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Impact of Performance Evaluation on  
Employees' Productivity in Deposit Money  
Banks in Lagos State, Nigeria

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## **Impact of Performance Evaluation on Employees' Productivity in Deposit Money Banks in Lagos State, Nigeria**

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### **Abstract**

**Purpose:** Performance evaluation is an element of performance management which is planned to increase productivity and provides an opportunity to continuously review business objectives. Some researchers have indicated that many managers felt that performance evaluation did not add value or help achieve business objectives while many workers found it a bother. In Nigeria, performance evaluation has been embraced by both the public and private sectors as a tool for performance improvement. The assessment of its effectiveness, however, has been hampered. This study sought to determine the effect of performance evaluation on employee productivity in deposit money banks in Lagos State.

**Methodology:** The study adopts survey research design. The population of this study consist of 192 employees of two selected Deposit Money Banks in Lagos State. The study adopted total enumeration method in determining the sample size. The study collected primary data with the help of questionnaire. Data was collected from respondents using a structured questionnaire. Ordinary least square regression model was used to assess the nature and degree of relationship between dependent variable and independent variables.

**Findings:** Findings from the study indicated that the use of performance appraisal has significant effect on employee productivity. Specifically, findings revealed that managerial review and peer review have significant effect and enhanced employee productivity.

**Recommendation:** The study recommends that management should adopt successful management styles which involve building teams, networks of relationships, and developing and motivating others which would instil skills to the employees and which have a critical role in improving the level of productivity of the employees.

**Keywords:** *Performance evaluation, Employee Productivity, Banks, Managerial Review, Peer Review*

## 1. Introduction

Employees have long been seen as essential contributions to an organization's growth and productivity. Their productivity is crucial in ensuring that businesses progress from one level to the next. Despite this important contribution, staff productivity has recently been dropping in several organizations. Employees in Nigerian banks exhibit low levels of satisfaction, declining performance, low efficiency, and poor service quality as a result of this. As a result, these factors influenced the study's design.

Employee productivity has piqued the curiosity of researchers around the world, as well as company stakeholders. As a result of the Covid 19 pandemic, employee productivity has decreased in the United States (Quade, McLarty, & Bonner, 2020). As a result of the lockdown, which has damaged practically every industry in the United States, including the financial sector, workers are no longer displaying passion and vitality on the job, which has become a subject of concern. Before the resumption of a national (partial) lockdown in early November 2020, unemployment in Europe, particularly Germany, had soared by 25% from the previous year. As evidenced by the banking sector, Germany experienced issues with employee efficiency prior to the Covid 19 concerns (Eichhorst, Marx, & Rinne, 2020). However, this increase has not been accompanied by a commensurate fall in pay, which is certainly due to the considerable expansion of short-term jobs.

Employee productivity is also a concern for African banks, due to a variety of circumstances. Tanzanian deposit money institutions, in particular, have adopted a variety of techniques to boost employee productivity, yet it continues to fall (Msisiri & Juma, 2017). Despite these strategies and programs, finding desirable employees continues to be difficult. This could mean that the work culture and climate of these banks aren't well understood, or that they need to be changed to the Tanzanian context. Despite the crucial role that banks play in Botswana, these institutions have encountered severe issues in terms of employee outcomes, with at least 60% of them failing to attain the required level of dedication and engagement at work (Made, 2018). Despite the critical role that employees play in increasing the performance and productivity of Botswana's businesses, research has revealed that their ultimate productivity levels are influenced by a number of factors. Furthermore, research reveal that low employee satisfaction, declining dedication, and a lack of interest in extra-role activities are causing poor employee results in Ghanaian organizations. (Marina, 2018). Organizations have been unable to attain better levels of efficiency as a result of these problems, particularly in the area of employee results (Majama & Magang, 2017).

