
Performance Management Policy and Implementation in the Central Bank of Nigeria (2000-2015)

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Abstract: *There is probably no programme in the field of human resources management that is so difficult to implement and yet so vital to individual and organizational development than performance management aimed at achieving these objectives. In all organizations, effective results are crucial to survival. Since continuous improvement of performance is a basic condition for individual and organizational growth and development, individual employee's performance needs to be evaluated against established objectives. By appraising individual's performance, areas of relative strength can be identified and reinforced while areas of weakness can be addressed in a manner that is conducive to better performance. The paper explored both primary and secondary sources of data and path-goal theory as the theoretical framework. The tested hypotheses indicated that performance management is positively associated with organizational performance in the central Bank of Nigeria. The research recommends among others, that the performance monitoring, review and action panning process should be structured around the strategic performance objectives of the organization.*

Keywords: *Management, Organization, Performance, Policy Implementation*

1. Introduction

Organizational performance management is one of the most popular terms in today's public sector management. The idea of managing organizational performance is being widely accepted and adopted all over the world. It spreads rapidly from the private sector to the public sector in the developed world and has recently found its way in many developing countries including Nigeria. New initiatives and legislations continue to be issued as a sign of governments' insistence on following the new focus on performance orientation. Performance management is a shared process between managers, individuals and teams they manage. It is based on the principle of management by contract rather than command, although this does not exclude the need to incorporate high performance expectations in such contracts. As rightly observed by Armstrong (1996), performance management is all about the agreement of objectives, knowledge, skill and competence requirements and work and development plans. In fact, a performance management system aims at improving the results of people's efforts by linking these to the organization's goals and objectives. It is, ideally, the means through which employees' performance can be improved by ensuring appropriate recognition and reward for their efforts, and by improving communication, learning and working arrangements. Performance management and measurement systems developed as a means of monitoring and maintaining organizational control, which is the process of ensuring that an organization pursues action plans that lead to the achievement of overall goals and objectives. These goals should in turn be direct manifestation of the mission and strategic orientation of an organization.

Furthermore, in today's flexible organizations, performance management provides an important tool for managers to clarify performance goals and standards and to enhance future individual performance. Probably the oldest technique used by managers to influence individual performance is the performance management otherwise known as job performance appraisal. Performance management effects positive change in organizational culture, systems and processes by helping to set agreed-upon performance goals, allocating and prioritizing resources, informing managers to either confirm or change current policy or programme directions to meet those goals, and sharing results of performance in pursuing those goals.

Consequently, in the recent times, organizations have been faced with challenges like never before. Increasing competition from businesses across the world has meant that all businesses must be much more careful about the choice of strategies to remain competitive. Everyone and everything in the organization must be doing what they are supposed to be doing to ensure strategies are implemented effectively. This situation according to McNamara (2008) has put more focus on effectiveness, that systems and processes in the organization be applied in the right way to the right things to achieve results. All of the results across

the organization must continue to be aligned to achieve the overall results desired by the organization for it to survive and thrive only then, it can be said that the organization and its various parts are really performing.

Many performance management systems borrow from or utilize some of the new approaches such as "Balanced Scorecard", "Total Quality Management (TQM)", best practice "Benchmarking", or Business Process Re-engineering (BRP). Performance Measurement must be considered as part of the overall Performance management system and can be viewed as the process of quantifying the efficiency and effectiveness of actions. It is common practice in public sector performance management literature to talk about the three Es of: Economy, Efficiency, and Effectiveness. A good performance measurement approach should consider measuring and assessing the three Es.

From the above analysis therefore, the current thinking on the subject of performance management calls for a re-examination of what human resources management in each organization is expected to achieve. Accordingly, individual performance appraisal and its management are expected to be strongly linked with institutional objectives. This line of thinking appears to accord with sound management practice. In this regard therefore, this research work is an attempt to examine the subject of performance management and its impact on the performance of Central Bank of Nigeria employees, with a view to suggesting how it may be better utilized for focusing human resource management in the direction of higher performance in organizations.

1.2 Statement of the Problem

In Nigeria the performance of staff of public agencies is limited to budget monitoring and annual performance evaluation. The fundamental factors influencing the effectiveness of an organization are leadership, motivation, organisational commitment and employee job satisfaction. However, experts are of the view that there is no link between employee performance and financial data. The performance of these organisations is predicated on several factors. Many organisations have failed to meet the objective or purpose of its formation. This has been the experience in all economies. It is more worrisome in the developing economies of the world where managers lack the requisite managerial skills in management. It is one thing to formulate individual and organizational objectives, and another thing is to achieve the set targets, sustain task-level and later improve on performance.

