

**ASSESSMENT OF PERFORMANCE  
APPRAISAL AS A TOOL FOR  
EMPLOYEE'S PRODUCTIVITY**

**(A CASE STUDY OF KAM WIRE INDUSTRY LIMITED, ILORIN)**

*By*

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THE AWARD OF HIGHER NATIONAL DIPLOMA (HND) IN  
BUSINESS ADMINISTRATION**

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### **CERTIFICATION**

This research project has been read & approved to have met the requirement of the Department of Business Administration, Institute of Finance and Management Studies (IFMS) Kwara State Polytechnic Ilorin for the award of Higher National Diploma (HND) in Business Administration.

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## DEDICATION

This project is dedicated to almighty **God**, the creator of heaven and earth, the ancient of days, the giver of life, the beginning and the end. The one who sustained me since the inception of this programme up till its completion.

## **ACKNOWLEDGMENT**

My profound gratitude goes to Almighty God who gave me the wisdom to properly conceive the idea of writing this project, the knowledge to logically plan the content and courage to successfully carry-out the plan. And for sparing my life till this moment and for his mercy, protection, blessing and kindness over me in all my undertakings.

I am deeply grateful to my supervisor; **MR. AWE** for his full support, correction and useful advice and suggestions towards achieving a successful project work. I also appreciate all the lecturers of Business Studies Department for their love and relevant efforts toward the success of my programme. I pray Almighty God will bless you all. Amen, I specially appreciate your loves.

My profound appreciation goes to **MR. & MRS. SULAIMON** for their love and support. May Almighty God uphold and keep you and your family abundantly and to my lovely brother; **ALFA MUIDEEN**, May God bless you, and to all my friends; **Fatima, Lara, Rofia, Moyo, Sumayyah**, and to my Mummy; **Mrs. Sulamon** and to my big sister; **Alimoh**. Thanks to you all, May **God** bless you.

## **ABSTRACT**

*Employee's performance appraisal is one of the most critical functions of a leader/manager and is a basic expectation of anyone in a supervisory role. In many organization staff are being appraised to ascertain how much each person contributed to the achievement of corporate productivity. The major objectives are usually profit maximization and service delivery. Performance Appraisal System has been found to act as strong and indispensable Machinery for increase in organizational productivity, organizational peace and harmony and organizational position in its environment Brown, M., J.S. Heywood (2005:43).*

*According to Schoenfeld and Shaw (1996) "the evaluation of performance is the control mechanism that provides not only feedback to individuals but also an organization assessment of how things are progressing. Without performance information, managers of the organization can only quests as to whether employees are working towards the right goals, in the correct way and to the desired standard. Performance Appraisal according to then is a means of knowing if employee behaviour is consistent with the overall strategic focus and a way for bringing to the fore any negative consequences of the strategy behavior link" Kuvaas, B. (2006:17).*

*In their own view Hicks and Gullet (1973 states that "all persons in organization have personal objectives and each person expects that participation in the organization will help him achieve his personal objectives.*

*Therefore performance appraisal becomes a means of aligning the objectives of the individual employees with the organizational objectives. According to Frankline (2003), there are several reasons for performance appraisal*

exercise they are to:

- ❖ *To provide feedback to the employee,*
- ❖ *To clarify job expectations,*
- ❖ *To determine training needs,*
- ❖ *To diagnose performance problems and Merit pay or salary adjustment.*

*Other reasons for performance appraisal according to Akpata (2001) are to provide feedback to the supervisor and input for administrative decisions i.e. promotion, tenure, future employment etc.*

*The basic aim of every business organization is to achieve its objectives, goals or targets successfully. Goals set by organization will only be in vain if much attention is not paid to employees' effort or performance for successful accomplishment. In order to achieve set goals and objectives successfully, there is the need to focus on performance appraisal. Performance Appraisal should be linked to attractive incentive to employees, enabling workers to demonstrate higher productivity.*

*Most organizations in the competitive market fail since their workers perform below standard for they are not encouraged to work harder. Managers and employees are the life blood of every business organization. If management does not invest much into the welfare of their workers, problems are bound to rise leading to industrial strike actions, low commitment to work, low morale and low productivity of goods and services.*

*Attractive appraisal systems are established by some business organizations to help motivate their employees to strike hard to be recognized and rewarded. Once employees are motivated, their performance reflects on productivity. Employees strive hard by pooling together skills, knowledge and efforts to achieve*

*maximum output. Hence the essence of this paper is to find out the part played by performance appraisal.*

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

Employee's performance appraisal is one of the most critical functions of a leader/manager and is a basic expectation of anyone in a supervisory role. In many organization staff are being appraised to ascertain how much each person contributed to the achievement of corporate productivity. The major objectives are usually profit maximization and service delivery. Performance Appraisal System has been found to act as strong and indispensable Machinery for increase in organizational productivity, organizational peace and harmony and organizational position in its environment Brown, M., J.S. Heywood (2005:43).

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Therefore performance appraisal becomes a means of aligning the objectives of the individual employees with the organizational objectives.

According to Frankline (2003), there are several reasons for performance appraisal exercise they are to:

- ❖ To provide feedback to the employee,
- ❖ To clarify job expectations,
- ❖ To determine training needs,
- ❖ To diagnose performance problems and Merit pay or salary adjustment.

Other reasons for performance appraisal according to Akpata (2001) are to provide feedback to the supervisor and input for administrative decisions i.e. promotion, tenure, future employment etc.

According to Ubeku (1984:188) “performance appraisal is basically concerned with a review of individual performance during a set period to identify his area of strength and weakness and establish targets for him to achieve within the overall corporate objectives of the organization. Moreover Nwachukwu (1988:165) states that performance appraisal is the determination of how effective an individual has performed the job for which he was hired. In many cases any one can aptly say that performance appraisal is a periodic and systematic assessment of the work, a compliment of an employee either by himself or his superior in order to impact his effectiveness and adequacy on the job.

Performance appraisal is one of the management tools designed to achieve organizational objectives contributing to the subject matter. Orugbo (1978:24-25) states that individuals in an organization have their own objectives which they hope to achieve through the organization, hence their reason for their placing much reliance on being effectively appraised.

However, Khan (2006) warns that an ineffective performance appraisal can seal the fate of an organization by creating chaos and confusion from top to bottom in the administrative hierarchy. As a consequence, the chances of success and

growth of that production are bleak.

A Survey by Cleveland et al (1989) shows that performance appraisal has the greatest impact on salary administration, performance feedback and identification of strengths and weakens. However, the impact of appraisal on employee overall performance it yet to be empirically studied. In Kam Wire Industry Limited Nigeria Limited each staff is appraised to highlight the members' good performance and also mention some areas where they have not fared well. The training needs of the staff members are also identified. The fact that personnel are to be appraised makes then work very hard.

Staff that are rated highly in Kam Wire Industry Limited are given staff an edge over others in terms of promotion. Those that do not measure up during appraisal exercise often not promoted. They are also not placed to work in places that need high intelligence e.g. credit and marketing department.

Management in organizations generally agrees that one of the key factors in developing a smooth functional and efficient firm is the full utilization of its human resources.

Management of workforce is not different from other areas of operation; expect that while other key areas of operation focus on issues like machinery or finance, human resource focus on the most important resources of business the personnel.