In Nigeria, there has been a drop in staff productivity resulted in an 85 percent turnover rate among bank employees (Eromafuru & Aigboimian, 2020), and work discontent among bank staff have been blame for poorer productivity and profitability (Madu, 2019). Banks in Nigeria are attempting to achieve a balance between employee satisfaction and corporate social responsibility. As a result, unwholesome attitudes among bank personnel and poor customer relations are common problems in Nigerian banks (John, & Kelechi, 2020). According to Ololade et al., (2018), performance evaluation can lead to job discontent and the development of negative employee attitudes toward their firm, resulting in poorer productivity. If the appraisal technique is badly planned or implemented, it may have a detrimental impact on motivation, role perceptions, and turnover. Most performance evaluation exercises programs in Nigeria are poorly organized and focused, as some organizational management views them as a punitive measure, as may be the case with a few deposit money institutions in Lagos State. Performance evaluation that requires managers to grade employees on subjective

criteria like customer service skills or leadership capacity lack precise outcomes that can be used as a foundation for quantitative outcomes. With this in mind, the purpose of this study was to assess the effect of performance evaluation on worker productivity at a number of deposit money banks in Lagos State, Nigeria.

Studies have been carried out on performance evaluation and employee productivity in different organisations, countries and also in different contexts but it has not been established the extent to which performance evaluation improve employee productivity in the banking sector of the country (Mwema & Gachunga, 2014; Qamar & Asif, 2016, Chang, & Tsai, 2016). The issue of worker's productivity has suffered from a high level of neglect because of poor worker's output, worker's efficiency and worker's commitment and this is as a result of the lack of performance evaluation of workers in the organizations (Gerhart & Milkovich, 2016). The level of worker's productivity in Nigerian banking sector has been on the decline over the years and this could be ascribed to poor performance evaluation strategies put in place by these deposit money banks. Also, there is a lack of universally accepted appraisal system applied by every firm and that is a problem in itself. This research is, however, conducted to fill this gap by examining the extent to which performance evaluation impacts worker's productivity of selected deposit money banks in Lagos State, Nigeria.

## **2. Literature review**

### **2.1 Performance Evaluation**

Performance evaluation is a process by which the job performance of a worker is documented and evaluated (Muchinsky & Marchese, 2016). It is a very methodical and periodic procedure which measures individual worker job performance and efficiency in relation to pre-established criteria and objectives (Abu-Doleh & Weir, 2017; Manasa & Reddy, 2019). Also, performance evaluation is a review based upon an individual's job performance and assigned duties; it involves a supervisor typically looking at an employee's skills and accomplishments during a specific time period and tracking whether the employee has lived up to expectations, exceeded them, or failed to meet desired results (Villanova, 2021). Dessler (2017) state that an effective appraisal also requires that the supervisor set performance standards and it requires that employees receive the training, feedback, and incentives required to eliminate performance deficiencies.

The purpose of an employee evaluation is to measure job performance and many evaluations provide quantitative measurements essential for a production-oriented work environment (Mayhew, 2019). Gerber (2020) opines that the most important points to consider when evaluating a team member includes; level of execution, quality of work, level of creativity, amount of consistent improvement, customer and peer feedback, sales revenue generated, responsiveness to feedback, ability to take ownership, percentage of tasks completed on time and being on time and on budget. In this study, performance evaluation is divided into three dimensions and they are; self-appraisal, managerial review, customer review, and peer review.

#### **Self-Appraisal**

Self-appraisal is an act of evaluating one's own worth, significance, or status and the use of self-appraisal as a performance information basis is an established practice in which people are regularly called upon in their daily lives to provide information about their own behaviour. The ultimate objective of the self-appraisal process is to ensure that the employee and the management team are on the same page regarding the employee's performance (Sprigg, 2021). However, many employees fall into the trap of thinking of the self-appraisal process as an

opportunity to widen the scope of evaluations and go overboard when citing their own accomplishments. Furthermore, a good, thorough self-appraisal is one in which you are able to highlight your positives but also honestly mention your points of weaknesses too and the self is an ever-present observer of one's activities and research showed that self-appraisals of performance tend to be more lenient than either managerial or peer appraisals (Landy & Farr, 2020). Moreover, information is available to suggest that the intended purpose of a self-appraisal may influence the degree to which clemency exists.

Self-appraisal process paves way for two-way communication between employer and employee. This helps in revealing the overall performance of employees and it gives deeper insights and a clear picture of employees' accomplishments as well as weaknesses in certain areas. According to Thompson (2021), the benefits of the self-appraisal process to the employees include it helps them; feel more engaged in the appraisal process, gain greater insights and set future goals for improvement, feel more confident about their abilities., enhance capacity building (learn to make corrections quickly), select training programs that are most suited to needs, develop an inquiring mind for problem solving, become more accountable., feel more valued, feel more motivated to learn new skills. Importantly, when employees feel heard through the self-evaluation process, they are more likely to listen to feedback from their managers and the appraisal process becomes much more of a two-way discussion when it revolves around regular self-evaluation (Thompson, 2021).

