

Management by Objective as A tool for Organizational Performance In Guaranty Trust Bank Plc

**SHONUBI, Akeem Olalekan (PhD) and
SODIPO Olufunlayo Olayinka (PHD)**

Department of Business Administration & Marketing,
College of Social & Management Sciences
McPherson University, Seriki-Sotayo,
P.M.B. 2094, Abeokuta, Ogun State, Nigeria.
Corresponding Author: bosak200020012000@yahoo.com

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ABSTRACT

Although various management techniques have been in existence since business but the last two centuries have experienced a major change in their management. This can be seen in the improvement of the management system through the use of Management by Objective. it is in view of this that the study examined Management by Objective as a tool for Organizational Performance. A descriptive survey research design was used. the population of the study was both contract and permanent staffs of Guaranty Trust Bank Plc with a total of eleven thousand, two hundred and twenty-six (11,226). The sample size of 388 was determined through the use of Taro Yamane's formula. The Cronbach's alpha coefficient for the constructs ranged between 0.837 to 0.941. A total of 388 questionnaires were distributed with a response rate of 79.6%. The data gathered were analysed using regression analysis. The findings revealed that there is a significant impact of Management by objective on Organizational Performance. The study recommended that managers should encourage employee participation in the setting of organizational goal so as to encourage employees' commitment, satisfaction and performance and regular performance appraisal and feedback should be put in place which in turn leads to greater organizational performance.

Keywords: Management by Objective, Participative Decision Making, Performance Appraisal, Performance Feedback, Organizational Performance.

1.0 Introduction

Management by Objective has shown to be an effective management system but only limited numbers of countries in Africa has applied this technique and others are yet to apply it. The western region in Africa is the region that largely utilizes this technique (Nwite, 2016). In the western region of Africa, Nigeria is one of the countries that are currently applying MBO, in various business sectors and in different states (Nwite, 2016). Principals of secondary schools in Nigeria use MBO in administration and to strategize, in the management of school community relationship (Nwite, 2016). MBO is seen as being beneficial to the management of school, because it is used in achieving educational goals which is providing necessary education for the world today and the future (Wenceslaus, 2010), also in administration of Universal Basic Education in Makurdi, Nigeria, it is seen that MBO has significant effects on the decision making and in the administration. (Nwite, 2016). Some management of companies in Nigeria lack sufficient techniques and expertise to make them manage effectively (Ugwu, 2012). Management by Objective as a management technique which involves the participation of both superiors and subordinates participating in the setting of organizational goals for job task is used in various industries (Grigorios, 2012). Unfortunately many of the organizations are yet to adopt this technique in full commitment and support of their staff. They basically only often pay lip services to the MBO technique, thus excluding staff in standard/goal setting that involves them (Ugwu, 2012). They believe that employees lack sufficient expertise and as such their contribution will be insignificant to the organization. Also due to security purposes, employees are restricted from participating in the decision making process (Ugwu, 2012). This restriction placed on employees might lead to low productivity and performance in the organization, as there will be lack of motivation in completing job task and no sense of community in the organization.

Management by Objective as a management tool which does not only cut across the participation of both subordinate and superior, but also involves the monitoring and accessing of employees performance towards the goals (Drucker, 1954). Some organisations lack sufficient expertise to carry out appraisal and when done, they tend to neglect the goals set for employees (Ugwu, 2012). Such appraisal process might lead to employees slacking off and even pursuing of other objectives which are not related to the organization and as such reducing the productivity and performance of the organization. Management by Objective also does not clarify the process for attainment of the objective set and as such, different corrupt and unethical means are adopted by the employees in accomplishing the task given to them. Such unethical means might be unhealthy to the performance of the organization (Singh, Singh and Khan, 2016).

