicating poverty, entrepreneurial activity and increasing Gross Domestic Product (GDP). The sector provides a significant part of the means of exchange of a country and is the major tool through which monetary policy is conducted through their deposit mobilisation and lending operations. Money deposit banks facilitate the productive utilisation of ideal funds, thus assisting society in producing wealth. It is unavoidable that banks go on to draw significant notice from the public and inspection by financial regulators as there is a rising need to evaluate banks more efficiently. Customers of banks not only supervise institutions, regulators and bank management bodies, but also customers of banks, are becoming increasingly concerned about the stability and sustainability of these financial institutions.

There are other reasons to evaluate the performance of money deposit banks — to establish their operational outcome and their overall financial condition; measure their assets quality, management quality and efficiency, and achievement of their objectives; as well as ascertain their earning quality, liquidity, capital adequacy, and level of bank services. Money deposit banks performance analysis involves gathering formal and informal data to help clients and sponsors define and accomplish their goals. Banks are also expected to provide evidence of their credit operations and financial flows as these influence the growth and economic development of the country [6].

If the performance management system is unfair and invalid, employees are more likely to become dissatisfied and burnt out in their roles. If there are no standards for performance in employees' roles, they will not know what's expected of them, and therefore merely won't know what justifies excellent verses. Poor performance. Employees are the most essential and the most difficult of all the resources in the banking industries or any organization. It is not just enough to recruit and utilize them, but it is equally very important to make sure that they do their work efficiently and achieve organizational objectives. This can only be possible through performance appraisal [8]. The study on performance appraisal as the bedrock for the growth of Nigerian money deposit banks has therefore become necessary.

Statement of the Problem

Performance appraisal assists organisations to find out the needs of employees, and suggest whether there is a need for additional training for improving current job performance. Deficiencies in performance may be due to inadequate knowledge or skills. Performance appraisal is a process by which the job performance of employees is documented and evaluated. In the Nigerian money deposit banks, the employee productivity and growth is evaluated to enhance their commitment and their sense of worth.

Appraisal system is becoming more and more a challenge to organisations, highly productive employees have challenges of promotions, poor administrations, and communications which have affected the entire system of money deposit banks. These might led to low output, drop in the income and product sales, banks value and, inadequate liquidity and high level of risk. The study therefore was hinged on performance appraisal of money deposit banks to establish the link between appraisal and growth of the sector.

Objectives of the Study

The key objective of the study was to evaluate performance appraisal as bedrock for the growth of Nigerian money deposit banks. The specific objectives included to:

- Ascertain the effect of performance appraisal (PA) on the income of Nigerian money deposit banks.
- Evaluate the effect of performance appraisal (PA) on product sales of Nigerian money deposit banks.
- Determine the effect of performance appraisal on banks value of Nigerian money deposit banks.

Research Questions

The following questions were asked and answered in the study

- What is the effect of performance appraisal (PA) on income of Nigerian money deposit banks?
- What is the effect of performance appraisal (PA) on product sales of Nigerian money deposit bank?
- What is the effect of performance appraisal on the banks value of Nigerian money deposit banks?

Research Hypotheses

The following hypotheses guided the study

- Performance appraisal has a positive effect on income of Nigerian money deposit banks.
- Performance appraisal has a positive effect on product sales of Nigerian money deposit bank.
- Performance appraisal has a positive effect on banks value of Nigerian money deposit banks.

REVIEW OF RELATED LITERATURE

Conceptual Review

Concept of Performance Appraisal

Performance appraisal is the organised evaluation of the performance of staff and to appreciate the ability of a person for more growth and development [29]. A performance appraisal (PA), also referred to as performance assessment, (profession) development discussion, or employee appraisal is a process by which the job performance of an employee is accepted and evaluated. Performance appraisals are a part of career development and consist of normal reviews of employee performance within organisations. An employee performance appraisal is a

process—often combining both written and oral elements—whereby management evaluates and provides feedback on employee job performance, including steps to improve or redirect activities as needed. Documenting performance provide a foundation for pay increases and promotions. Appraisals are also vital to help staff members improve their performance and as an avenue by which they can be pleased or recognised for a job well done [9].