The performance management-process is thus an integrated concern that helps to ensure that employees are aware of what is expected of them and how their contribution fits into the big picture as follows:

- Have been involved in establishing the objectives they are required to achieve.
- Understand how their performance is to be measured and can tract how well

they are doing.

- Receive appropriate support and coaching throughout the period.
- Are given appropriate recognition and reward for their achievement.

Performance appraisal is one step in developmental sequence for strengthening the total organization. It is a crucial step which unfortunately has often been carried out with achieving little or no success. It is against this attitude of indifference background that the study intends to examine the attitude of staff towards performance appraisal in Kam Wire Industry Limited.

## **1.2 STATEMENT OF THE PROBLEMS**

Low productivity is usually the negative effect of lack of performance appraisal, absence of performance appraisal brings about staff low job performance.

Labour union always get into the matters of employees well being at work and also in their personal lives so that they can give their full at work. But some time it has a negative impact on performance appraisal and the management to give promotion or rise in the salary on the bases of seniority.

The basic aim of every business organization is to achieve its objectives, goals or targets successfully. Goals set by organization will only be in vain if much attention is not paid to employees' effort or performance for successful accomplishment. In other to achieve set goals and objectives successfully, there is the need to focus on performance appraisal. Performance Appraisal should be linked to attractive incentive to employees, enabling workers to demonstrate higher productivity.

Most organizations in the competitive market fail since their workers perform below standard for they are not encouraged to work harder. Managers and employees are the life blood of every business organization. If management does not invest much into the welfare of their workers, problems are bound to rise

leading to industrial strike actions, low commitment to work, low morale and low productivity of goods and services.

Attractive appraisal systems are established by some business organizations to help motivate their employees to strike hard to be recognized and rewarded. Once employees are motivated, their performance reflects on productivity. Employees strive hard by pooling together skills, knowledge and efforts to achieve maximum output. Hence the essence of this paper is to find out the part played by performance appraisal.

### **1.3 RESEARCH QUESTIONS**

- i. Does the performance appraisal system have impact on employee productivity?
- ii. Is there any relationship between punctuality and employees productivity?
- iii. Does competence has impact on employee productivity?
- iv. Is there any relationship between output and employee productivity?

### **1.4 OBJECTIVES OF THE STUDY**

The general objective of the impact of employees' performance in the achievement of organizational productivity. The specific objectives are to:

Find out how performance appraisal exercise impact on employees' performance in Kam Wire Industry Limited examine how appraisal rating errors affect the performance appraisal exercise in Kam Wire Industry (Nig) Limited.

- 1 To investigate the relationship between punctuality on employees productivity.
- 2 To examine the impact of competence on employees productivity.
- 3 To assess the relationship between commitment and employees productivity.
- 4 To know the relevance of output on employees productivity.

## **1.5 RESEARCH HYPOTHESES**

**Ho:** There is a significant relationship between performance appraisal system adopted by Kam Wire Industry Limited in Ilorin and employee productivity.

**Ho:** Performance appraisals have impact on employee's productivity.

**Hi:** Appraisal rating errors have significant impact on performance appraisal exercise in Kam Wire Industry Limited in Ilorin.

**Hi:** output has relevance significant on employee productivity.

## **1.6 SIGNIFICANCE OF THE STUDY**

### **i) Future Researchers in related Firming Area**

A research of this nature enables the researcher to carry out a detailed study and analysis of core effect and importance of employee performance appraisal as it relate to practice of firming, with special reference to Kam Wire Industry Limited.

### **ii) Management of Commercial Firms**

Operators of financial institution especially firming will definitely find the recommendations and findings of this work relevant and useful in charting a new course for employee utilization through appraisal as tools for human resources development.

### **iii) Central Firm of Nigeria**

The study will also attempt to change the processes and methods being adopted by most institutions for healthy and more modern ones.

The nation in general will benefit from this research finding as it will contribute to the production of a buoyant and profitable financial industry where employees as well as stakeholders give in their best performance, which will translate to better economic and quality of life.

Shareholders

The study will also help personnel managers become better decision makers

in the area of performance appraisal and act as agent of change.

Finally it helps to improve managerial effectiveness in financial institutions and facilitate better utilization of employee to contribute to the organization and their individual career development.

## **1.7 SCOPE OF THE STUDY**

This research focus will be on effectiveness of staff appraisal on the firm in relation to the subject matter by research; focus will also be on the effect of the appraiser and the appraisal.

This study was based on the assessment of performance appraisal as a tool for employee's productivity.

## **1.8 DEFINITION OF TERMS**

**Appraisal:** This is a system of measuring the performance of an employee to determine its level of meeting an established standard (Ubeku, 1984:12).

**Employee:** This is the workforce, human element of production in creation of economic goods or services (Murphy, 1995:6)

**Appraiser:** An appraiser is an employee who carries out an appraisal exercise on others, who are in subordinate position, rank or status (Onuoha, 1993:15).

**Appraise:** This is the employee whose performance is being appraised or measured (Kuvaas, 2006:30).

**Human Resource practitioner:** This is a specialist who coordinates the activities of others for organizational efficacy and set goals, and oversees the human resources functions in the organization (Feris, 1991:88).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

Baron (1986) remarked that the whole essence of the management activities of an organization culminates in the system of performance appraisal adopted in that organization. This, in turn, reflects the extent of the individual contributions and commitment of the employees in different hierarchical levels toward the achievement of organizational productivity. It goes without saying that an effective performance appraisal system can lead an organization to take strides towards success and growth by leaps and bounds. Conversely, an ineffective performance appraisal system can seal the fate of an organization.

Performance appraisal has been variously defined by different management scholars. Khan (2006) defined performance appraisal as the period evaluation of an employee's performance measured against the job or presumed requirements. According to him, one way to review the performance and potential of staff is through a system of performance appraisal. It is important that members of the organization know exactly what is expected of them, and the yardsticks by which their performance and results will be measured.

The International Labour Organization (ILO, 2000) defined performance appraisal as the system by which a formal review of an employee's work performance is conducted. It is the process of evaluating the contribution of each employee in a factory or organization.

According to Anderson (1999), performance appraisal is the process by which an organization measures and evaluates an individual employee's behavior and accomplishments for a defined period of employment".

Grand (2007) in his contribution sees performance appraisal is "one of the

most critical functions of a leader/manager and is a basic expectation of any one in a supervisory role”. The purpose of an employee performance appraisal is to provide a systematic evaluation of the employee’s contribution to the organization.

## **2.2 CONCEPTUAL FRAMEWORK**

### **2.2.1 PERFORMANCE APPRAISAL**

According to Naumani, et al. (2003), the evolution of performance appraisal can be traced back to the reign of second caliph of Islam, Hazrat Umar (634-644 A.D/13-23 AH). Hazrat Umar laid the foundations of many State institutions and enunciated several administrative laws that are being followed and adopted by many nations of the world till today as a role model of true administration.

Hazrat Umar, before appointing an officer for any duty, would thoroughly investigate his potentials and capabilities for the assignment. Prime importance would be given to the honesty and integrity of the officer/official. But, when an officer of any status, was found to have demonstrated any kind of negligence or dereliction from his duty, or if his unsuitability for the job in question would come to light, no expediency could forestall/prevent his removal from the post assigned to him.