Consequently, there have been decline *in* the rate of industrial productivity in both private and public establishments because of their inability in strategic management ideas. All these problems needed pragmatic managerial policies and practices that may deliver right number of employees with apparent behaviour. This has left much to be desired from the strategic management and the planning process perspective, thus this research is interested in assessing the performance management system used by the Central Bank of Nigeria. To address the immediate problem of this study, it is important therefore to ask the following questions that:

1. What is the basis for performance management in the Central Bank of Nigeria?
2. To what extent has performance management improved employees' performance in the Central Bank of Nigeria?
3. Is there any significant relationship between performance management and the attainment of Central Bank of Nigeria goals and objectives?
4. What are the challenges to effective performance management in the Central Bank of Nigeria and how best can it be managed to enhance productivity?

1.3 Objectives of the Study

The broad objective of this study is to examine performance management in the public sector and the extent to which the adoption of this new management principle by the Central Bank of Nigeria has contributed to the attainment of its objectives. Other objectives include the following:

1. To examine the basis for performance management and the techniques for evaluating employees' performance in the Central Bank of Nigeria;
2. Examine the significant relationship between performance management and the attainment of objectives in the Central Bank of Nigeria.
3. To propose a model for the implementation of performance management system in Central Bank of Nigeria; and
4. To suggest strategies for improving organizational productivity through effective performance management techniques in the Central Bank of Nigeria.

1.4 Significance of the Study

The overall goal of performance management is to ensure that the organization and all of its subsystems (processes, departments, teams, employees, etc.) are working together in an optimum fashion to achieve the results desired by the organization. This paper is therefore of great importance to the case study organization in terms of effective management of its human resources to attain higher productivity. The paper will also help in the understanding of what performance management is all about; its processes, techniques, theoretical underpinning etc.

Similarly, the submissions in terms of proffered solutions as contained in this work would serve as a guiding principle to both the management of Central Bank of Nigeria and its policy makers as it provides a good basis for proactive decisions and more research into issues that affect employees' performance management and how best to explore its human resources to achieve its corporate goals.

1.5 Statement of Hypotheses

To guide this research effectively and to arrive at valid and reliable conclusion, a premise (hypothesis) need to be formulated to enable us achieve the objectives of the study stated. To this end, the following hypotheses are put forward:

Ho₁: Performance management is not positively associated with organisational performance in the Central Bank of Nigeria.

Ho₂: Organizational goal attainment is not dependent on goal setting and performance management policies in Central Bank of Nigeria

2. Literature Review and Theoretical Framework

2.1 Concept of Performance Management

Employee performance management is a process of establishing a shared workforce understanding about what is to be achieved at an organizational level. It is about aligning the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans and the delivery of results. The emphasis is on improvement, learning and development in order to achieve the overall business strategy and to create a high performance workforce.

Performance management is the systematic process by which an organization involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of organizational mission and goals. Armstrong (2004) describes performance management "as a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capability of teams and individual contributors." Akata (2003) considers it as "a systematic and holistic (all-embracing) process of work planning, monitoring and measurement aimed at continuously improving the teams and individual employee's contribution to achievement of organizational goals". Oladimeji (1999) defines performance management as "a means of getting better results from the organization, teams and individuals by understanding and managing performance within agreed framework of planned goals, objectives and standards".

The three definitions show that performance management has the following characteristics; strategic (concerned with the broader issues facing the organisation), systemic, systematic and holistic. It is integrated in four ways: vertically aligning business teams and individual objectives; functionally integrated; human resource integration and integration of individual needs.

Performance appraisal according to Fajana (2002) "focuses on the extent to which an individual is carrying out assigned duties, as well as joint actions that can be taken by both the supervisor and the subordinate to manage observed variances between set standards and actual performance", while performance management deals with the processes and activities of the organization that enhance the design, development, implementation of performance technologies. It embraces all formal and informal methods adopted by an organization and its managers to increase commitment, individual and corporate effectiveness. Performance appraisal is reactive while performance management is proactive.

According to Gillen (2007), performance management focuses on performance of the organization, a department; processes to build a product or service, and employees. He posits further that performance management can be viewed as the systematic evaluation of employees with respect to their current performance on the job as well as their potential for future development. Such evaluation if well conducted enables management to obtain feedbacks information about the effectiveness of organizational processes, including the performance of employees.

Performance management is "a system which provides organizations with a means of identifying not only what people's performance levels are but in which areas those levels need to be improved if maximum use is to be made of human resources"(Atiomo 2000). He believed that, the system ensures that every individual is clearly aware of what his functions and responsibilities are. According to him, the process of evaluation lets each staff know how he is viewed by his boss, what have been the significant achievements in the period under review, how his performance might be improved upon in the future, and if areas of relative weakness are identified, what training or development might be put in hand to strengthen them. Evaluating performance therefore provides the tools to determine the strengths and weaknesses of our subordinates. It is the essential information on which action for continued services in the same job, training promotion, transfer or redeployment should be based. One of the most comprehensive definitions of the subject matter is that given by the US office of Personnel Management viz;

All periodic written assessment of job performance measure against responsibilities, goals and/or tasks, specific duties assigned and agreed to as well as identification of strengths and weakness demonstrated by employee's potential and training a development needs.