Concept of Productivity in the Money Deposit Bank

Productivity is defined as the commodities and services shaped per unit of labour, capital or both. The ratio of yield to labour and capital is a total productivity measure. In the field of banking, the various products are accounts, drafts, exchange remittances, cheques, traveler's cheques, credit cards, debit cards, services for guarantees, various kinds of loans like housing loan, education loan, car loan, etc. Identification and measurement of output in banking is a very difficult exercise as it is not possible to bring various services to measure output. However, banking being an important economic activity cannot afford to lose sight of the concept of productivity. Application of the concept in the banking industry becomes all the more difficult, as it gets associated with such diverse aspects like operational cost-effectiveness, effectiveness, client services, priority sector lending, mobilisation of deposits, sthe operation of credit in the rural and backward region. As we know that banks are the reflect of an economy [10]. Therefore better functioning of the banking sector may lead to the overall enhancement of the economy. In fact, banks act as a link amid those who want to save and those who want to invest, so improvement in the output of the banking sector is very much needed who want to save and obviously, difficulty is not in applying the broader concept of productivity as ratio of output and input but is in measuring output in the form of services. Productivity at the national level is dependent on various factors like per capita income, saving habits and banking habits. In addition to it, there are regional variations which affect the productivity of various players in the banking field. So in order to have a reliable idea of productivity, it is essential to analyze every segment, different sizes of banks and region wise positioning of banks. As in banking industry, the volume of business became progressively imperative to secure more resources for meeting social objectives while maintaining the viability of operations, and the business level may be preferred as being more representative of productivity. Productivity helps firms, industries, and nations to achieve a sustainable competitive advantage. The industry is a thrust area for countries in their quest for competitiveness. It must be noted that banks which have maintained the momentum of continuous growth, and profitability showed a better ratio of manpower effectiveness. Each element has crucial sub-components which serve as

building blocks for productivity. The Government policies effectively support competitiveness if they are structures around productivity driven reform mechanism, cost deflating tariff structure and technology and industry vision [11].

Concept of Money Deposit Bank

Deposit money banks which are also identified as commercial banks are financial institutions so as to offer services, such as accepting deposits, giving business loans and auto loans, mortgage lending, and basic investment products like savings accounts and certificates of activities deposit, they act as financial intermediaries to channel savers' money to firms and individuals who look for funding for their acts. Their importance as a catalyst to economic growth/development is widely recognized by both monetary and development economists [12]. Money is placed into banking institutions for safekeeping. These deposits are made to deposit accounts such as savings accounts, checking accounts and money market accounts. The account holder has the right to extract deposited funds, as set forth in the terms and conditions governing the account agreement [13].

Deposit money banks are resident depository corporations and quasi-corporations which have any liabilities in the form of deposits payable on demand, transferable by cheque or otherwise usable for making payments [14].

Concept of Growth in the Money Deposit Bank

Over the last twenty years, the financial sector and especially the banking industry have undergone important institutional and operational changes. This adaptation came as an end result of a number of factors such as the liberalisation of financial markets, quick technological progression in the areas of telecommunications and information technology (IT) as well as the ever-increasing integration and capital markets, as a result, competition was enhanced and the operation and structure of the financial sector changed radically. The provisional figure that the National Bureau of Statistics (NBS) released for Q₄, 2017 shows that the banking segment credit to the private sector dropped from N16.1trillion in Q₄, 2016 to N15.7trillion in Q₄ 2017. Although the total credit as at the end of 2017 was higher than the figure of N13.1trillion in Q₄ 2015, the impact of the devaluation of the local currency may be responsible for the growth in 2017 over 2015 [15]. The sector with the highest credit allocation as of Q₄ 2017 was mining and quarrying, and petroleum marketing which accounted for 28 percent of the total banking sector credit to the private sector. This was followed by manufacturing 14 percent; General Services 18 percent; and Trade 7 percent. We note that Agriculture, which contributes about 29 percent of the Gross Domestic Product (GDP)

in Nigeria in Q₃ 2017, attracted 3 percent of the total credit. Banking sector openness may openly increase growth by improving the quality of financial services and increasing funds obtainable, or not directly by improving the efficiency of financial intermediaries, both of which may reduce the cost of financing, in turn, add to capital accumulation and economic growth.