Ammar bin Yasir was a pious companion of the Holy Prophet (PBUH). His general popularity in public convinced Umar to appoint him as Governor of Kofah, but taking into account his weakness in political affairs, Umar removed him from his position, after a few days of his appointment.

The Governor of a province was a representative of the caliph in the province. He was bound to perform all those functions in his area as the caliph did in Medina. However, apart from several other government functionaries, each District had a district officer, called “Aamil”. His domain of activities was mainly concerned with collection of land tax, Zakat or poor tax, sadaqat or voluntary arms.

Only men of sterling character, honesty and integrity were to be chosen for this responsible job.

An Amil (Wali) was appointed through an instrument, which contained his appointment order and specified his powers and duties. This deed bore the seal or signature of the Caliph with signatures of some witnesses. At the moment the Amil left Medina, the deed or instrument of instruction was read out in assembly, and hence every citizen came to know the exact powers and duties of Amils. The Amil was bound to carry his letter of appointment with him to his place of appointment. It also came in the sphere of his official responsibilities to assemble the residents of the locality and read them out all the contents of his appointment letter, soon after his appointment. It would enable the people of the concerned district to know about the powers and responsibilities of the Amil and whenever he would commit transgression from his official powers, it would tantamount to his parallel accountability by the public.

Contributing, Ferries, et al. (1992) observed that at the time of appointment of every Amil, a detailed list of properties and other belongings was furnished. Every action was taken to restrain their powers and accumulation of wealth as well as increase in properties was severely dealt with. The officers were paid handsome salaries so that temptation and corruption must not demoralize them. Their salaries were raised so that they should not accept any bribe or illegal gratification. Whenever an officer's financial position was found to be incompatible with his known resources, he was to be subjected to severe accountability.

In the days of Hajj (Pilgrimage), Umar would call the Amils from all over the country to attend the annual gathering. Since, the pilgrimage was to be attended by majority of the people coming from different cities of the country; it would provide an opportunity to the Caliph to get first hand information about the conduct

of State Amils. All complaints, received against the Amils would be inquired into on the spot and necessary orders were given to establish full justice. The Amils could not escape the penalty on the spot, if their negligence of duty or abuse of powers could be proved. For example, when a complaint against Umro bin al-Aas (Governor of Egypt) was lodged by a poor person that he has beaten him with 100 stripes, the caliph asked the Governor to pay fine to console the plaintiff, lest he will be reciprocated with physical punishment of 100 stripes at the hands of the plaintiff. Umro bin al-Ass managed to condone his physical punishment by paying the fine to the plaintiff.

These examples, according to Terry, et al. (2003) manifest the unique and unparalleled system of performance appraisal adopted by Umar, during his reign, which in turn exhibit the political sagacity and uprightness of Hazrat Umar.

However, the history of modern performance appraisal is quite brief. According to Martin, et al. (1998) “its roots in the early 20th century can be traced to Taylor’s pioneering Time and Motion studies. But this is not very helpful, for the same may be said about almost everything in the field of modern human resources management.

As a distinct and formal management procedure used in the evaluation of work performance, appraisal really dates from the time of the Second World War-not more than 60 years ago. Yet in a broader sense, the practice of appraisal is a very ancient art. In the scale of things historical, it might well lay claim to being the world’s second oldest profession!

There is, says Dulewicz (1989), “... a basic human tendency to make judgments about those one is working with, as well as about oneself.” Appraisal, it seems, is both inevitable and universal. In the absence of a carefully structured system of appraisal, people will tend to judge the work performance of others,

including subordinates, naturally, informally and arbitrarily.

The human inclination to judge can create serious motivational, ethical and legal problems in the workplace. Without a structured appraisal system, there is little chance of ensuring that the judgments made will be lawful, fair, defensible and accurate.

According to Folger, et al. (1992) performance appraisal systems began as simple methods of income justification. That is, appraisal was used to decide whether or not the salary or wage of an individual employee was justified.

The process was firmly linked to material outcomes. If an employee's performance was found to be less than ideal, a cut in pay would follow. On the other hand, if their performance was better than the supervisor expected, a pay rise was in order.

Little consideration, if any, was given to the developmental possibilities of appraisal. It was felt that a cut in pay, or a rise, should provide the only required impetus for an employee to either improve or continue to perform well. Sometimes this basic system succeeded in getting the results that were intended; but more often than not, it failed.

For example, early motivational researchers were aware that different people with roughly equal work abilities could be paid the same amount of money and yet have quite different levels of motivation and performance.

These observations were confirmed in empirical studies. Pay rates were important, yes; but they were not the only element that had an impact on employee performance. It was found that other issues, such as morale and self-esteem, could also have a major influence.

As a result, the traditional emphasis on reward outcomes was progressively rejected. In the 1950s in the United States, the potential usefulness of appraisal as tool for motivation and development was gradually recognized. The general model

of performance appraisal, as it is known today began from that time till the present date.

### 2.2.2 PERFORMANCE APPRAISAL PROCESS

Performance appraisal system may vary from one organization to another. For a performance appraisal scheme to be workable, it should follow a process. Robbins (1982), has identified six steps that need to be followed when using an appraisal system.

This has been put in a diagram below.

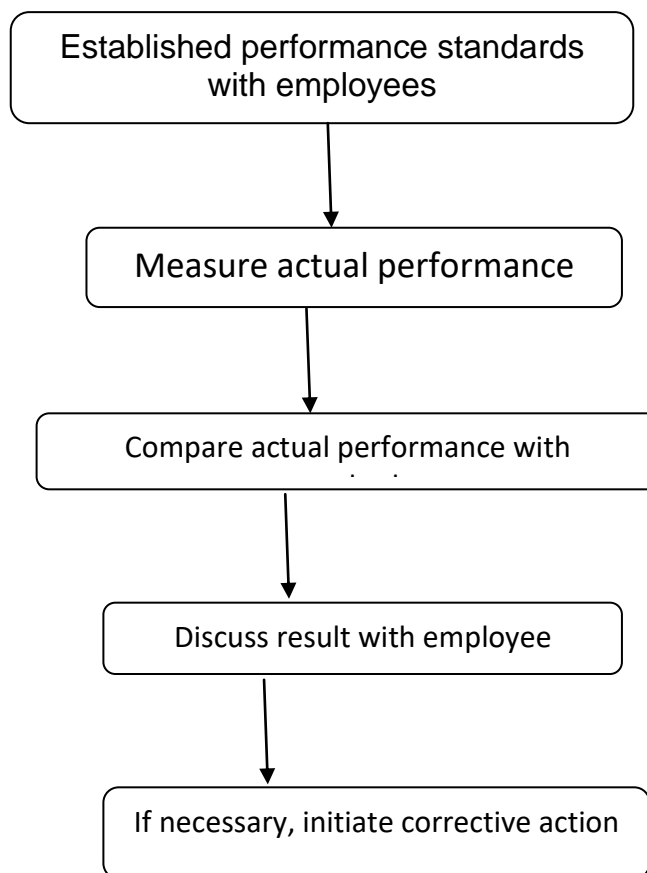


Fig. 2.1 Performance Appraisal Process

**Source:** De Cenzo, A.A and Robbins, S.P. (1996)

### **2.2.3 OBJECTIVES OF PERFORMANCE APPRAISAL**

Vigoda (2000) remarked that the fundamental objective of performance appraisal is to facilitate management in carrying out administrative decisions relating to promotions, firings, layoffs and pay increases. For example, the present job performance of an employee is often the most significant consideration for determining whether or not to promote the person. Managers must recognize that an employee's development is a continuous cycle of setting performance goals, providing training necessary to achieve the goals, assessing performance as to the accomplishment of the goals and then setting new, and higher goals. Vroom (1964) was of the opinion that a performance improvement plan must consist of the following components.

a) Where are we now? The answer to this question is found in the performance appraisal process.