### **Managerial Review**

Management review is the routine assessment of whether management systems are performing as intended and producing the desired results as competently as possible and it is the due diligence review by management that fills the gap between daily work activities and periodic formal audits. For most companies with employees today, performance reviews are an important –and in many cases, necessary aspect of doing business and while the words “managerial review” often elicit a negative reaction from the team, the fact is that performance reviews don't need to be a frustrating, or stressful process because when implemented as part of an ongoing process and done regularly, they won't catch your team by surprise or cause them to think that you're holding a review in an attempt to crack down on them for a specific issue (Czerwonka, 2021). Furthermore, in order to stay competitive, it's important to ensure that your systems are allowing your company to operate as smoothly and efficiently as possible and to evaluate and measure performance on an individual level as well; since your managers' performance will have an impact on the company's profitability as well as the performance of the entire team.

### **Customer Review**

Baker (2020) defines a customer review as a written reflection of a customer's experience with and feedback on your company's products or services and consumers use customer reviews during the purchasing process to understand how your product works and if it's worth the investment. A customer review is a review of a product and service made by a customer who has purchased and used, or had experience with, the product or service. Customer review is a form of customer feedback on electronic commerce and online shopping sites. When consumers search for online customer reviews of a given product, they often encounter reviews for preceding generations in the similar product series. In many cases, the previous generation is available for purchase in the new product market, making these reviews a source of information about both the current generation and an optional choice in the form of the previous

generation (Krishnan & Ramachandran, 2019; Borkovsky 2017). Reviews not only have the power to influence consumer decisions but can strengthen a company's credibility (Anderson, 2018). Furthermore, reviews have the power to gain customer trust, and they encourage people to interact with the company.

### **Peer Review**

Peer review is a process used by management team in different organizations to check on the performance of those in an organization (Ahmed, 2020). It is the actions of checking the work performed by one's equals (peers) in an organizational setting to ensure it meets specific criteria and the standards are set by the management or are stated in the organizational policy manual. Ahmed and Palermo (2020) posited that peer review play important role in development of soft-wares through development of codes where groups of coders will convene meetings and read thoroughly through code systematically in between lines to identify the errors. In general, peers help in verification of whether the work is satisfactory to the specified review and it also helps in detection of deviations from the set standards and provides suggestions for improvements. Furthermore, peer review entails one employee evaluating the evaluation of tasks done by another employee of the same competence (McGowan, Sampson and Lefebvre, 2020).

Peer performance reviews are when those who work most closely with you on day-to-day tasks review your performance (rather than managers who have more of a high-level, bird's-eye view). In peer review, teammates, colleagues, and peers are anonymously asked to provide input on specific aspects of an individual's performance (Caruso, 2014).

### **Workers Productivity**

Workers productivity is defined as the capacity of a employee/worker to create quality outputs with inadequate inputs. It was further suggested that one of the major components that affects the profitability of an organization is worker productivity as it determines the level of production that needs to be reported by the organization with its degree of inputs. Organizations are worried on how they can best maintain a sustainable performance and achieve best results from their workers by exploring on the best alternative solutions to engage, develop teamwork and encourage employees to give their best input in what they work in (Walters, 2015). Furthermore, not only financial rewards are deemed the best motivator towards enhanced employee productivity but also non-financial incentives.

Productivity benefits are obvious and widely felt when implemented in a business environment and these benefits include; increasing profitability, lowering operational costs, optimizing resources, improving customer service, seizing the opportunity for growth, reducing waste and environmental impact, improving competitiveness, reducing employee burnout, enhancing wellbeing, improving morale and increasing engagement (Conlon, 2018). Also, being productive in the workplace is an essential part of the business in the organization and at the end of every working hour; the workers should produce and deliver quality outputs. However, when a crisis arises like the state of the Covid 19 pandemic, this might vary. Furthermore, research by Tetteh and Attiogbe (2019) found that schooling and working at the same time results in less time for studies which affects academic performance negatively. Battaglio and French (2016) found in their study that the effect of organizational factors showed higher levels of self-sacrifice. Negative approaches also affect productivity as posited by Siltala, (2019) that neglecting basic work affects the sense of self-efficacy of the workers which can affect the organization in several ways.