Effect of Appraisal on the Improvement in Income in Money Deposit Banks

As organizations get bigger, a formal performance appraisal system aids administrative decisions such as pay increases and promotions, redundancy or termination, development needs, and for the employees, the process may assist in career choices and may increase their commitment and satisfaction due to improvements in organization's communication. To get excellent and most out of this resource of people, they have to be motivated. However, Maji [16] argues that people cannot be motivated but prompt themselves and managers can offer the environment for them to be motivated. There are many ways to provide a motivational environment for employees, and these comprise developing their skills, giving them a response and rewarding in ways that mean something to them. Therefore, performance appraisal (part of performance management) can be used as a tool to assist managers in motivating their employees. Performance management includes any management actions aimed at improving performance through training and developing employees, establishing performance standard, appraising performance, setting performance plans and managing career and mobility [17]. A motivated employee is an industrious employee and works to increase output. Performance appraisal provides information to help managers manage in such a way that employee performance improves. Performance appraisal serves as an instrument for enhancing productivity in modern organisations.

Through the process of performance appraisal, the productivity of organisational members is measured. It is one of the most subtle issues in human resources management because an employee's overall achievement in an organization depends mainly on the outcome of performance appraisal. It is important to state here that some bosses take benefit of this to under-estimate the performance of employees who are not in their good book. Thus, a proven performance appraisal system links the organisation and the employees together and makes the labor force to understand what is expected of them in a job, and where they fit inappropriately in the organization. Performance appraisal and productivity of a worker are used to determine an employee's suitability for promotion, training and placement into a higher position of authority.

Employee Performance Approval and Product Sales

Companies may take diverse approaches to maximise profit or minimise loss based on their own organisational strengths. While product differentiation and low price can be significant for maximising profit, controlling cost and maintaining market share may be more important in minimizing loss. Regardless of what assets a company owns and how much cash it holds, loss over extended periods of time will eventually weaken a company's asset positions and decrease the number of its cash holdings [18].

A performance appraisal system is a good instrument that can be used to improve the excellence of an organization's workforce performance of which it is considered as an important aspect in human resources management and as part of the control process in administration. In order for an organisation to achieve its objectives, planning of the appraisal process is an important subject which should be undertaken to enable it achieves the objectives like workforce development, including improvements, promotions and assignments in managerial positions, persuasion and punishment, salary increase, personnel's performance feedback and determining their educational needs. Banks should look at products and pricing based on a total customer view and reply to the value that clients bring to the bank across the spectrum of rates, fees, features, and services. Many banks are nowadays bundling identity theft alerts and credit score reports with a checking account which provides increased account sales because of the attractiveness of the bundled features[19].

Therefore, an appraisal can be seen as an important factor in identifying the people's talents, and capacities and its results can make them aware of advancements, plans, and goals. An organization, itself, needs to detect the employee's effectiveness to advance the manpower's status, for the purpose of increasing the degree of the production and services and making positive changes in its trend [20]. Indeed, most successful appraisal programmes identify and evaluate only the critical behaviors that contribute to job success. Systems that miss those behaviors are often invalid, inaccurate, and result in discrimination based on nonrelated factors.

Employee Performance Appraisal Development and Maximisation of Banks Value of Nigeria Deposit Banks

Employees are the main assets of any organization. The active responsibility they play towards a company's accomplishment cannot be underestimated. As a result, equipping these exceptional assets through effective training becomes

essential in order to maximise the job performance. Also, position them to take on the challenges of the today's competitive business climate. Performance appraisal is a process that is carried out to enable both the individual and the organization to analyze, examine and evaluate the performance of specified objectives over a period of time. This process can take up formal and informal forms [21]. The purposes of performance appraisal have been classified into two groups that are the developmental and administrative purposes. The developmental purposes of performance appraisal include providing performance response, identifying individual strengths/weaknesses, recognising individual performance, assisting in goal identification, evaluating goal achievement identifying individual training needs, determining organisational training needs, improving communication and allowing employees to discuss concerns. On the other hand, administrative Under the developmental purposes are purposes of performance appraisal include but are not limited to documenting personal decisions, determining promotion candidates, determining transfers and assignments, identifying poor performance, deciding layoffs, validating selection criteria, meeting legal requirements to mention a few.