Where do we want to be? This requires the evaluator and the person being evaluated to mutually agree on the areas that can and should be improved.

b) How does the employee get from where he or she is now to where he or she wants to be? This step is critical to the performance improvement plan. The appraiser and appraisee must have mutual consensus on the specific steps to be taken.

These steps may include training the employee so as to improve his or her performance. It should also contain the mechanism adopted by the appraiser/evaluator to assist employee in the achievement of performance goals.

According to Cobb, et al. (1996) the following are some specific objectives of performance appraisal:

- i. To maintain or improve employee job satisfaction and morale
- ii. To serve as a systematic guide in planning each employee's further Training.

- iii. To assure a factual evaluation of an employee's performance
- iv. To assist in planning personnel moves and placements
- v. To assist in determining and recording special talents, skills and capabilities.  
To accumulate substantiating data for use as guide for wage adjustments, promotions, disciplinary action, and  
Or re-assignments.

Contributing on the objectives of performance appraisal, Cropanzano, et al. (1997) listed the following:

- i. To effectively evaluate the work done by an employee
- ii. To set a standard that can be used to judge future performance
- iii. To help a manager motivate employees and improve their performance
- iv. To strengthen communication
- v. Most people want to know how they are doing and this is a good way for them to learn
- vi. To let the employee know what is expected of them
- vii. To assist the employee in setting career goals.
- viii. To identify training needs of employees
- ix. To provide legal defensibility

#### **2.2.4 POTENTIAL RATING SCALE APPRAISAL ERRORS/PROBLEMS**

Wanous et al. (1997) has noted that in most of the organizations/departments rating scales are predominantly used for conducting performance appraisal of their employees. It is essential that human observer is free from the element of subjectivity and he should be reasonably objective and accurate in his assessment. Research shows that rater's memories are quite fallible and in most of the cases they resort to their own sets of liking and disliking, and expectations about people, expectations that may or may not be reasonable and

tenable. These biases breed rating errors, or deviation between the “true” rating an employee deserves and the “actual” rating assigned.

A brief description of appraisal errors is given in the following lines:

**Central Tendency:** Central tendency takes place when appraisal statistics show that most employees are appraised as being near the middle of the performance scale.

**Unclear Standards:** Different appraisers would probably derive different meanings from the phrases, good performance and fair performance and so on. Similarly, traits such as quality of work, creativity, or integrity may carry different meanings for different appraisers.

**Halo Effect:** A halo effect is a process in which a general impression which is favorable or unfavorable is used by judges to evaluate several specific traits.

**The Rusty Halo Effect:** This is where general judgments about a person are formulated from the perception of a negative characteristic.

**Personal Biases:** Racial, sexual, religious and other biases result in unfavorable considerations for promotions and pay.

**Lack of Feedback:** The extent to which an individual receives direct and clear information about how effectively he or she is performing on the job is termed feedback. Internal rewards are obtained by individuals when they learn (knowledge of results) that they personally (experienced responsibility) have performed well on task that they care about (experience meaningfulness). The more that these three psychological states are present, the greater will be employee's motivation, performance, and job satisfaction, and the lower their absenteeism and likelihood of leaving the organization.

Productivity and total quality experts have reached at the conclusion that the need of the hour is to work smarter, not harder. No doubt sound education and

appropriate skill training are needed if one is to work smarter, but the process does not end there. Employees of present era need instructive and supportive feedback and designed rewards if they are to translate their knowledge into improved productivity and superior quality. Unfortunately, in most of the public sector and even private sector organizations no positive feedback is given to the employees to improve their performance. Mostly negative feedback is given to harass or punish the employees. Negative feedback is typically misperceived or rejected. Feedback needs to be tailored to the recipient.

### **2.2.5 PERFORMANCE APPRAISAL AND PRODUCTIVITY**

Performance refers to the degree of accomplishment of the task that makes up an employee's job. The following exhibit demonstrates the various contents of productivity.

#### **Determinants of Performance Capacity**

The capacity relates to the degree to which an individual possesses task relevant skills, abilities, knowledge and experiences.

**Opportunity:** The availability of opportunity to perform is also a critical ingredient in the performance recipe sometimes; poor decisions and outdated attitudes may prove to be potential hurdles for an employee to lack performance.

**Willingness:** The third factor, willingness, relates to the degree to which an individual both desires and is willing to exert effort towards attaining job performance. It is, in other words, motivation.

No combination of capacity and opportunity will result in high performance in the absence of some level of motivation or willingness to perform.

**Job Description:** Overall written summary of task requirements is called job description. According to Robert Clark and Jeremy Seward, "a job Description outlines what is expected of the employee in the performance and outcomes of

position, how performance will be assessed, and the boundaries of the position in terms of personal responsibilities and organizational supervision lines.

Job satisfaction according to Bretz, et al. (1992) is associated with [ : how well our personal expectations at work are in line with outcomes. The idea of organization as a social system requires that some benefits are received by its participants as well as by its customers and clients. Satisfaction and morale are similar terms referring to the extent to which the organization meets the needs of employees. Measures of satisfaction include employee attitudes, turnover, absenteeism and grievances.

### **2.2.6 CLASSIFICATION OF APPRAISALS**

Basically appraisal system can be classified under major categories.

These are:

- i. The open report appraisal
- ii. The confidential report appraisal

Cole (1980:35) identifies ten (10) behavior oriented performance rating methods.

They are discussed as follows:

**The Open Report Appraisal:** In an open report appraisal system, the appraisee, that is, the person being appraised, has the opportunity to discuss his performance with his supervisor, and to contribute, to a greater or lesser extent, to the recorded appraisal.

This system allows for the complete participation of employee from the beginning of the performance appraisal to the end. It is usually common with the result oriented approach for example the Management by Objective (MBO) or Accomplishment records methods. In this approach, the employee and the manager set measurable results that are expected and how to achieve them. The system calls for the use of appraisal interview as a feedback on employee's performance,

discussion on drawbacks and difficulties faced in trying to achieve the set objectives, and lastly a forum is being put in place for attaining future results.

**The Confidential Report Appraisal:** This is a system of appraisal where the supervisor assesses and records employee's performance without discussion. There is no employee participation in this exercise. In most cases, the employee is not even aware of his being evaluated. This style of appraisal is completely based on the rater's judgment as he merely observes and records down his observation. It is usually common with the behavior-oriented methods, where assessment is subjective based on one person's perception of what another is like rather than on what he does and what he achieves.

The confidential reports are also known as the closed system of appraisal and are usually appropriate management decision on compensation allocation replacements, etc. He narrative essay, in which a rater describes, in writing, an employee's strengths, and potentials, together with suggestions for improvement.