The merit of this definition is that, it sees management of employees' performance as a regular and continuous process by which the quality, quantity and styles of performance and the various factors that influence performance are assessed and evaluated. Cole (2004) posits that informal performance management is the continual day-to-day assessment of an employee's progress by his or manager, and which is ad hoc in nature, and as much determined by intuitive feelings as by objective evidence. It is a natural by-product of the ongoing relationship between employee and manager. While formal performance management is a planned event based on performance evidence, at which an employee's progress is discussed with his or her superior, usually in the context of job targets and priorities. In their definitive text upon which this research is based, Armstrong and Baron (2003) define performance management as:

A process which contributes to the effective management of individuals and teams in order to achieve high levels of organizational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved.

They stressed that it is 'a strategy which relates to every activity of the organization set in the context of its human resource policies, culture, style and communications systems. The nature of the strategy depends

on the organizational context and can vary from organization to organization. In other words performance management should be:

Strategic - it is about broader issues and longer-term goals

Integrated - it should link various aspects of the organization, people management, individuals and teams.

Armstrong and Baron (2003), performance management should incorporate:

Performance Improvement - throughout the organization, for individual, team and organizational effectiveness

Development - unless there is continuous development of individuals and teams, performance will not improve

Managing Behaviour - ensuring that individuals are encouraged to behave in a way that allows and fosters better working relationships.

He further stressed that at its best, performance management is a tool to ensure that managers manage effectively; that they ensure the people or teams they manage to Know and understand what is expected of them; Have the skills and ability to deliver on these expectations; Are supported by the organization to develop the capacity to meet these expectations and are given feedback on their performance; Have the opportunity to discuss and contribute to individual and team aims and objectives.

Houldsworth and Jirasinghe (2006) also argued that performance management is about ensuring that managers themselves are aware of the impact of their own behaviour on the people they manage and are encouraged to identify and exhibit positive behaviours. Performance management is about establishing a culture in which individuals and groups take responsibility for the continuous improvement of business processes and of their own skills, behaviour and contributions. It is about sharing expectations. Managers can clarify what they expect individual and teams to do; likewise individuals and teams can communicate their expectations of how they should be managed and what they need to do their jobs. It follows that performance management is about interrelationships and about improving the quality of relationships - between managers and individuals, between managers and teams, between members of teams and so on, and is therefore a joint process.

To Cascilo (1978), performance management is the “systematic description of individual job relevance, strengths and weaknesses. Such information is useful in a variety of context, as a basis for personal decisions, as an aid in establishing training objectives and as a personnel development tool”.

The term performance management is commonly used today to describe a range of managerial activities designed to monitor, measure and adjust aspects of individual and organisational performance through management controls of various types. Performance management integrates the management of organisational performance with the management of individual performance. Organisational performance management can serve two distinct functions:

Intra-organisational performance management: To ensure that there are appropriate internal controls to monitor the extent to which the organisation (and its sub-units) is achieving what it is supposed to achieve. This requires the organisational management to periodically review and evaluate performance standards attained and performance trajectories, taking corrective action as appropriate where deviations from the desired standards are detected.

Extra-organisational performance management: To communicate performance for the purposes of governance and accountability to organisational stakeholders including government, funding bodies, audit agencies and the wider public.

There is no requirement for an organisation to have an intra-organisational performance management system. However, there is clear evidence that having clarity of purpose and the means to monitor progress towards goal attainment does promote a performance culture in organisations (public and private) which achieves enhanced organisational performance levels. There are requirements, often statutory, for public sector organisations to maintain high standards of corporate governance, accountability and public reporting. This requires systems of extra-organisational performance management. A summary of the foregoing contributions on the purpose of performance management highlights the following as the major functions of performance management:

To provide information for Personnel decisions pertaining to reward, punishment and training, It is useful as criteria for personnel Investigation; it serves as a measure of value and most importantly, a tool for employees' development to attain productivity, since it serves as Feedback Mechanism and to improve future performance, an employee needs information relating to his weaknesses in the past and clues on how to correct them.

The overall goal of performance management is to ensure that the organization and all of its subsystems (processes, departments, teams, employees, etc.) are working together in an optimum fashion to achieve the results desired by the organization. According to Akindele (2007), performance management exists for two main reasons; evaluation and feedback. When used for evaluations, it provides input for decisions on promotions, transfers, demotions, terminations, and compensation.

When used for feedback purposes, performance management focuses on the development of the individual employee, including the identification of coaching and training needs. According to him, job analysis process determines standards of performance, which are clearly communicated to the employees and used as the basis of evaluation in the performance management process. Performance management is a critical component of reinforcing appropriate behaviours within the organization and of helping employees understand how to avoid inappropriate behaviours. It also enables the organization to provide feedbacks to employees concerning their work and to identify areas of improvement (Akindele, 2007).

From the above, performance management is an agreed framework of planned goals, standards and attribute/competence requirements. That is, it is an agreement between the manager and the individual on expectations in relation to each of the following which is largely about evaluating such expectations:

A process: Performance management is not just a system of forms and procedures. It is about the actions which people take to achieve the day-to-day delivery of results and evaluate performance improvements in themselves and others.