Banks in Nigeria have been applying various styles of management over the years in their banks as parameters of management, such as autocratic, democratic, laissez faire and so on (Okon & Isong, 2016). It is important to note that these management styles and technique require feedback from both within and outside the organization, Management by Objective is not an exemption. Feedback is a filial ingredient in Management by Objective as well as the organisation's system. Some organisations do not have an effective communication channel in place which can lead to a barrier in feedback (Drucker, 1964). Also some organisations do not carry out periodic and objective feedback and as such, they will be ignorant of the employees' performance and leave room for biased and wrong information (Surekha, 2012). Such ignorance has led to the delay in the rectifying of employees' drawback which had caused damage to the organisation's performance (Okon & Isong, 2016).

It is on this premise that the researcher intends to look at how Management by Objective can be employed as a tool for organizational performance in Nigeria. In order to investigate some of the above problems, one of the leading financial institutions in the country, Guaranty Trust Bank Plc, has been selected as a case study.

The main objective of this study is to find out the impact of Management by Objective on organizational performance.

1.1 Objectives of the Study

The specific objectives of this study are to:

1. determine the impact of participative decision making on organizational performance
2. assess the effect of performance appraisal on organizational performance
3. investigate the effect of performance feedback on organizational performance.

1.2 Research Questions

The following research questions will be used as a guide to the research work/study:

1. What is the impact of participative decision making on organizational performance?
2. What is the effect of performance appraisal on organizational performance?
3. What is the effect of performance feedback on organizational performance?

1.3 Research Hypotheses

In this study, the following hypotheses are put forward;

- Ho₁:** Participative decision making does not have an impact on organizational performance.
- Ho₂:** Performance appraisal does not have an effect on organizational performance.
- Ho₃:** Performance Feedback does not have an effect on organizational performance.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 The Concept of Management by Objective

Management by objectives (MBO) is a process of agreeing upon objectives within an organisation so that management and employees agree to the objectives and understand what they are (Drucker, 1964). Managers must avoid the 'activity trap' of being busy with day to day activities; they must remain focused on their purpose. Drucker "management by objectives" (MBO) has been implemented to great effect in many organisations. Recognizing that objectives for MBO must be SMART (Specific, Measurable, Achievable, Realistic and Time-specific) is essential to success (Drucker, 1964).

According to Drucker, managers should adopt the goal of lower-level management, senior managers when the organisation established the organisation goal, they must be effectively broken down into various departments, as well as the individual sub-goals, the manager under sub-targets in the right lower for assessment of performance management by objectives is the essence of the value-oriented, management by objective makes the whole company, each department, each person can have in advance a clear quantifiable targets, things they can check the evaluation, and afterwards they can reward and punishment honored to achieve a comprehensive, fair and interactive Management. MBO is designed to improve the management process and maximize the effectiveness of the members of individual teams (Drucker, 1964).

MBO is meant to help the employee assess and prioritize efforts to make certain those efforts are focused on the bottom line and organizational values. The process also helps the team understand what the organisation does not value and what it may not need to do any more. (Drucker, 1964).

2.1.2 Participative Decision Making

"Participative decision making is known by many names including participative management, shared leadership, employee empowerment, employee involvement, dispersed leadership, open-book management, or industrial democracy" (Antoni, 2005). Employee participation deals with the need for cooperation between employer and employees (Bendix, 2001). PDM is the process which involves employees and administration sharing information processing, decision making and problem solving in the organization (Wagner, 1994). According to Kombo, Obonyo and Oloko (2014), it is special form of delegation in which the subordinate gain greater control, freedom of choice with respect to the bridging the communication gap between the management and the workers. The basic concept involves any power-sharing arrangement in which workplace influence is shared among individuals who are otherwise hierarchical unequal. Such power-sharing arrangements may entail various

employee involvement schemes resulting in co-determination of working conditions, problem solving, and decision-making" (Locke & Schweiger, 1979)

2.1.3 Performance Appraisal

Performance appraisal is the measure of the value of the task done by an individual. Performance appraisal is an employee's accomplishment of assigned work as specified in the critical elements and as measured against standards of the employee's position (Boateng, 2011). Performance appraisal is giving value to the duties and responsibility assigned to employees. Task appraisal is a method by which the job performance of an employee is evaluated in terms of the degree of effectiveness by corresponding manager or supervisor (Adofo, 2011). It can also be termed as an analysis of an employee's recent successes and failures, personal strengths and weaknesses and suitability for further training (Boateng, 2011). Task appraisal improves and develops employee competence. Task appraisals improve employees' skills by identifying and improving on their weaknesses. Banjoko (2005) explains that task appraisal is viewed and conducted solely in terms of its evaluative aspect thereby overlooking its use for facilitating growth and development in employees through training, coaching, counseling and feedback of appraisal information.