This approach assumes that a candid statement from a rater who is knowledgeable about an employee's performance is just as valid as the more formal and work complicated rating methods.

If essays are done well, they can provide detailed feedback to subordinates regarding their performance.

On the other hand comparisons across Individuals, groups or departments are almost impossible since different essays touch on different aspects of each subordinate's performance. This makes it difficult to use essay information for personnel decisions since subordinates are not compared objectively and ranked relative to each other. Methods that compare employees to each other are more useful for this purpose.

1. **The Forced Distribution Methods:** This is another simple method, of appraising employees' performance in an organization. This method believes that job performance is the basic factor in determining. Employee's value to aim organization and that other factor such as co operation, personality are considered in so far, as they contribute 'to performance. Here a five- point performance scale is used. One end of the scale represents best job performance, the other end, the poorest job performance. By so doing it provides even less substantiation for the basis .if rating and, hence, offers less material for discussion with employees.

2. **The Group-Summary Method of Appraisal:** This is the simplest; which is commonly in use today. Here, when a manager wants to assess a subordinate's performance and possible means of improvement, they invite a group of other managers to possible means of improvement; they invite a group of other managers to discuss the matter informally. And if they all agree on a particular point, that constitutes the appraisal.

3. **Buddy Rating Method:** This is also called the peer rating, this is an assessment done by the personnel through other co-workers evaluation.

Each group member rates every other group member on a recognizable quality (for example, leadership). Group members either assessing the others score, or they nominate a specified number of fellow workers whom they considered high or low in the quality being measured.

Both procedures yield an index of an individual status within the group on specific factors. In practice peer ratings accurate predictors of performance.

4. **The Self-Appraisal Method:** This method allows the employee to complete his own appraisal. This evaluation enables employee to offer opinions of their own performance and is useful as a vehicle for planning their development. Here managers have a voice in setting their own objective and determining whether these

objectives have been met.

## **RESULTS - ORIENTED RATING METHODS**

On their own part, Death and Rands (1976) in the book Business Management and practice identified four (4) key methods of results-oriented rating methods which includes:-

### **Performance Appraisal Method in Kam Wire Industry Limited**

No matter how technologically advanced an organization or its people may be, the position of the workforce their willingness, satisfaction, technical ability and other relevant behaviors cannot be taken for granted. Experience has shown that a worker's performance below expectation does not always mean he lacks the necessary skills, knowledge and attitude to any other cardinal requirements for performance. Often, one thing may be missing-the "mirror". The worker of ten needs to know what he is supposed to perform, how he is supposed to perform it and how he is performing presently. He needs to know his strengths and weaknesses. This leads us to the performance appraisal methodology being employed by our case study-Kam Wire Industry Limited of Nigeria.

Kam Wire Industry Limited employees what can be termed an open appraisal report system. The employee or appraisee is aware of what is reported on him. The supervisor assesses and the Manager makes the final assessment and score. The employee can defend or accept what is written about him.

However this system is infused with some elements of result oriented rating methods basically the accomplishments records approach where the employee knows his achievement relative to earlier set or agreed accomplishment targets. These targets are given weights and agreed upon by the appraisee and appraiser at the beginning of the appraisal period.

At the end the Manager verifies the level of accomplishment to determine overall performance level.

### **2.2.7 ADVANTAGES OF PERFORMANCE APPRAISAL TO ORGANISATION PRODUCTIVITY**

Performance Appraisal is one of the, easiest ways of getting the best out of each employee. In addition to having an impact on productivity, formal employee appraisal serves the following needs;

- Management Development
- Performance Measurement
- Human Resources Planning
- Communication
- Research on Legal Compliance
- Feedback.

According to Ifenowo (396:7 1 -83) Performance appraisal in general services a two-fold purpose.

“To improve the work performance of employees by helping them realize and use their full potential in carrying out their duties and to provide information to employees and managers for use in making work related decisions”.

More specifically, performance Appraisals are useful in the following areas:

**Performance Improvement:** Points out the way an employee’s performance can be improved and also encourage self-development. It also gives proper recognition to each employee for his accomplishment.

**Selection:** It helps increase the likelihood that those selected from a pool of applicants will perform well on the job, through empirical validation of a selection test process.

**Compensation:** Performance Appraisal also services as a basis on which to distribute compensation fairly, based on individual employee performance valuation.

**Training and Development:** Performance appraisal also helps the organization to know the employees current level of performance and on what aspects he needs training. It also helps determine whether the undesirable performance is caused by ability, motivation or the work situation.

**Placement Decision:** Appraisal supports Personnel decisions to promote outstanding performers and weed out low performance, train, transfer or discipline as the case may be.

**Help Diagnose Organization Problems:**

**Proper specifications of** performance levels of employee and adequate remedies offered can help diagnose the effectiveness of the organization's appraisal system, through positive outcomes or otherwise.

**Communication:** Performance appraisal is a good tool that helps in improving the superior/subordinate relationship through interaction communication, leading to achievement of goals and team effort.

## **2.3 THEORETICAL FRAMEWORK**

There are many theories that explain about performance appraisal. However the researcher based the study on expectancy theory according to Vroom(1964)as well as Hertzberg's(1966)two-factor theory.

The two-factor theory is based on the notion that the presence of one set of job characteristics or incentives lead to worker 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. This theory can be applied in case of employees of supermarkets due to their varying age, marital status, rank, health status, experience etc. For example a motivated sick employee might feel dissatisfied because of his health status while a healthy motivated person feels more satisfied. Other factors might determine satisfaction and dissatisfaction level for example organization culture, management style etc. For example, in an environment where employees are unsure of their job security, managers can try to mitigate the demotivating effect by providing open communication, and by reassuring employees about the situation.

The disadvantages are that Herzberg's model is more of a generalization that may not be appropriate to all groups of employees or individuals within a group.

### **2.3.1 EXPECTANCY THEORY**

Expectancy theory states that a person's motivation towards an action at any time is determined by an individual's perception that a certain type of action would lead to a specific outcome and his personal preference for this outcome. Expectancy is the probability that particular action will lead to a desired reward.

Thus, if an individual has a particular goal, some behavior must be produced in order to achieve that goal. He will weigh the likelihood that various behaviors will achieve the desired goals and if certain behavior is expected to be more successful than others, that particular behavior will be preferred by the individual (Vroom, 1964). Employees are motivated to put more effort so as to produce better results because of the expected reward. However, in a Supermarket set up the worker may lack the necessary skills and training to believe that his extra efforts will lead to better performance. The management could provide the

relationship between efforts and performance. Also similar performance may not lead to similar rewards. The reward policy may be inconsistent and may depend upon other factor other than performance, which the worker may not be aware of or may not consider fair.

The management must re-evaluate the appraisal techniques and formulate policies that strengthen performance-reward relationship as just and equitable.

### **2.3.2 ATTRIBUTION THEORY**

This is a management literature and according to this theory, employee evaluations are directly affected by "managers" perceptions of who is believed to be in control of the employee's performance-the manager or the employer. The theory attempts to differentiate between those things that the employees control (internal) versus those that the employer cannot control (external). One research study found support for key generalizations regarding attribution;

1. When manager attribute an employee's poor performance to internal control, the judgment is harsher than when the same poor performance is attributed the external factors.
2. When an employee is performing satisfactorily, "managers" will evaluate the employee favorably if the performance is attributed to the employees own efforts than if the performance is attributed to outside factors.