## 2.2 Theoretical Framework

This study was anchored on Resource based view. The reason for using this theory is that it shows the relationship between environmental factors and employee performance. It shows how the environmental factors in an organization can led to the negativity or positivity of employee's performance. Barney (1991), suggests that the position of strategic resources provides an organization with a golden opportunity to develop a competitive advantage over its rival; this competitive advantage, in turn, can help organizations enjoy strong profits, particularly over time; and this theory also combines concepts from organizational economics and strategic management.

Two main assumptions underpinned the Resource based view. The first assumption is that skills, capabilities and other resources that organizations possess differ from one company to another. If companies would have the same amount and mix of resources, they could not employ different strategies to outcompete each other, what one company would do, the other could simply follow and no competitive advantage would be achieved (Ovidijus, 2021). The second assumption of Resource based view is that resources are not mobile and do not move from company to company at least in the short run, due to this companies cannot replicate rivals' resources and implement the same strategies (Ovidijus, 2021).

The supporters of this view argue that organizations should look inside organizations should look inside the company to find the sources of competitive advantage instead of looking at competitive environment for it. Truijens (2013) feel the advantages of resource-based view outweigh the disadvantages and that with minor modifications to the theory; it will uphold its historical advantage over other theories and continue to contribute to the advancement of research in other disciplines such as project management. Barney's resource-based view reflects the fact that rival organizations may not perform at a level that could be identified as considerable competition for the organization's that have been well established in the market because they do not possess the required resources to perform at a level that creates a threat and competition.

An organization should exploit existing business opportunities using the present resources while generating and developing a new set of resources to sustain its competitiveness in the future market environments; hence, an organization should be engaged in resource management. There is always high uncertainty in the environment and for organizations to survive and stay ahead of competition, new resources become highly necessary. Crook, (2008) Strategic planning process will give the organization the needed opportunity to analyze the environment effectively and be able to prepare for any eventuality that may affect the plans therefore negatively affecting the performance of the organization.

## 2.3 Empirical Review

Bassett and Meyer (2021) investigated a self-rating appraisal process at General Electric Company (GE) in which only workers completed performance evaluation forms and the subsequent discussion between managers and their subordinates was based only on the subordinates' self-appraisals. This was compared with GE's traditional supervisor appraisal approach and the results indicated that (1) the self-appraisals were judged more satisfying and constructive by the supervisors than the traditional supervisor-prepared performance interviews, (2) there was less subordinate defensiveness regarding appraisals, (3) discussions based on self-appraisals more often resulted in future superior job performance than did traditional supervisor appraisals, and (4) low-rated subordinates were especially likely to show

improvement in performance after a self-review discussion. Additionally, researchers have noted several possible advantages that may result from incorporating self-appraisals into traditional performance appraisal processes as reported by (Carroll & Schneier, 2019).

Ochidi and Suleiman (2019) examined the effect of performance appraisal on employees' performance of selected deposit money banks in Lokoja. The study established that appraisal techniques have a significant effect on employees' productivity in selected deposit money banks in Lokoja, Kogi state. Also, appraisal feedback system has a significant effect on employees' productivity in selected deposit money banks in Lokoja, Kogi State. The conclusion of the study showed that performance appraisal techniques must be designed by the management of the deposit money banks in Lokoja, Kogi State with inputs from employees' representatives in order to make them more objectives. In addition, Wagacha and Maende, (2017) examined the relationship between performance appraisal systems and employee productivity in commercial banks in Nairobi County, Kenya. The study revealed that employees in commercial banks in Kenya were appraised by personnel in higher ranking positions than them. It was also established that performance appraisal problems are dealt with as they arise. In addition, most employees in the banking sector have a positive attitude towards performance appraisals since they create job confidence and this maximizes output. The study concluded that performance appraisals are largely a success in commercial banks in Kenya.