Performance appraisal can be conducted once, twice or even numerous period a year. The rate of recurrence will be determined by the organizations based on the resource capability and what is to be evaluated with regard to the organisation's objectives and strategies. Profit maximisation is a core objective of every organization, as well as banks. Profitability can be defined as an end result which arises from the effectiveness of management and most favorable operation of resources at its disposal; thus leading to the reaping of higher return on capital employed. The management of any firm should be able to identify its strength and weakness, as well as make use of opportunities and tackle threats if it is determined to make profits. A bank is said to be 'profitable' if it can accumulate financial benefits from the resources invested into the operational activity of the bank.

Performance Appraisal and Minimization of Risk in Money Deposit Bank

The achievement of a bank is determined by how well the bank complete profits in the course of a financial period. For banks to be gainful, they have to assume a reasonable level of risk. If the management of a bank decides to be risk-averse, then such decision is at the detriment of the bank's performance. Banks face a lot of risks, which are able to adversely touching their profitability. Banks are exposed to a high degree of risk than any other business because they are concerned in the management of assets and liabilities. Banks are uncovered to risks in varied dimensions; however, these risks emerge prominently in the form of credit risk, interest rate risk, and liquidity risk because

they are closely linked to the banks' lending activity from which a lion share of banks' profit is generated [22].

- Credit risk: It is the option of losing an outstanding loan partially or totally due to credit events (default risk). Geiseche [23] confirmed that credit risk is by far the most significant risk faced by banks and the success of their business depends on correct measurement and efficient management of this risk to a greater extent than any other risk.
- Interest rate risk: It is the exposure of a bank's financial condition to adverse movements in the interest rate. A key source of interest rate risk results from a common attribute of banks in borrowing short and lending long, leading to the maturity mismatch or re-pricing [24].
- Liquidity risk: It is the sudden increase in withdrawals which may necessitate the financial institutions to seek to liquidate its assets in a short period [16]. It arises from the inability of a bank to accommodate the decrease in liabilities or to fund an increase in assets. The knowledge of the banking environment is of paramount importance to banks because the level of profitability hinges on it. The depository financial institution has the task of decisively analyzing its surroundings to know how to face challenges around them. Banks do not operate in isolation; thus banks find themselves in the following environments;
- Economic: This setting reflects the control of macroeconomic mechanism such as demand, inflationary trend, interest rate, exchange rate, monetary policies, and fiscal policies amongst others on banks' operation.
- Political: The political situation of the country influences the operations of banks. Political unsteadiness tends to put banks in a dilemma because the government is always in the habit of formulating and implementing its policies in line with its aims and objectives. Therefore, a change in power means that banks would have to adjust to the dictates of the present government. In the political environment, the apex regulator in the banking system is the Central Bank of Nigeria (CBN) with Nigerian Deposit Insurance Corporation (NDIC) playing a complementary role.
- Legal: This environment provides the legal structure for banks. The legal framework encompasses laid down rules and regulations, principles and practices which preside over the operations of banks. It is meant to preserve the interest of different stakeholders. The legal framework for banks is mainly contained in the Banks and Other Financial Institutions Act (1991) and its subsequent amendments. Also, the Central Bank of Nigeria Act (1959) and its following amendments.

- Industry: A bank's industrial environment constitutes the bank's competitors, bank customers (individuals, organisation) and operating guidelines such as the Basel Accord in place to control and supervise these institutions. The banking industry influences banks to improve the quality of their financial products through competition and operate within the confines of its memorandum of association and article of association and according to existing banking laws in the industry environment.
- Proximate: Bank depends on this environment for resources needed in the process of its banking business. The close environment is constituted by raw materials, individual and financial resources, and know-how. This environment determines the day-to-day operation of banks.
- Socio-cultural: The environment reflects the attitudes, values, education, performances, beliefs, and customs of the society in a bank is located. All these factors determine the patronage point for the bank's products by members of the society in which it is operating.

Performance bottlenecks have the potential to efficiently cripple a complete organisation, which can spell disaster for the enterprise. The lengthy downtime caused by poor performance appraisal interrupts business continuity and reduces end-user productivity, and can cause a direct, negative impact on the organisation's bottom line while good performance appraisal serves as preventive measures against risks [14].

Theoretical Review

Some theories guided the study. These theories are explained below.