## **2.4 EMPIRICAL REVIEW**

In this study we draw this framework for applying it especially in performance appraisal context.

This context related to explaining employees have perception of fairness about appraisal system. (Rosenzweig and Nohria, 1994) Procedural justice perceptions include the fair relative weighting in the basic elements of the performance appraisal system. There are three important procedures that are prominent in appraisal system that is assigning rate, set criteria and looking for appeals.

(Silverman and Wexley, 1984) argued that developing the behavioral anchored rating scales are satisfactory then the interview system of appraisal process.

Distributive justice perception is related to the equity theories believes that distribution are fair. Rater may feel motivated to conform about the other norms like equity, want, or social status which may be seem unfair practice to those who are being rated (Leventhal, 1980). Personal goals of rater like motivations, teach, avoid conflict or gain personal favor. Employee may take appraisal fair if they thought that rater is trying to motivate them and want to improve their capabilities. And employees also can take appraisal unfair on the basis of conflicts, avoidance, favoritism and politics.

Interpersonal justice is related to the rater fair behavior with the employee that is being evacuated. (Greenberg, 1986) argued that employees are very sensitive about the behavior of directors and representatives in the organization.

Informational justice involves the fair explanations of performance anticipations, standards, response and reasons of decisions.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter discusses the research design, sources of data, the population of the study, sample size determination and sampling technique, description of the research instrument, method of data analysis, reliability of the research instrument and validity of the research instrument.

#### **3.2 RESEARCH DESIGN**

The study made use of a survey design. It investigated the behavior of respondents by questioning them as well as interviewing some of them. In carrying out this study care was taken to separate the variables of performance appraisal and organizational, goals that give them trust. The following data facilitated the design of the research instrument, the specific objectives, the analytical tools that helped discover the relationship between performance appraisal and organization productivity of this research. The pre-test interactions in Kam Wire Industry Limited provided information on the population of staff of the firm, the total population and give due to the sample size. The interaction also helped to perfect the research instrument.

#### **3.3 SOURCES OF DATA**

##### **Primary Data**

A questionnaire which consists of a set of questions designed together information from the respondents will be the main instrument for data collection. The facts obtained from the questionnaire together with the responses to the questions asked during personal interviews, formed the bed rock on which conclusions and recommendations are drawn.

The use of questionnaire is to seek information with regards to the Effectiveness of Staff Appraisal on the performance of staff and the resultant output on the job.

### **Secondary Data**

Secondary Data were also used in the study. These secondary data were mainly from magazines, newspapers, Business Times, CBN Bulletins and internet other related journals. According to Green and Tull (1978) they asserted as a general rule “no research project should be conducted without a search for secondary information sources”. It is their opinion that such a search should be conducted early in the problem investigation and prior to any organized collected of information from primary sources.

### **3.4 POPULATION OF THE STUDY**

Population refers to the larger aggregate a research is interested in studying. The larger aggregate comprises the entire staff (both junior and senior) of Kam Wire Industry Limited in Ilorin.

### **3.5 SAMPLE SIZE AND SAMPLING TECHNIQUE**

The accuracy of statistical inference based on sample depends on the adequacy of samples and sampling method. The problem of estimating the characteristics of a population would be simple if the data were uniform and having the same pattern as the population (Mongss, 2005:12) since it was impossible for the research to reach the entire population.

To determine the optimum sample size therefore, the researcher adopted the William and Freund Model of sample size determination represented by this formula below

$$n = \frac{(Z)^2(pq)}{e^2}$$

where:

$n$  = the sample size

$z = 1.96$  (95% confidence level)

$p$  = the success rate (85%)

$q$  = the failure rate (15%)

$e$  = error margin (5%)

Substituting for “N” in the above equation

Approximately 196.

### **3.6 METHODS OF DATA COLLECTION**

The researcher used two basic sources of data collection in the process of conducting the research. The researcher used both primary and secondary sources of data collection

#### **A. PRIMARY SOURCE OF DATA COLLECTION**

Primary sources of data collection are information that is generated specifically for the purpose of their research work. In this study, data were got from personal observation, interview and responses on the questionnaire. The questionnaire is a well structured one which permits the respondents to answer (Yes or NO). The questions are design in the closed ended manner in order to accurate statistical evaluation.

#### **B. SECONDARY SOURCES OF DATA COLLECTION**

Secondary sources of data were gotten existing information that are already written, published and unpolished that are related to the topic which includes textbooks, journals, newspapers, international financial publication towards development.

### 3.7 INSTRUMENTS OF DATA COLLECTION

The questionnaire was structured in line with the variables of the study stated in the research questions and hypotheses. The questionnaire was directed into two parts: Section A was designed to collect demographic information of the respondents. Section B deals with issues relating to the subject of inquiry. The instrument applied like type of questions. 40 copies of questionnaire were distributed.

### 3.8 METHODS OF DATA ANALYSIS

All the research questions were analyzed by using influential statistics such as frequency, central tendencies and tables.

Hypotheses were tested using Chi-Square.

The formula for Chi-square is as follows:

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Where  $\chi^2$  = chi square

$(R-1)(C-1)$  = Degree of freedom

$\alpha$  = Level of significance

$\sum$  = Summation

$O_i$  = Observation frequency

$E_i$  = Expected or theoretical frequency

### 3.9 HISTORICAL BACKGROUND OF THE STUDY

KAM INDUSTRIES (NIGERIA) LIMITED is located in Kwara State, Nigeria and is part of the Fabricated Metal Product Manufacturing Industry. KAM INDUSTRIES (NIGERIA) LIMITED has 3,000 employees at this location and generates \$274.60 million in sales (USD). There are 2 companies in the KAM INDUSTRIES (NIGERIA) LIMITED corporate family.

D&B Hoovers provides sales leads and sales intelligence data on over 120 million companies like KAM INDUSTRIES (NIGERIA) LIMITED around the world, including contacts, financials, and competitor information. To witness the full depth and breadth of our data and for industry leading sales intelligence tools, take D&B Hoovers for a test drive.

### **Basic Info**

Name	KAM WIRE AND STEEL INDUSTRY LIMITED
Status	Unknown
Type of Entity	Private Unlimited Company
Activity	UNSPECIFIED
Registration Number	RC 509958
Registration Date	03 May 2004

### **Owners / Directors / Key management personal**

<b>Name</b>	<b>Designation</b>
Alhaji Kamoru Yusuf	Director
Alhaja Bola Yusuf	Director
Yusuf Taofeek	Director
Omotunde Omotunde Adeola	Secretary

KAM is the only 100% indigenous steel and allied manufacturing company in Nigeria and produces a wide range of Products like Nails, Binding Wire, Wire Mesh, Roofing Sheet, and Stone Coated Roofing Tile. Our Presence is also in some other industry verticals like Mining (granite stone & stone dust), Packaging Products (woven sacks & Cartons) and Haulage Services.

The companies in the group are: KAM Industries Nigeria Limited, KAM Wire & Steel Industry Limited, KAM Steel Integrated Company Limited, KAM

Haulage & Allied Services Venture, Dimkit Global Concepts Limited, Universal Roofs Nigeria Limited, KAM Quarry & Mines Ventures, KAM Polythene Ventures, Proforte Limited, KAMCOM India Private Limited, Wuxi KAM Import & Export Company Limited, KAM Industry (Wuxi) Company Limited.