Oshode, Alade, and Arogundade (2014) explored performance appraisal in the Nigerian banking sector using individual and joint variables analyses. The study revealed that sound management of performance appraisal system will guarantee good employee productivity. It was also found that a very good performance appraisal system will explain 70% of degree of changes in employees' productivity. Likewise, Nnamani, Yusuf, and Shuaibu (2022) explored the effect of performance appraisal on employee productivity at federal secretariat Abuja. The results revealed that that the use of performance appraisal has significant effect on employee productivity and performance. The study therefore recommends that multiple appraisal method should be introduced to further encourage objectivity and eliminate biasedness in the appraisal of employees and employee feedback method of performance appraisal should be a pre-requisite for the directors as this will assist supervisors and employees to discuss weakness, productivity standards and areas of improvement that enhance productivity. In addition, Kirai and Kisang (2016) examined the effects of performance appraisals on employee motivation at Equity Bank in Kenya. The key finding was that objectivity of performance appraisal and feedback positively influenced employees' motivation. The study, however, did not explore the link between motivation and employee motivation. Based on the mixed findings, this study hypothesizes that:

**H<sub>0</sub>:** Performance evaluation has no significant effect on the employees' productivity in deposit money banks in Lagos State, Nigeria.

### 3. Methodology

The research adopted a survey research design for the study. The population of this study consist of 192 employees of two selected Deposit Money Banks in Lagos State. The population comprised top management staff, middle and lower-level staff. These categories of staff were assessed because they have a role to play in the implementation of performance evaluation on worker's productivity. Guaranty Trust Bank and First Bank Nigeria were used as the selected Deposit Money Banks. The study adopted total enumeration method in determining the sample size. The study collected primary data with the help of questionnaire. The questionnaire had



close ended questions and employs the Likert scale methodology. The primary data on the dependent and independent variables were collected using a structured questionnaire, the questionnaire was presented to the respondents under a forwarding letter accompanied an introduction letter of introduction. The reliability of the instrument was determined by internal consistency method using Cronbach alpha coefficient. The values obtained were higher than 0.70 alpha benchmark. This confirms that the questionnaire and its variables passed the internal consistency test. Data collected from the returned questionnaires were analyze using descriptive statistics and regression analysis.

#### 4. Data Presentation and Analysis

The researchers distributed a total of 192 copies of questionnaire to the respondents, out of which 183 copies were rightly filled and returned to the researcher. The response rate of the participants to the questionnaire administered is 95.3%. The high response rate was traced to the data collection method of prior notification of the selected banks, use of research assistants, researcher's personal follow up calls to clarify issues and prompt the participants to fill and return the research instrument early. The analysis was conducted by using the descriptive statistics and regression analysis. and the results of the analysis are presented in Table 1-4.

#### Descriptive Statistics of Performance Evaluation Criteria

**Table 1: Descriptive Statistics on Self-Appraisal**

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Attention to Detail	83.1%	15.8%	1.1%	0.0%	0.0%	0.0%	0.0%	5.82	0.413
Good Time Management	37.2%	48.1%	13.7%	1.1%	0.0%	0.0%	0.0%	5.21	0.714
Consistency	56.3%	25.1%	16.4%	2.2%	0.0%	0.0%	0.0%	5.36	0.832
Initiative	40.4%	39.9%	18.0%	1.1%	0.5%	0.0%	0.0%	5.19	0.804
Timeliness	43.2%	32.2%	18.0%	6.6%	0.0%	0.0%	0.0%	5.12	0.93
<b>Average</b>								<b>5.34</b>	<b>0.7386</b>

**Source: Researcher's Field Survey, 2022**

The results in Table 1 show the descriptive analysis of respondents' opinions on self-appraisal and its items. 83.1% of the respondents indicated that attention to detail is very high, 15.8% indicated high and 1.1% indicated moderately high. On average, the respondents indicated that attention to detail is very high with a mean of 5.82 and standard deviation of 0.413. Results also indicated that 37.2% of the respondents responded very high to good time management, 48.1% indicated high, 13.7% indicated moderately high and 1.1% indicated moderately low. On average, the respondents indicated that expansion into new market is high with a mean of 5.21 and standard deviation of 0.714. Also, 56.3% of the respondents indicated that consistency

is very high in their organization, 25.1% indicated high, 16.4% indicated moderately high and 2.2% indicated moderately low. On average, the respondents indicated that consistency in their organization is high with a mean of 5.36 and standard deviation of 0.832.