Appraisal theory has developed as a well-known theory in the field of communication and psychology by testing affect and emotion. In history, the most basic ideology dates back to some of the most notable philosophers such as Aristotle, Plato, the Stoics, Spinoza and Hume, and even early German psychologist Stumpf [25]. However, in the previous years, this theory has expanded exponentially with the dedication of two prominent researchers: Magda Arnold and Richard Lazarus, amongst others who have contributed to appraisal theory [26]. Appraisal theory is the theory in psychology that emotions are extracted from our evaluations (appraisals or estimates) of events that cause specific reactions in different people. Basically, our appraisal of a situation causes an emotional, or effective, a reaction that is going to be based on that appraisal. An example of this is going on a first date. If the date is perceived as positive, one might feel happiness, joy, giddiness, excitement, and/or anticipation, because they have appraised this event as one that could have positive long-term effects, i.e., starting a new relationship, engagement, or even

marriage. On the other hand, if the date is perceived negatively, then our emotions, as a result, might include dejection, sadness, emptiness, or fear. Reasoning and understanding of one's emotional reaction become imperative for future appraisals as well. The important aspect of the appraisal theory is that it accounts for individual variances of emotional reactions to the same event [27].

Expectancy Theory [28]

Expectancy theory, proposed by Vroom in 1964, is also known as the valence, instrumentality, and expectancy (VIE) theory. Vroom realized that an employee's performance is based on individual-level factors, such as personality, skills, knowledge, experiences, and abilities. The theory suggests that, even though individuals may have different sets of goals, they can be motivated if they believe that there is a positive correlation between effort and performance and that favourable performance will result in a desirable reward. The reward will eventually satisfy the need and the desire to satisfy the need is strong enough to make an effort worthwhile. The theory is based upon three aspects, valence, instrumentality and expectancy. 'Valence' refers to the emotional orientations people hold with respect to outcomes (rewards). It also means the depth of the needs of an employee for an extrinsic reward (such as money, promotion, time-off, benefits, etc.) or intrinsic (such as work satisfaction) reward. Management must discover what employees' values are. On the other hand, 'expectancy' suggests that employees have different expectations and levels of confidence about what they are capable of doing and management must discover what resources, training or supervision employees need. Whereas, 'instrumentality' means the perception of employees as to whether they will really get what they desire, even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that. Vroom suggested that an employee's attitude about expectancy, instrumentality, and valence interact psychologically to create a motivational force such that the employee acts in ways that bring pleasure and avoid pain. Expectancy theory is generally supported by empirical evidence.

Empirical Review

Effect of Appraisal on output

Michael [7] carried out a study on performance appraisal policy and its impact on the employee performance - a case study of guaranty trust bank in Nigeria. The research investigation focused on performance appraisal policy and its impact on employee performance in Guaranty Trust Bank in Nigeria. The aim of the study was to ascertain the extent to which the performance appraisal policy at Guaranty Bank contributed to employee performance.

Arising from the performance appraisal reviews, the findings revealed that the training which employees received resulted in improved job performance. The performance appraisal reviews also showed that when feedback reports were effectively used they consequently improved employee performance. The research design was quantitative in nature, and a closed-ended prepared questionnaire was used to collect the primary data. The survey method was used for all the employees of Guaranty Trust Bank in Nigeria. The questionnaire was administered to all 150 target respondents using the personal method, and a high response rate of 100% was obtained. The data gathered were analysed using the Statistical Program for Social Sciences (SPSS) for the statistical tests. The initial analysis involved the use of descriptive statistical tools. The main findings revealed that employee participation in the performance appraisal was generally high and this increased job satisfaction and enhanced employee performance. The results also revealed that manager-subordinate interaction was very cordial and this boosted employee performance. Moreover, the majority of respondents preferred performance appraisal to be regularly used for career paths in the organisation. The study concludes that Performance appraisal policy, particularly on interpersonal (supervisor/subordinate) basis, has been found to be useful and highly effective in motivating employees to higher performance. Lastly, it can also be concluded that promotions of the employees in the organization are greatly influenced by a properly organized and executed performance appraisal policy. The study recommended a set of guidelines which could be used in improving the current performance appraisal policy and further boost employee performance.