An enterprising spirit and the ability to distinguish future trends have been the driving force behind the group's remarkable growth story. The organization is wedded to ideals like innovation and technological leadership and is backed by a highly driven and dedicated workforce of over 3000 employees and in multiples of indirect employment opportunity being created for Nigerians and experts.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

#### 4.1 INTRODUCTION

This chapter focuses on the provision of empirical evidence on the substantive findings of this study. Data collected from members of staff three (2) Kam Wire Industry Limited through the administered questionnaires for purpose of this study are presented and analyzed.

Table 4.1 Questionnaire Administered and Returned

<b>Organization</b>	<b>No of Questionnaire Distributed</b>	<b>%</b>	<b>No Returned</b>	<b>%</b>	<b>No Not Returned</b>
Kam Wire Industry	50	100	40	100	0
Total	50	100	40	100	0

The analysis of each of the research question was based on the responses by the members of staff that falls into each of the alternative answer groups. Percentages were computed based on the facts highlighted by the data collected. Fifty questionnaires were actually administered while forty of them were collected. Attempt will be made to classify responses according to educational qualifications, sex, incentives and appraisal approach in use at Kam Wire Industry Limited.

#### 4.2 DATA PRESENTATION AND ANALYSIS

Relevant questions that will help in testing the hypotheses accurately would be chosen and analysed. In analyzing the data from questionnaire Administered, simple percentage and Pearson product moment correlation was used in the study to determine the finding position.

The relevant information and the response pattern of the respondent are presented below in tables to support the facts and figures of the study.

The above table shows that 75% of the respondents are male while 25% female.

**Table 1: Sex of Respondents**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Male	30	75
Female	10	25
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Single	14	35
Married	26	65
Divorced/Others	-	-
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

**Table 3: Educational Qualification of Respondent**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
OND/NCE	12	30
HND/B.Sc	12	40
M.Sc/MBA	4	10
ICAN, NIM, CIA	14	20
<b>Total</b>	<b>40</b>	<b>100%</b>

*Source: Research Survey Field, 2025*

The above table shows that 65% of the respondents are married while 35% single.

The above tables shows distribution of respondents according to level of educational qualifications 30% of the respondent have OND/NCE 40% have higher national diploma and first degree 10% have Masters and 20% percentage have professional qualification as shown in the table above these define the ability of the respondents to understand the important of questionnaire and have a good knowledge of the influence of performance appraisal in achieving organizational productivity.

**TABLE 4: POSITION OF THE RESPONDENTS IN THE FIRM**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Junior	4	10
Senior	31	77.5
Management	5	12.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

From the above table it can be observed, that majority of the respondents who filled the questionnaire are capable of doing so. The senior formed the Lion share of the respondents as this represent 77.5% of the respondents.

**TABLE 5: ARE YOU CONVERSANT WITH THE PERFORMANCE APPRAISAL EXERCISE IN USE AT THE FIRM?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	40	100%
No	-	-
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that all the respondents are conversant with the performance appraisal in the firm

**TABLE 6: IF YES, DOES THE PERFORMANCE EXERCISE MEASURE PERFORMANCE OF EMPLOYEES FOR PAY RISE, PROMOTION AND TRAINING PURPOSE?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	32	80
No	4	10
Don't Know	4	10
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that 80% of the respondents agreed that performance appraisal exercise measure the pay rise, promotion and training purpose of the employee.

**TABLE 7: THE PERFORMANCE APPRAISAL IN PLACE AT THE FIRM IS SUCH THAT HEAVILY COMPENSATE GOOD PERFORMANCE AND DISCRIMINATE AGAINST POOR PERFORMANCE?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	24	60
No	13	32.5
Don't Know	3	7.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that 60% of the respondents agreed that performance appraisal in the heavily compensate good performance and discriminate against poor performance.

**TABLE 8: THE PERFORMANCE APPRAISAL IN PLACE AT THE FIRM IS A MOTIVATOR FOR PERFORMANCE OF DAILY ACTIVITIES.**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	24	60
No	13	32.5
Don't Know	3	7.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that 60% of the respondents agreed that performance appraisal in the place at the firm is motivator for performance of daily activities.

**TABLE 9: WILL YOU ADVOCATE FOR A COMPLETE CHANGE OF THE APPRAISAL SYSTEM PRESENTLY IN USE AT THE FIRM?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	15	37.5
No	20	50
Don't Know	5	12.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that 50% of the respondents do not advocate for a complete change of the appraisal system presently in use at the firm.

**TABLE 10: MY SUPERVISORS/MANAGER CARRIES ME ALONG IN THE APPRAISAL PROCESS FROM BEGINNING TO END.**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	19	47.5
No	21	52.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2020*

The above table shows that 52.5% of the respondents agreed that their Supervisor/Manager

The above table shows that 75% of the respondents support that personal recognition is given to individual Performance with regards to appraisal system in use.

**TABLE 11: IF YOUR ANSWER ABOVE IS YES, WHAT SYSTEM WILL YOU SUGGEST TO BE PUT IN PLACE?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Open Appraisal	30	75
Closed Appraisal	-	-
Others	10	25
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

**TABLE 12: IS THE REWARD SYSTEM FAIR ENOUGH TO MOTIVATE YOU IN THE PERFORMANCE OF YOUR DUTIES?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	19	47.5
No	21	52.5
Don't know	-	-
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above tables show that 52.5% of respondents opine that the rewards system is fair enough to motivation them.

**TABLE 13: TO FURTHER DRIVE PERFORMANCE WITHIN THE FIRM WILL YOU SUGGEST AN ENTIRELY DIFFERENT SYSTEM OF PERFORMANCE APPRAISAL?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	21	52.5
No	19	47.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

**TABLE 14: COMMUNICATION AND FEEDBACK IS VERY EVIDENT AND ADEQUATE IN THE PERFORMANCE APPRAISAL EXERCISE?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	27	67.5
No	10	25
Don't know	3	7.5
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

**TABLE 15: DOES THE PERFORMANCE APPRAISAL EXERCISE CONTINUOUSLY EVALUATE AND MEASURE YOUR PERFORMANCE OVER THE ENTIRE APPRAISAL PERIOD?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	21	52.5
No	19	47.5
Don't know	-	-
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that 52.5% of the respondents support that the performance appraisal exercise continuously evaluate and measure performance over the entire appraisal period.

From the above table 67.5% of the respondents agreed that communication and feedback is very evident and adequate in the performance appraisal exercise.

**TABLE 16: DOES THE APPRAISAL EXERCISE GIVE RISE TO OPPORTUNITIES FOR TRAINING AND DEVELOPMENT?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	24	60
No	10	25
Don't know	6	15
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

The above table shows that 52.5% of the respondents support that the performance appraisal exercise continuously evaluate and measure performance over the entire appraisal period.