Interpreting further, 40.4% of the respondents responded very high to the application of initiative in their organization, 39.9% indicated high, 18.0% indicated moderately high, 1.1% indicated moderately low and 0.5% indicated low. On average, the respondents indicated that application of initiative in their organization is high with a mean of 5.19 and standard deviation of 0.804.

Conclusively, 43.2% of the respondents indicated that timeliness in their organization is very high, 32.2% indicated high, 18.0% indicated moderately high and 6.6% indicated moderately low. On average, the respondents indicated that timeliness in their organization is high with a mean of 5.12 and standard deviation of 0.93. The grand mean of 5.34 and a standard deviation of 0.7386 suggest that respondents agree that the extent to which self-appraisal affect worker's productivity is high and noticeably responses converged around the mean.

**Table 2: Descriptive Statistics on Managerial Review**

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Ability to Manage Employees	79.2%	16.4%	1.6%	2.2%	0.5%	0.0%	0.0%	5.72	0.66
Performance feedback	35.5%	53.6%	8.7%	2.2%	0.0%	0.0%	0.0%	5.22	0.695
Level of professionalism	41.5%	28.4%	25.7%	3.8%	0.5%	0.0%	0.0%	5.07	0.935
Responsiveness	42.1%	38.8%	14.8%	3.8%	0.0%	0.0%	0.5%	5.17	0.913
Diligence	36.6%	36.6%	15.8%	8.7%	2.2%	0.0%	0.0%	4.97	1.037
<b>Average</b>								<b>5.23</b>	<b>0.848</b>

**Source: Researcher's Field Survey, 2022**

Table 2 depicts the descriptive analysis of respondents' opinion on managerial review and its items. The table shows that 79.2% of the respondents indicated that ability to manage employees is very high, 16.4% indicated high while 1.6% indicated moderately high, 2.2% indicated moderately low and 0.5% indicated low. On average, the respondents indicated that ability to manage employees is very high with a mean of 5.72 and standard deviation of 0.66. Results also indicated that 35.5% of respondents responded very high to performance feedback, 53.6% indicated high, while 8.7% indicated moderately high and 2.2% of the respondent indicated moderately low. On average, the respondents indicated that performance feedback is high with a mean of 5.22 and standard deviation of 0.695. Concerning level of professionalism, 41.5% of the respondents indicated very high, 28.4% indicated high, 25.7% indicated moderately high, about 3.8% of the respondent indicated moderately low and 0.5% indicated

low. On average, the respondents indicated that the level of professionalism in their organization is high with a mean of 5.07 and standard deviation of 0.935.

Results also indicated that 42.1% of respondents responded that responsiveness in their organization is very high, 38.8% indicated high, 14.8% indicated moderately high. On the other hand, about 3.8% indicated moderately low and 0.5% of the responses were missing. On average, the respondents indicated that responsiveness in their organization is high with a mean of 5.17 and standard deviation of 0.913. On a final note, results also indicated that 36.6% of respondents responded very high to diligence in their organization, 36.6% of the respondents likewise indicated high while 15.8% indicated moderately high, about 8.7% of the respondent indicated moderately low and 2.2% indicated low. On average, the respondents indicated that diligence in their organization is high with a mean of 4.97 and standard deviation of 1.037. The grand mean of 5.23 and a standard deviation of 0.848 suggest that respondents agree that the level at which managerial review affect worker's productivity is high and noticeably consensus noticed around the mean.

**Table 3: Descriptive Statistics on Customer Review**

Items	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Service Delivery	53.0%	30.6%	12.0%	4.4%	0.0%	0.0%	0.0%	5.32	0.852
Customer Relationship	39.3%	39.3%	17.5%	2.7%	1.1%	0.0%	0.0%	5.13	0.873
Customer Assessment	42.6%	33.3%	19.7%	4.4%	0.0%	0.0%	0.0%	5.14	0.884
Quality of Encounter	45.9%	31.7%	15.8%	6.0%	0.5%	0.0%	0.0%	5.16	0.941
Product Evaluation	38.3%	36.1%	18.6%	4.4%	2.7%	0.0%	0.0%	5.03	0.997
<b>Average</b>								<b>5.156</b>	<b>0.9094</b>