Shared Understanding: to improve job performance, individuals need to have a shared understanding about what high levels of performance and competence look like and what they are working towards.

An Approach to Managing and Developing People: Performance management is focused on three things. Firstly, how employees and team leaders work effectively with those around them. Second, how individuals work with their managers and with their teams and third, how individual employees can be developed to improve their knowledge, skills and expertise (their attributes) and their levels of competence and performance.

Achievement: Ultimately, performance management is about the achievement of job-related success for individuals so that they can make the best use of their abilities, realize their potential and maximize their contribution to the success of the organization.

Owned and Driven by Line Managers: That is, performance management is a natural process of management, not a procedure forced onto line managers by top management and the personnel department.

Contextually, on the other hand, performance management according to Obadiah (1992) is of three basic activities or functions which a manager must accomplish. These include: a manager must plan; a manager must execute; and a manager must review. He laid emphasis more on the last issue as it concerns the

manager's most important resource – people. Clearly, the last understood of the major management functions, staff performance review or evaluation, is almost the most important because in carrying out this function, a manager either seizes the opportunity to construct a management organization soundly conceived and carried out along practical social and motivational principles, or failing this, creates for himself a workforce with sagging morale. A realistic evaluation scheme is one means of helping an organization and the individual managers within it to identify the performance level of people and the areas that need improving.

On the objective and purpose of performance management, Obadiah (1992) posits further that within the current public service particularly in Nigeria, performance management is done essentially for deciding employees' pay and promotion. But modern management practice sees the purpose of performance management in a broader perspective. According to him, two major overlapping reasons for performance management exist which include:

*To improve the management of staff resources by helping employees realize and fully utilize their potential while striving to achieve organizational goals; and,
To provide managers the information necessary for decision-making in several areas of personnel management for instance, promotion, training and discipline*

A common approach to performance management involves five steps which includes defining and communicating a future state of affairs that the organisation will attempt to achieve. This serves as the rationale for objectives and targets which stretch organisational capability; Translating these aspirations into long and short-term objectives, output and outcome performance indicators and targets against which performance and progress can be measured; Ownership must permeate the organisation structure and cascade through organisational levels with each level and each individual having responsibility for specific objectives and targets which, if realised, contribute to the attainment of key performance indicators and outcomes which the organisation is charged with achieving; Acceptance by management and organisational members of their collective and individual accountability for performance attained is essential. Accountability for delivering against individual short and long-term targets, once clearly defined, allows for the operation of systematic and comprehensive performance monitoring, review and evaluation; Reinforcing mechanisms must be in place, encompassing an appropriate set of positive and negative incentives (both organisational and individual) with positive consequences for success and negative consequences for under-performance against plan.

Employee performance management includes: Planning work and setting expectations; Continually monitoring performance; Developing the capacity to perform and Periodically rating performance in a summary fashion, and rewarding good performance. The responsibility for performance management rests with all managers for those managers directly responsible to them and assistant managers for those staff directly responsible to them. The evaluation requires an honest and courageous approach. However, how good an evaluation policy may be, it will not achieve its aims if the evaluation and subsequent interview are not carried out by each superior in an honest and courageous way. This also means that a superior who is responsible for subordinates who have to appraise others, should refuse to accept evaluation which are vague and non-committal. If he is not satisfied with it, he should insist on an improvement in the quality of the evaluation.

2.2 Theoretical Framework

The concept of performance management is theoretically under-pinned on the theory of motivation. There are several motivational theories in the literature: Maslow's needs hierarchy theory, Herzberg's two-factors theory, expectancy theory, path goal theory, McClelland's needs achievement theory etc. Of all these theories the path goal theory fits the performance management best. This is because performance standards are antecedent situations in the employee's work environment. Goals are performance levels which individuals and organizations have agreed upon as performance standards.

Path-goal setting studies have their roots in organizational psychology. In their path-goal theory of motivation, Locke and Latham (1990) stated that, given goal commitment, a specific challenging goal

leads to higher task performance than a vague goal, such as “do your best.” This assertion has been supported in over 500 empirical studies. A number of variables have been shown to moderate the relationship between goal difficulty and performance. These include, but are not limited to, ability, feedback, task complexity, and situational constraints (Locke & Latham, 1990).

Philosophically, the path-goal theory is based on the assumption that people have conscious goals that energized them and direct their thought and behavior toward one end (Bateman and Zeithaml, 1993). A key ingredient for effectively managing employees is the prudent use of goal setting. The prime axiom of goal setting theory is that specific, difficult goals lead to higher performance than when people strive to simply “do their best” (Locke & Latham, 1990). The performance benefits of challenging, specific goals have been demonstrated in hundreds of laboratory and field studies (Locke & Latham, 1990). Such goals positively affect the performance of individuals, groups, and organizational units as well as entire organizations and over periods as long as 25 years.