Appraisal and Employee Productivity

Mwema and Gachunga[23] conducted a study on the influence of performance appraisal on employee productivity in organizations: A study of selected WHO offices in East Africa. Governments and companies spend billions of Shillings yearly on employee performance evaluation. This study sought to establish the effects of performance appraisal on employee productivity focusing on a case study of the World Health Organization. The main objective of the study was to establish the effects of performance appraisal on employee output in the World Health Organisation focusing on Kenya Country Office, Garissa sub-office, Somalia and Sudan offices based in Kenya. Descriptive design was adopted in this study. Regression analysis was done to establish the effects of performance appraisal on employee productivity. From the findings behavioural performance appraisal was used in the organization and influences employee's relationship in the organisation as it led to an increase in interpersonal relationships, fostered Integration and teamwork, reliable employees who may work without

much supervision, enabled the employees to adapt to changing environment and that through individual staff development plan, staff were able to plan for their career development. Appraisal affected the employees' productivity to a very great extent; employees enhanced job knowledge improving their performance, ensured the effective use of resources, ability to produce and deliver quality results to the clients and created an empowering and motivating environment. It thus affected the productivity of the employees in the organization. From the findings, and the study concluded that organisations should appraise their employees often through utilised targets, accomplishments, organisation goals, time management, and efficiency for performance measurement purposes as it would lead to increase an employee's productivity. The study concluded that organizations should establish and agree to performance appraisal systems to assist in providing opportunities to the management in identifying staff training needs, help employees meet performance targets, offer poor performers a chance to improve, help employees on time management, through planning and setting of deadlines, enable managers to make informed decisions about promotions and assignments based on applicable facts, improved employee's synergies. The study recommended that organisations should appraise the staff to enhance employees' productivity.

Chinecherem [12] carried out a research on the effect of deposit money banks on the economic growth of Nigeria. The study x-rayed the contribution of deposit money banks (DMB) to the economic growth of Nigeria. To achieve the objective, the study obtained data from the Central Bank of Nigeria (CBN) statistical bulletin from the period 1987 to 2014. The study employed the multiple regression model in which real gross domestic product (RGDP) was identified as the reliant variable and proxy to economic development in Nigeria. Exchange rate (EXR), interest rate (INTR) and money supply (M_2) were identified as part of the activities of these DMBs in Nigeria and proxy to the impact of DMBs and represented the independent variables of the study. Ordinary least squares (OLS) method – secondary data were used to specify the single multiple regression model of which RGDP was the explained variable and interest rates, money supply and exchange rates were the explanatory variables. The results of the data were analysed and showed that there was a positive and significant correlation amid the independent variables and the dependent variable. The coefficient of determination R^2 (R-Square) was .89 (89 percent) showing that the estimated model had explanatory/expandability (predictive) power. Thus, economic development of Nigeria was driven by DMBs activities/functions and concluded that DMBs impacted on the economic development of Nigeria. As a result, appropriate

recommendations were made for policy managers as follows: contractionary monetary policy stance of the CBN should be sustained, the government should formulate appropriate laws that would reduce if not prevent the high taste for foreign goods that had local substitute by Nigeria. By diversifying sources of foreign exchange, CBN should formulate an appropriate policy framework to close the gap between official and parallel market exchange rate.

Adekoya, Oluseye, Kingsley [2] conducted a study on performance appraisal in the Nigerian banking sector: the individual and joint variables analyses. The study aimed to find the impact of performance appraisal on employees' productivity in the Nigerian banking industry, with a sample of one hundred and ninety-five (195) drawn from banks with branches in Ado Ekiti, the capital city of Ekiti State. The whole 360 staff members of the bank branches in Ado Ekiti were sampled. Regression analysis was employed for data analysis and F-statistic for the hypothesis testing. The study found that sound management of performance appraisal (PA) system will guarantee good employee productivity, with R-value of 0.842, adjusted R^2 of 0.701. That is, a very strong and positive correlation existed between performance appraisal and employee productivity. Also, a very good PA system would explain 70 percent of the degree of changes in employees' productivity. The F-ratio statistic was 86.268. The study summarised that, for Nigerian banks to earn sound employees' performance, a conscious effort towards an improved performance appraisal system was required