**Source: Researcher's Field Survey, 2022**

Table 3 displays the descriptive analysis of respondents' opinion on customer review and its items. The table shows that 53.0% of the respondents indicated that service delivery in their organization is very high, 30.6% indicated high while 12.0% indicated moderately high and only 4.4% indicated moderately low. On average, the respondents indicated that service delivery in their organization is high with a mean of 5.32 and standard deviation of 0.852. Results also indicated that 39.3% of respondents responded very high to customer relationship likewise 39.3% as well indicated high, while 17.5% indicated moderately high, 2.7% of the respondent indicated moderately low and 1.1% of the respondents indicated low. On average, the respondents indicated that customer relationship is high in their organization with a mean

of 5.13 and standard deviation of 0.873. Further, on customer assessment, 42.6% of the respondents indicated very high, 33.3% indicated high, while 19.7% indicated moderately high and 4.4% of the respondents indicated moderately low. On average, the respondents indicated that customer assessment in their organization is high with a mean of 5.14 and standard deviation of 0.884. In addition, the table above also revealed that 45.9% of the respondents indicated that quality of encounter is very high, 31.7% indicated high, 15.8% indicated moderately high, 6.0% indicated moderately low and 0.5% indicated low. On average, the respondents indicated that quality of encounter in their organization is high with a mean of 5.16 and standard deviation of 0.941. Also, results indicated that 38.3% of respondents responded very high to product evaluation, 36.1% of the respondents indicated high while 18.6% indicated moderately high, about 4.4% of the respondent indicated moderately low and 2.7% indicated low. On average, the respondents indicated that product evaluation in their organization is high with a mean of 5.03 and standard deviation of 0.997. The grand mean of 5.156 and a standard deviation of 0.9094 reveals the respondent's affirmation that the application of customer review in their organization is high while a convergence around the mean is noticed.

**Table 4: Descriptive Statistics on Peer Review**

Item	Very High	High	Moderately High	Moderately Low	Low	Very Low	Missing	Mean	Standard Deviation
Expert Assessment	56.3%	27.9%	11.5%	4.4%	0.0%	0.0%	0.0%	5.36	0.852
Peer Assessment	45.4%	39.3%	14.2%	1.1%	0.0%	0.0%	0.0%	5.29	0.747
Expert Evaluation	45.9%	32.2%	17.5%	3.8%	0.0%	0.0%	0.5%	5.18	0.947
Peer Appraisal	42.1%	30.6%	21.9%	4.4%	1.1%	0.0%	0.0%	5.08	0.954
Evaluating Product/Services	39.3%	36.6%	15.8%	7.1%	1.1%	0.0%	0.0%	5.06	0.967
<b>Average</b>								<b>5.194</b>	<b>0.8934</b>

**Source: Researcher's Field Survey, 2022**

Table 4 explains the descriptive analysis of respondents' opinion on peer review and its items. The table shows that 56.3% of the respondents indicated that expert assessment is very high, 27.9% indicated high while 11.5% indicated moderately high and 4.4% indicated moderately low. On average, the respondents indicated that expert assessment in their organization is high with a mean of 5.36 and standard deviation of 0.852. Results also indicated that 45.4% of respondents responded very high to peer assessment, 39.3% indicated high, while 14.2% indicated moderately high and 1.1% of the respondents indicated moderately low. On average, the respondents indicated that peer assessment in their organization is high with a mean of 5.29 and standard deviation of 0.747. Furthermore, regarding expert evaluation, 45.9% of the respondents indicated very high, 32.2% indicated high, 17.5% indicated moderately high, 3.8% of the respondent indicated moderately low and 0.5% of the responses were missing. On

average, the respondents indicated that expert evaluation in their organization is high with a mean of 5.18 and standard deviation of 0.947. The study further shows that 42.1% of the respondents indicated that peer appraisal in their organization is very high, 30.6% indicated high, 21.9% indicated moderately high, 4.4% indicated moderately low and 1.1 % indicated low. On average, the respondents indicated that peer appraisal in their organization is high with a mean of 5.08 and standard deviation of 0.954. In conclusion, results also indicated that 39.3% of respondents responded very high to evaluating product/services, 36.6% of the respondents indicated high while 15.8% indicated moderately high, 7.1% of the respondent indicated moderately low and 1.1% of the respondents indicated low. On average, the respondents indicated that evaluating product/services is high with a mean of 5.06 and standard deviation of 0.967. A grand mean of 5.194 and a standard deviation of 0.8934 suggest that respondents agreed that peer review in their organization is high with convergence noticed around the mean.