Setting a high performance goal is effective only when people already have the ability to perform a particular task effectively. On a task that requires learning, a specific challenging learning goal should be set. Specific challenging goals do not, however, necessarily lead to such desirable personal and organizational outcomes. Rather, the results from goal setting depend critically on issues pertaining to goal commitment, goal importance, task complexity, goal framing, team goals, Self-Efficacy and feedback. The goal setting theory is significant in that individuals in the performance goal condition did not out-perform those in the do-your-best condition would have been astonishing were this a standard goal setting experiment. This finding would be contrary to over a quarter of a century of evidence in the motivation literature that has shown that people who work toward specific, difficult goals out-perform those instructed to do their best. Setting a specific and difficult learning goal was, instead, associated with higher performance. Thus, taken together, these studies suggest that goal setting is a theory of ability as well as a theory of motivation.

The theoretical significance of this theory with regard to goal orientation is that it provides additional evidence that a person's goal orientation is a stable individual difference variable that affects performance. Various experiments undertaken have practical significance for goal setting research. Data show that a specific, challenging learning goal, like a performance goal, is a “strong” variable. A person's goal orientation affects subsequent performance in a “weak” setting— that is, when the goal is vague rather than specific and challenging. Specific, high goals communicate cogently to individuals the level of performance or learning that is expected in a given situation.

Goal-setting theory has its limitations. In an organization, a goal of a manager may not align with the goals of the organization as a whole. In such cases, the goals of an individual may come into direct conflict with the employing organization. Without aligning goals between the organization and the individual, performance may suffer. Moreover, for complex tasks, goal-setting may actually impair performance. In these situations, an individual may become preoccupied with meeting the goals, rather than performing tasks. Some people feel that one possible drawback of goal setting is that implicit learning may be inhibited. This is because goal setting may encourage simple focus on an outcome without openness to exploration, understanding or growth. Goal-setting may have little effect if individuals cannot check where the state of their performance is in relation to their goal. It is important for people to know where they stand in relation to achieving their goals, so they can determine the desirability of working harder or of changing their methods.

3. Research Methodology

3.1 Research Design

In order to accomplish the goals of this research, the research design entailed a combination of content analysis and survey design. In this case, a systematic, objective and quantitative procedure was adopted to analyze the content of the recorded information and an analytical process of eliciting data from the target population was applied through opinion survey. To this end the research combined content analysis and quantitative method.

3.2 Population of the Study and Sample Size

The population of study is the employees of the Central Bank of Nigeria. The Central Bank of Nigeria as at 2011 when this research was conducted has a total of 5300 employees which is made up of 4,145 males and 1,164 females (www.cenbank.org) cutting across all the departments and branch networks. The entire population could not be studied hence; a portion of the population was taken to ease the research and analysis of our findings. To this end, a sample of 500 respondents was randomly drawn from all the departments and units within the Bank cutting across all categories of staff.

The sampling technique employed in this study was simple random sampling. This technique was employed in order to give equal chance or opportunity to every employee to be selected. Similarly, simple random sampling was used because it was cheaper to study a sample than the entire population. This was done in order to avoid the problem of one unit being unproportionately included and thus, being represented less than, or greater than the proportion that existed in the entire population of the company. Moreover, it afforded the researcher to be more thorough and to obtain quicker results than did a complete coverage of the population.

The questionnaires were personally administered to the population. The questionnaire dealt with the personal data of the respondents and as well as questions on performance management and likely impact on employees' productivity as it all relate to overall effectiveness of the Central Bank of Nigeria. The questionnaires elicited facts on the main theme of the research. The questions were mostly of the alternative answers, which were ranked according to the choices of the respondents. While some others were open-ended questions in which the respondents were allowed to use their discretion to answer, other additional information were solicited from them. As earlier stated, a total of 500 questionnaires were distributed to the sampled population. The response from the distributed questionnaires will form the basis of analysis.

3.3 Methods of Data Collection

This research employed two basic methods of data collection in order to permit detailed inquiry into the issue of managing performance in the public sector with a view to evaluate the extent to which this NPM concept has been adopted in the public sector especially in the Central Bank of Nigeria. The sources of data for this study are classified into primary and secondary sources. The Primary source includes the administration of questionnaires. The questionnaire was structured into two sections with part one or section one focusing on the personal data of respondents, while part two examined performance management and organizational performance of the Central Bank of Nigeria. The questions included in the questionnaire were organized in such a way as to make the respondents supply information on the issues concerning performance management and its relationship with both employees' and organizational performance and the impact it has on the general performance of the Central Bank of Nigeria. Such information provided a good basis for one to assess and compare the Bank's performance. The secondary sources include; published and unpublished works, books, journals, workshops, public lectures, and information from newspapers, periodicals, magazines and annual report from CBN. The secondary materials was useful and shed more light on the area of research and provide additional information to what will be obtained through the primary sources.