METHODOLOGY

The study was on performance appraisal as bedrock for the growth of Nigeria money deposit banks in South East, Nigeria. The area of study comprised five selected money deposit banks from each of the states in South-East, Nigeria which included: First Bank - Enugu Main Branch 21, Okpara Avenue, United Bank For Africa Plc. (UBA), 3 Zik Avenue, Abakaliki, Ebonyi State, Ecobank Nigeria Plc, 69, Douglas Road, Owerri, Imo State, Fidelity Bank Plc. 2, Market Road, Umuahia, Abia State, Zenith Bank, Nnamdi Azikiwe University, Awka, Anambra, Nigeria. The study used the survey approach. The data collection instruments were the administration of the questionnaire to the bank managers and their staff. The population of 4,503 was used. The sample size of the study was 346; the study used the Taro Yamane's formula to determine the sample size. A total of 321 staff returned the questionnaire and accurately filled. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability coefficient of 0.92 which was also good. The hypotheses were tested using F-statistic (ANOVA) tool.

DATA PRESENTATION AND ANALYSES

Effect of performance appraisal on the income of Nigeria money deposit banks?

From the table 4.1, it was observed that 120 respondents out of 321 representing 37.4 percent

strongly agree, and 158 respondents of 49.2 percent agree, 19 respondents representing 6 percent were neutral, 13 respondents representing 4 percent disagree while 11 respondents representing 3.4 percent strongly disagree that there is performance appraisal has effect on the improvement in output and income of Nigeria money deposit banks.

Table-4.1: Response on the statement that the effect of performance appraisal has led to improvement in output and income of Nigeria money deposit banks

	FirstBank	UBA	Ecobank	Fidelity	Zenith	Total	Percent
Strongly Agree	20	15	18	50	17	120	37.4
Agree	20	37	28	53	20	158	49.2
Neutral	6	3	5	4	1	19	6
Disagree	3	3	4	2	1	13	4
Strongly Disagree	4	2	3	1	1	11	3.4
Total	53	60	58	110	40	321	100

Source: Field Survey, 2018

Effect of performance appraisal on product sales of Nigeria money deposit banks

Table-4.2: Response on the statement that the effect of performance appraisal has led to on product sales of Nigeria money deposit bank

	FirstBank	UBA	Ecobank	Fidelity	Zenith	Total	Percent
Strongly Agree	20	19	18	32	4	93	29
Agree	23	28	21	47	20	139	44
Neutral	6	8	4	18	4	40	12
Disagree	2	3	7	3	5	20	6
Strongly Disagree	2	2	8	10	7	29	9
TOTAL	53	60	58	110	40	321	100

Source: Field Survey, 2018

From the table, it was observed that 93 respondents out of 321 representing 29 percent strongly agree and 139 respondents of 43 percent agree, 40 respondents of 12 percent were neutral, 20 respondents of 6 percent disagree while 29 respondents

representing 9 percent strongly disagree that performance appraisal has an effect on the maximization of product sales of Nigeria money deposit bank.

Effect of performance appraisal on banks value of Nigeria money deposit banks

Table-4.3: Response on the statement performance appraisal on has led to banks value of Nigeria money deposit banks

	FirstBank	UBA	Ecobank	Fidelity	Zenith	Total	Percent
Strongly Agree	19	18	18	30	2	87	27
Agree	25	28	27	47	19	146	45
Neutral	4	11	7	8	2	32	10
Disagree	3	2	3	10	10	28	9
Strongly Disagree	2	1	3	15	7	28	9
TOTAL	53	60	58	110	40	321	100

Source: Field Survey, 2017

From table 4.3, it was observed that 87 respondents out of 321 representing 27 percent, strongly agree and 146 respondents representing 45 percent agree that there is a relationship between performance appraisal on the maximization of banks

value of Nigeria money deposit banks. 32 respondents representing 10 percent were neutral, 28 respondents representing nine each disagree and strongly disagree respectively.

Test of Hypotheses

Performance Appraisal has no positive effect on output and income of Nigerian money deposit banks

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	983.256	4	245.814	6.427	.033 ^b
	Residual	191.244	5	38.249		
	Total	1174.500	9			
a. Dependent Variable: PANMDB						
b. Predictors: (Constant), PAIOMDB, IPRSL, IPSR, IPFDGS						

From the result, F-calculated {6.427} is greater than the F-tabulated {4.00975}, that is, F-cal > F-tab. Hence, we therefore reject the null hypothesis H₀ and accept the alternative hypothesis H₁ and concluded that at 5 percent level of significance, the

overall regression is statistically significant; therefore performance appraisal has a positive effect on improvement of output and income of Nigeria money deposit banks.