### Test of Hypothesis

**H<sub>0</sub>:** Performance evaluation has no significant effect on employees' productivity in deposit money banks in Lagos State, Nigeria.

**Table 5: Summary of Regression Results**

Variables	Coefficients	Std error	t	Sig. value
Constant	8.567	2.495	3.434	.001
Self-Appraisal	0.049	.115	.427	.670
Managerial Review	0.225	.105	2.142	.034
Customer Review	0.155	.096	1.603	.111
Peer Review	0.230	.090	2.570	.011
R-squared	0.265			
Adjusted R-squared	0.248			
F-Statistics (4, 178)	16.027			

### SPSS Output

The results in Table 5 above showed that managerial review ( $\beta = 0.225$ ,  $t = 2.142$ ,  $p < 0.05$ ) and peer review ( $\beta = 0.230$ ,  $t = 2.570$ ,  $p < 0.05$ ) have positive and significant effect on employees' productivity in deposit money banks in Lagos State, while self-appraisal ( $\beta = 0.049$ ,  $t = 0.427$ ,  $p > 0.05$ ) and customer review ( $\beta = 0.155$ ,  $t = 1.603$ ,  $p > 0.05$ ) have an insignificant effect on employees' productivity as indicated by their p-values. This means that both managerial review and peer review were found to have positive effect on employee productivity in deposit money banks in Lagos State, Nigeria. This result therefore, implied that as managerial review and peer review increases by 1 percent, the employee productivity will increase 0.225 and 0.230 percent respectively. The F-statistics was 16.027, which measured the joint significance of the parameter estimates, was found statistically significant at 1 per cent level as indicated by the corresponding probability value of 0.000. This implies that performance evaluation criteria were jointly and statistically significant in affecting the employee productivity in deposit money banks in Lagos State. The  $R^2$  value of 0.265 percent implied that 26.5 percent total variation in employee productivity was explained by self-appraisal, managerial review, customer review, and peer review in deposit money banks in Lagos State, Nigeria. Coincidentally, the goodness of fit of the regression remained high after adjusting for the degree of freedom as indicated by the adjusted  $R^2$  ( $R^2 = 0.248$  or 24.8%). The remaining 75.2% is determined by other factors not considered in the study. The null hypothesis ( $H_0$ ) can therefore

be rejected as stated above and conclude that performance evaluation has significant effect on employees' productivity in deposit money banks in Lagos State, Nigeria.

## **5. Discussion**

The research study focuses mainly on the impact of performance evaluation on employee's productivity. Precisely, the findings of the study showed that managerial review and peer review have positive and significant effect on employees' productivity in deposit money banks in Lagos State, while self-appraisal and customer review had no significant effect on employees' productivity. The acquired findings indicate that the use of performance appraisal has significant effect on employee productivity. This result is in consonance with the findings of Mollel Eliphaz et al. (2017) they discovered a relationship quite significant and positive that exist between performance appraisal and employee productivity. Also, the findings support supports the findings of Ackah (2015); Bekele et al. (2014); Nwema and Gachunga (2014); Igbal et al. (2013) which states that performance appraisal has a significant influence on employee productivity and performance.

## **6. Conclusion**

It can be concluded from the result of this research that performance evaluation enhances employees' productivity in in deposit money banks in Lagos State. When an objective evaluation is carried out, the bank will be in a position to reward the performing employees. The study found that out of the performance evaluation indices, managerial review and peer review have significant effect and enhanced employee productivity. This will further enhance the opportunity for determining deficiencies in the performance of the workforce within the banks. the study identified that for Nigerian banks to earn good performance from their employees, adequate attention should be paid to the performance evaluation system. However, it was noted that banks almost operate a special way of appraisal (by setting deposit target for their employees) and that mere meeting the targets often guarantee employee movement to the next level.

## **7. Recommendations**

This study recommended that the management should adopt successful management styles which involve building teams, networks of relationships, and developing and motivating others which would instil skills to the employees and which have a critical role in improving the level of productivity of the employees. In addition, the performance expectations of the employees need to be clearly stated and determinants of performance identified. This would reduce the impression that they were not sure of the methods that were to be used to measure their productivity.

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