3.4 Methods of Data Analysis

The method of analyzing data in this study was purely descriptive. Simple model average was employed to evaluate the varied opinions of respondents, which was tabulated for clarity and easy understanding. Simple average was favoured because it best served the purpose of the study, which was, in itself heavily dependent on primary and secondary data. Another reason for the choice of simple average as a method of data analysis was because most people easily understood it. On data analysis technique, tables were used in presenting and analyzing the data for this study. Simple percentages were presented in the tables to ease the description of the data. Similarly, chi-square statistical technique was used to find out the likely impact or otherwise of performance management on employees' productivity and organizational effectiveness and development. This is by way of determining the discrepancies that exist between the expected and observed frequencies using the stated hypothesis in chapter one. Finally, data were presented in tabular form, analyzed in simple percentages and possible conclusions were made thereafter. The chi-square is usually used to measure the level of discrepancy between observed and expected frequencies and is given as;

$$\chi^2 = \frac{(O-E)^2}{E}$$

Where:

X = chi-square

O = observed frequencies

E = expected frequencies

Σ = sigma or summation

The expected frequency is calculated by multiplying the column total by the row total and dividing the result by the grand total for each cell.

$$E = \frac{CT \times RT}{GT}$$

The degree of freedom is the number of freely varying scores within the sample. The difference is always one less than the sample size and is given as:

$$DF = (c-1)(r-1)$$

The level of significance refers to maximum probability with which we could be willing to risk. It could equally be referred to as probability of making a type one error designated as alpha, that is rejecting as false hypothesis, that is in fact true. For this study, the level of significance to be used is 0.05

4. Results and Discussions

Table 4.1: Sex of Respondents

Sex	Frequency	Percentage
Male	210	55.3
Female	170	44.7
Total	380	100

Source: Survey Data, 2015

Table 4.1 indicates that 55.3% of the respondents are male while 44.7% are female. The sex ratio of 2:1 in our sample is a reflection of the nature of management in the organization. As an organization set up to provide regulatory and other services, it requires dynamic, efficient and effective employees to achieve its desired goals and objectives.

Table 4.2: Respondents on Educational Level and the responses are as follows

Educational level	Frequency	Percentage
Secondary certificate	15	3.9
Post secondary cert.	54	14.2
Graduate	203	53.4
Post Graduate	108	28.4
Total	380	100

Source: Survey Data, 2015

Table 4.2 shows that none of our respondents' had a minimum of primary school certificate. However, about 3.9% of the respondents have a maximum of secondary school certificate. Similarly, 14.2% of the respondents had a maximum of post secondary certificate while 53.4% of respondents are university graduates, and 28.4% of our respondents are post graduate degree holders.

Table 4.3: Respondents on Cadre/Position in the organization

Position	Frequency	Percentage
Top Management	88	23.2
Middle Management	180	47.4
Low Management	112	29.5
Total	380	100

Source: Survey Data, 2015

Table 4.3 shows distribution of respondents by position of hierarchy in the organization. From the table 23.2% are at the top management level of the organization and 47.4% comprised of those at the middle management level while 29% are at the lower level. This is important since human resources activities are a top-down exercise, it is better all categories opinion is sampled.

Table 4.4: Respondents on Length of Service in the CBN

Length of service	Frequency	Percentage
1-5years	67	17.6
5-10 years	95	25.0
11-15 years	134	35.3
15 years & above	84	22.1
Total	380	100

Source: Survey Data, 2015

From Table 4.4, 17.6% of our respondents have worked with the bank for between 1-5 years, 25.0% for between 5-10 years, 35.3% 11-15 years and 22.1% upward of 15 years. The importance of this is to know knowledgeable respondents are in the area of performance management and to appreciate the effectiveness of the human resources management of the Bank.

Table 4.5: Respondents awareness of performance management in CBN

Responses	Frequency	Percentage
Yes	302	79.5
No	78	20.5
Total	380	100

Source: Survey Data, 2015

From Table 4.5, it can be deduced that 79.5% of the respondents are aware of the existence of performance management policy in CBN and 20.5% are not aware of practice of strategic performance management in the Bank. The researcher is strongly of the view that performance is dependent on effective HRM practice and should be a continuous process and should be carried out as often as it will enable the mutual goal setting technique perform significant role in employees development and productivity.

4.1 Hypotheses Testing

This section is concerned with the testing of hypotheses stated in chapter one. The two set of hypotheses were tested with the use of chi-square statistical techniques.

H₀_i: Performance management is not positively associated with organisational performance in the Central Bank of Nigeria.

To verify the above hypothesis, the below chi-square formular would be adopted

$$\text{Chi-square } (X^2) = \frac{(fo-fe)^2}{fe}$$

Where:

Fo = observed frequency

Fe = Expected Frequency

DF = Degree of freedom. This determine the critical value in statistical table

In order to effectively test this hypothesis, questions that are closely related to the hypothesis will be used.