Performance Appraisal has no positive effect on the maximization of product sales of Nigeria money deposit banks

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2236.435	4	559.109	12.527	.008 ^b
	Residual	223.165	5	44.633		
	Total	2459.600	9			
a. Dependent Variable: PANMDB						
b. Predictors: (Constant), PAMPSNMDB, RCPCA, SKA, PEEMP						

From the result, F-calculated {12.527} is greater than the F-tabulated {4.00975}, that is, F-cal > F-tab. Hence, we, therefore, reject the null hypothesis H₀ and accept the alternative hypothesis H₁ and conclude that at a 5percent level of significance, the

overall regression is statistically significant; we conclude that Performance Appraisal has a positive effect on the maximization of product sales of Nigeria money deposit banks.

There is a Positive effect of Performance Appraisal on of bank value on Nigeria money deposit banks

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	230.312	4	57.578	54.444	.000 ^b
	Residual	5.288	5	1.058		
	Total	235.600	9			
a. Dependent Variable: CPGS						
b. Predictors: (Constant), IIRS, MTCSS, IFGS, PMPIGS						

From the result, F-calculated {54.444} is greater than the F-tabulated {4.00975}, that is, F-cal > F-tab. Hence, we, therefore, reject the null hypothesis H₀ and accept the alternative hypothesis H₁ and concluded that at 5 percent level of significance, the overall regression is statistically significant, therefore, there is a Positive effect of Performance Appraisal on bank value on Nigeria money deposit banks.

significance, the overall regression is statistically significant. Therefore performance appraisal has a positive effect on output and income of Nigeria money deposit banks. This was supported by the findings of Moorhead and Griffin [17]. A motivated employee is a productive employee and works to increase output. Performance appraisal provides information to help managers manage in such a way that employee performance improves. Performance appraisal serves as an instrument for enhancing productivity in modern organizations.

DISCUSSION OF FINDINGS

From the result of hypothesis one, F-calculated {6.427} is greater than the F-tabulated {4.00975}, that is, F-cal > F-tab. Hence, we, therefore, reject the null hypothesis H₀ and accept the alternate hypothesis H₁ and concluded that at 5 percent level of

The result of hypothesis two, F-calculated {12.527} is greater than the F-tabulated {4.00975}, that is, F-cal > F-tab. Hence, we therefore reject the

null hypothesis H_0 and accept the alternate hypothesis H_1 and concluded that at 5 percent level of significance, the overall regression is statistically significant; we conclude that Performance Appraisal has a positive effect on of product sales of Nigeria money deposit banks. In fact, it has led to the maximization of the product sales.

From the result of hypothesis three, F-calculated {54.444} is greater than the F-tabulated {4.00975}, that is, $F_{cal} > F_{tab}$. Hence, we therefore reject the null hypothesis H_0 and accept the alternate hypothesis H_1 and concluded that at 5 percent level of significance, the overall regression is statistically significant, therefore, there is Positive \effect of Performance Appraisal and on bank value on Nigerian money deposit banks; the active role employee plays towards a company's success cannot be underestimated. As a result, equipping these unique assets through effective training becomes imperative to make the most of the job performance, also position them to take on the challenges of the today's competitive business climate. Performance appraisal is a process that is carried out to enable both the individual and the organization to analyze, examine and evaluate the performance of specified objectives over a period [21,30].

CONCLUSION

The study concluded that when performance appraisal is effectively used, employees and managers establish goals for the period. Performance Appraisal is an excellent instrument for mobilising employees in organizations in order to achieve the strategic goals of the organizations; when an appraisal is carried out, the organization would be in a position to reward the performing employees. The exercise would also create an opportunity for determining deficiencies in the performance of the workforce and as well increase productivity.

RECOMMENDATIONS

Based on the findings from the study, the following recommendations were made:

- Management should give serious attention to the motivation of workers to improve productivity by engaging in periodic appraisal of staff.
- Risk assessment and risk management should be taken seriously both by the banks and the regulatory authorities in the management and regulation of banking business in Nigeria.
- Deposit money banks should formulate detailed written human resource policy on the effect of performance appraisal on employee's productivity that ensures a lively and safe working environment in the organisation to promote productivity and growth.

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