**TABLE 17: HAS PERFORMANCE APPRAISAL OVER THE YEARS TRANSLATED THE COMPANY INTO A POSITIVE WORK ENVIRONMENT?**

<b>Responses</b>	<b>No</b>	<b>Percentage</b>
Yes	21	52.5
No	11	27.5
Don't know	8	20
<b>Total</b>	<b>40</b>	<b>100%</b>

*Sources: Research Survey Field, 2025*

### **4.3 TESTING OF HYPOTHESES**

Ho: There is no significant relationship between performance appraisal system and employee job performance in Limited?

Hi: Performance appraisal exercise has significant relationship with employee job performance.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.048 <sup>a</sup>	2	.011
Likelihood Ratio	12.122	2	.002
Linear-by-Linear Association	7.746	1	.005
N of Valid Cases	40		

a. 4 cells (66.7%) have expected count less than 5 the minimum expected count in 1.90

### **Chi-Square Tests**

The table is the output of the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree and disagree based on the responses of the research

a. 2 cells (33.3%) have expected count less than the minimum expected 2 subjects.  
Pearson Chi-Square computed value ( $X_c = 9.048$ ) is greater than the Chi -Square tabulated value ( $X_t = 9.49$ ) with 2 degrees of freedom (df) at 0.05 level of alpha ( $X_c^2 = 9.048$ ,  $p < .05$ )

### **Decision Rule**

The decision rule is to accept the alternate hypothesis if the computed Chi- Square value is greater than tabulated Chi-Square value otherwise reject the null hypothesis.

### **Decision 2**

Since the Pearson Chi- Square computed  $X_c = 9.49$  is greater than Chi- Square table value  $X_t = 9.048$ , the null hypothesis is rejected and alternate hypothesis is accepted. Thus, we conclude that performance appraisal exercise has significant relationship with employee job performance

### **TESTING OF HYPOTHESIS TWO**

**Ho:** Appraisal errors have no significant impact on the objectivity of appraisal exercise.

**Hi:** Appraisal rating errors have significant impact on performance appraisal exercise.

The table is the output of the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree and disagree based on the responses of the research subjects.  
Pearson Chi-Square computed value ( $X_c = 24.127$ ) is greater than the Chi -

Square tabulated value ( $X_t = 5.991$ ) with 2 degrees of freedom (df) at 0.05 level of alpha ( $X_c^2 = 24.127$ ,  $p < .05$ )

### **Decision Rule**

The decision rule is to accept the alternate hypothesis if the computed Chi- Square value is greater than tabulated Chi-Square value otherwise reject the null hypothesis.

### **Decision**

Since the Pearson Chi- Square computed  $X_c^2 = 29.487$  is greater than Chi- Square table value

$X_t = 5.991$ , the null hypothesis is rejected and alternate hypothesis is accepted. Thus, we conclude that appraisal rating errors have significant impact on performance appraisal exercise in Kam Wire Industry Limited in Ilorin.

## **4.4 DISCUSSION OF FINDINGS**

Kacmar et al (1999) conducted a study on the relationship between performance appraisal system and employee job performance. The objectives of the study are to determine the effect of employee assessment on organizational productivity: to ascertain the relationship between appraisal system and creativity and motivation. The result indicates that employee assessment significantly affect organizational productivity: there is a significance relationship between appraisal system and creativity and innovation.

Cob and Frey (1996) conducted a study on the effects of performance evaluation on growth of manufacturing firm. The aims of this study: to access the impact of performance appraisal on employee satisfaction and there affective process at which performance appraisal affect firming industry.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 SUMMARY OF FINDINGS

The testing of hypotheses resulted in the following questions:

1. Performance appraisal exercise has significant relationship with employee's job performance. Test of hypothesis one approved of this extreme as  $X^2_c = X^2_t =$

From the first hypotheses tested, the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree and disagree based on the responses of the research subjects. Pearson Chi-Square computed value ( $X_c = 9.048$ ) is greater than the Chi-Square tabulated value ( $X_t = 9.49$ ) with 2 degrees of freedom (df) at 0.05 level of alpha ( $X^2_c = 9.048$ ,  $p < .05$ ) and Since the Pearson Chi-Square computed  $X_c = 9.49$  is greater than Chi-Square table value  $X^2_t = 9.048$ , we conclude that performance appraisal exercise has significant relationship with employee job performance.

From the second hypotheses, the computed Chi-Square values from the cross tabulation statistics of observed and expected frequencies with the response options of agree and disagree based on the responses of the research subjects. Pearson Chi-Square computed value ( $X_c = 24.127$ ) is greater than the Chi-Square tabulated value ( $X_t = 5.991$ ) with 2 degrees of freedom (df) at 0.05 level of alpha ( $X^2_c = 24.127$ ,  $p < .05$ ). Pearson Chi-Square computed  $X_c = 29.487$  is greater than Chi-Square table value  $X_t = 5.991$ , we conclude that appraisal rating errors have significant impact on performance appraisal exercise in Kam Wire Industry Limited in Ilorin.

## **5.2 CONCLUSION**

From the result of this study, it can be deduced that performance appraisal does have some impact on the employee's performance at Kam Wire Industry Limited. It was also discovered that the particular system in place has some shortcomings. As such, efforts should be geared towards improving on the system is in place to allow for maximum efficiency and to remove all avowed shortcomings.

This will motivate the firm's employees more for higher performance. One such method of achieving this is by emphasizing more on the appraisal items/issues of high satisfiers, at the expense of those ha add little to the overall motivational drive of the appraise.

This of course will answer the research questions raised at the beginning of the work, which was aimed at improving the acceptance and response of appraises to the method in use, and consequently improving standards of performance of the overall personnel of the Firm.

## **5.3 RECOMMENDATIONS**

On the prospect angle, much ground has already been covered as the days of closed appraisals are almost over, especially in the firming industry. This approach is where the supervisor plays the role of an independent observer and merely puts across his submission without any input from the appraise. However, what obtains in most firms in the industry is a scenario of joint or mutual agreement on the part of both the appraiser and appraises, reaching a mutual agreement on the way forward.

The appraisee is often given an appraisal form with particular yardsticks properly outlined or set out, covering specific, measurable, achievable, realistic, time-bound and stretched goals. He or she in turn sets out scores on each particular key area using such key performance indicators as Data Sources, Deadlines (where applicable), frequency of measurement, performance targets and weights. It is recommended therefore that the appraisal system should include the following perspectives:

- b. Financial Perspective: These are targets that will contribute to the financial growth of the firm as well as make visible contributions to cost saving and revenue generation. They should also enhance the value of the sector/firm.
- c. Customer Perspective: This sets out targets that will confirm that the appraisee has made efforts to better the way the customer is serviced and his/her needs met. These should also assess how the appraisee has fared in areas such as timely delivery of service to the customer, ensuring customer satisfaction, resolving complaints from customers, customer retention, new customer acquisition, customer profitability and market/account share in targeted market segment.
- d. Internal Business Process Perspective: Sets out targets that will assess the appraisee's continuous improvement mentally as it relates to his/her job and achievement of targets.
- e. They should also assess if he/she manages existing operations/functions efficiently, consistently and responsively.
- f. Learning and Growth Perspective: Sets out targets that will assess the appraisee's contribution towards closing existing gaps in the capability of people, systems and procedures. The targets should assess how he/she affects the growth and development of customers and other stakeholders, as well as

his/her willingness to learn and share knowledge with others. The y should also assess if he/she effectively conducted appraisals focused on developing staff.

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