Options	There is linkage or relationship between goal setting, performance management and organizational performance in CBN	implementation of performance management policies in CBN enhance efficiency and improvement in employee performance	Row Total
Yes	261	230	491
No	110	96	206
Don't Know	09	54	63
Column Total	380	380	760

Calculation of expected frequency (fe)

$$fe = \frac{\text{column Total} \times \text{row Total}}{\text{Grand Total}}$$

Table 4.6: Chi-Square

Cell	Fo	Fe	Fo-Fe	(Fo-Fe) ²	(Fo-Fe) ² /Fe
A	261	245.5	15.5	240.25	0.98
B	110	103	07	49	0.48
C	09	31.5	-22.5	506.25	56.25
D	230	245.5	15.5	240.25	0.98
E	96	103	07	49	0.48
F	54	31.5	22.5	506.25	56.25
$\sum (fo-fe)^2/fe = 115.42$					

$$X^2_c = 115.42$$

Since we have 4 x 2 Contingency Table

$$\begin{aligned} &(4-1)(2-1) \\ &(3)(1) \\ &Df = 3 \end{aligned}$$

Critical Value

With 4x2 contingency table and with the degree of freedom =3 the critical value would be 0.05 or 5% (See Appendix II)

: Critical Value = 7.85

Tabulated Value of X^2_t @ 5% (0.05) level of significance = 7.85

Decision Rule

The underlying idea is that observed frequencies should be close to the frequencies that would be expected. Large differences will lead to deciding whether to accept or reject the hypothesis of independent variables. In applying the decision, it is considered that if x^2 calculated is greater than x^2 tabulated therefore we reject the null hypothesis and accept the alternative hypothesis, and if x^2 calculated is less than x^2 tabulated, therefore, we accept the null hypothesis and reject the alternative hypothesis.

Result of Hypothesis

Based on the decision rule which states that if $x^2_c < x^2$ the null hypothesis should be rejected and if $x^2 > x^2_c$ the alternative should be accepted. From the results above, it can be deduced that $x^2_c = 115.42 > x^2 = 8.75$ it can therefore be concluded that the null hypothesis be rejected and alternative hypothesis accepted i.e performance management is positively associated with organizational performance in the central Bank of Nigeria.

H₀₂: Organizational goal attainment is not dependent on goal setting and performance management policies in Central Bank of Nigeria

In order to effectively test this hypothesis, Tables 5.2.8 and 5.2.19 will be adopted since the questions are closely related to the hypothesis.

Options	Are you given specific and challenging or general goals?	Did you think the CBN is committed to goal setting and attainment?	Row Total
Yes	221	251	472
No	107	101	208
Don't Know	52	28	80
Column Total	380	380	760

Calculation of expected frequency (fe)

$$fe = \frac{\text{column Total} \times \text{row Total}}{\text{Grand Total}}$$

Table 4.7: Chi-Square Table

Cell	Fo	Fe	Fo-Fe	(Fo-Fe) ²	(Fo-Fe) ² /Fe
A	221	236	-15	225	0.95
B	107	104	3	9	0.07
C	52	40	12	144	3.6
D	251	236	15	225	0.95
E	101	104	-3	9	0.07
F	28	40	-12	144	3.6
$\sum (fo-fe)^2/fe = 9.24$					

$$X^2_c = 9.24$$

Since we have 4 x 2 Contingency Table

$$(4-1) (2-1) = (3) (1)$$

$$Df = 3$$

Critical Value

With 4x2 contingency table and with the degree of freedom =3 the critical value would be 0.05 or 5% (See Appendix II)

: Critical Value = 7.85

Tabulated Value of X^2_c @ 5% (0.05) level of significance = 7.85

Decision Rule

The underlying idea is that observed frequencies should be close to the frequencies that would be expected. Large differences will lead to deciding whether to accept or reject the hypothesis of independent variables. In applying the decision, it is considered that if x^2 calculated is greater than x^2 tabulated therefore we reject the null hypothesis accept the alternative hypothesis and if x^2 calculated is less than x^2 tabulated therefore we accept the null hypothesis and reject the alternative hypothesis.

Result of Hypothesis

Based on the decision rule, if $x_t^2 < x_c^2$ the null hypothesis should be rejected and if $x_t^2 > x_c^2$ the alternative should be accepted. From the results above, it can be deduced that $x_t^2 = 9.24 > x_c^2 = 8.75$ it can therefore be concluded that the null hypothesis be rejected and alternative hypothesis accepted i.e organizational goal attainment is dependent goal setting and performance management policies in Central Bank of Nigeria.

4.2 Discussions of Findings

From the research findings, one will be right to say that performance management is a panacea to performance in terms of its ability to serve different roles in organizations. Most organizations have professionally developed performance management systems, provided training, and required managers to conduct annual reviews of subordinates directly reporting to them. To a great extent, this approach to the formal appraisal process could be described as quite typical for other public sector organizations. From the study, it can be seen that in Central Bank of Nigeria, there is a significant relationship between participation in goal setting, goal achievement and employees performance. Therefore, goal setting, clear role and objective, workable appraisal method of performance management should emphasize a high level of participation on the part of employees since it guarantees commitment of the employees actualizing such goal or objectives.

In view of this, where employees are unduly alienated from participating in setting work related goals and particularly, where such employees feel the need for his/her participation, there is the tendency for such goals or at least, demonstrate very low level of commitment toward tasks and responsibility. The various responses to the results were mixed. Both managers and their subordinates believed that the assessment process allows employees' input about their jobs; informs employees of where they stand; helps to clarify the employees' performance and objectives and hence, facilitates the discussion of the employees' development. Given employee needs for feedback, direction, role clarity, job involvement, and development, these are very positive findings. The performance management process in the Bank was conversely perceived as being very effective by respondents as a vehicle for improving the employee motivation/performance and linking merit pay to the employee performance. These findings are particularly noteworthy since two of the most frequently cited reasons for carrying out performance management is to improve employee motivation and performance. In each scenario, the system received positive ratings, especially from the subordinates' perspective. The study showed that performance management is an integrated system used for various purposes to enhance organizational performance and productivity etc. It was also, discovered that staff of Central Bank of Nigeria perceived performance management as effective and that it needs constant monitoring to enable it play significant role in improving employees' skills and potentials to achieve productivity.

Finally the two hypotheses stated were tested and it was discovered that after applying the decision rule using the chi-square the null hypothesis were rejected and alternative hypotheses were accepted. The general conclusion is that there is a strong relationship between performance management and organizational performance in the Central Bank of Nigeria.

5. Conclusion and Recommendations

5.1 Conclusion

People (employees) are the main concern of human resources management whereas human resources are the most valuable factor of production available to the organization, as people are needed to harness the other resources in accomplishing organizational objectives. Performance management, when evaluated as both a tool to improve the manager/subordinate relationship and as a communications tool, the process received a split review. Managers believed the assessment process was reasonably effective in both areas while subordinates viewed the process as ineffective. On the other hand, while managers viewed the assessment process in a much more favorable light in comparison to the subordinates who considered the exchange more likely to be one-sided or one-way communication. Given the importance of manager/subordinate working relationships and effective manager/subordinate communications, these findings are problematic. They suggest that managers might not be aware that the assessment process is not meeting the needs of their subordinates. In addition, the process by its very nature forces the manager to communicate with the subordinate where the converse is not necessarily true. The merits of the

performance management as a tool to improve the manager/subordinate relationship and communications are thus called to question by the very individuals the process was supposed to benefit.

In the light of the above, it can be concluded that performance management is an important and meaningful management tool in achieving organizational goals. Thus, as a management tool, it helps both supervisors and subordinates alike to improve their job performance and consequently, their career development to achieve productivity. This research reviews the extensive literature relating to organizational performance management. While there is considerable evidence that performance management provides the critical input for certain types of administrative decisions, its contribution to the more positive aspects of management such as feedback and counseling is far less evident in the company. It is clear from the literature that to be effective performance measurement activities should be designed to (i) manage the right things and (ii) manage them properly. Many tools and frameworks are proposed for each of these attributes of performance management. However there are clear themes which underpin these activities.

5.2 Recommendations

As part of the above findings, the following recommendations were made:

1. Performance management technique becomes more effective when used for specific purpose. In view of this development, the study recommends separate assessment technique for different purposes in place of the current multi-purpose performance management system. However, an assessment system for salary administration and promotion should be kept separately from appraisals for employees' development/productivity, which also needs to be on continuous basis. Therefore, if this is adopted, it will eliminate various distortions to which the performance management is currently subjected as a result of reward and punitive outcome attached to it.
2. Management plays a significant role in the success or otherwise of any programme in an organization. The management of Central Bank of Nigeria should ensure greater support for performance management system by providing the necessary information, financial and material resources essential to the successful operation of the performance management and development system and regularly upgrading performance management system process and software where it is ICT-based.
3. Performance management training must focus on helping managers develop specific appraisal skills and confidence in their ability to effectively evaluate others. These skills should include: goal setting, communicating performance standards, observing subordinate performance, coaching and providing feedback, completing the rating form, and conducting the appraisal review. Appraisals without training often lead to ineffectiveness, frustration, and dissatisfaction. Such training on the part of the supervisors would make them more alert to their responsibility of helping subordinates to set their work related goals and point out possible deviations from such goals a manner that would encourage such a subordinate to make corrective action as well as ensure objectivity in assessment rating. While on the other hand, on the part of subordinates, such training would ensure more purposeful participation in goal setting of management and increased knowledge and understanding of work process.
4. Effective performance planning is required to set the stage for effective staff assessment. More than half of the subordinates in this study cited unclear performance standards as a cause of ineffective assessment. Meaningful and accurate evaluation and feedback requires that clear goals be established beforehand. Therefore, a large part of the assessment process should be devoted to determining what actions need to be taken in the future, since it is harder to correct the results of poor planning than it is to plan correctly at the beginning.

5.3 Contributions to Knowledge

Finally, worthy and very important is the contribution of this study to scholarship in the academic field. It would be very useful to scholars who intend to embark on a similar research, as they will gain much insight from the entire research work. The study is also a contribution to the already existing literature on job performance management in Nigeria.

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