2.1.4 Performance Feedback

Regardless of whether you are a senior executive or just starting out, everyone wants to know how he is doing at his job. Feedback is an essential communication tool in business performance management. One of the most effective techniques is constructive feedback, but all feedback calls for giving and receiving information (Danna & Griffin, 1999). The performance feedback process is ongoing between managers and employees. The exchange of information involves both performance expected and performance exhibited (Danna & Griffin, 1999). According to Indiana University Human Resources Service, "Constructive feedback can praise good performance or correct poor performance and should always be tied to the performance standards." Feedback exhibits these characteristics; Management, Structure, Confidentiality, Timing and Successful feedback (Danna & Griffin, 1999).

2.1.4 Organizational Performance

Organisational performance comprises the actual results of an organisation as measured against its intended outputs (or goals and objectives). Organisational performance involves analyzing a company's performance against its objectives and goals. In other words, organizational performance comprises real results or outputs compared with intended outputs. According to Richard, Devinney, Yip and Johnson (2009) organizational performance encompasses three specific areas of firm outcomes: Financial performance (profits return on assets, return

on investment, etc.); Product market performance (sales, market share, etc.); Shareholder return (total shareholder return, economic value added, etc.). The term organizational effectiveness is broader. Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development.

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: Financial performance (e.g. shareholder return); Customer service; Social responsibility (e.g. corporate citizenship, community outreach); Employee stewardship; Organizational performance; Performance measurement systems; Performance Improvement and Organizational engineering. (Kanter & Brinkerhoff, 1981)

2.2 THEORETICAL REVIEW

The study was anchored on Hollman's Model (2013). This model consists of a number of the following distinctive steps: Identification of managers' key areas of job responsibility; establishment of specific objectives in each key area of responsibility; periodic review of progress toward objectives and end-of-period evaluation of managers' performance on objectives. This model identified that the managers' assessments of MBO effectiveness were measured in terms of seven MBO effectiveness dimensions namely; planning and organizing work, objective method of evaluating work performance, motivation of the best performance, coordination of individual and work group objectives, improvement in manager-employee communication, improvement in manager-employee cooperation and overall satisfaction with MBO (Hollmann, 2013).

2.3 EMPIRICAL REVIEW

2.3.1 Empirical Framework of Participative Decision Making and Organisational Performance

Udu and Aturu-Aghedo (2016) in their study "Effects of participative decision making on the performance of Federal Airports Authority of Nigeria (FAAN), Lagos" The broad objective of this study is to find out if the employee actively participates in decision making and the effect on organizational performance. Primary data was utilized in this study. Questionnaire was used as the primary source of primary data. ANOVA was used to test for the null hypotheses. SPSS was used at arriving at the findings. The findings of this study indicated that the use of participative decision making will increase an organisation's performance to a higher level.

Rizwan, Yasin, Sadaf, Hina and Hina (2013) in their

study "Effect of Knowledge Sharing, Participative Decision Making and Transformational Leadership on Organisational performance" This study seeks to study the impact of knowledge sharing, Participative Decision Making and Transformational Leadership on Organisational performance. Data was collected through questionnaire from health, education, manufacturing, telecom and financial sector of Gujranwala and Lahore region of Pakistan using stratified random sampling technique. Sample size was 300 and 245 complete questionnaires were received back. The result indicated that participative decision making helps in improving organizational performance through goal attainment.

Ezennaya (2011) in her study "Employee participative decision making and its impact on productivity: An appraisal of government printing press and two other private publishing firms in Enugu" This study examined employee participation in decision making and its impact on productivity using three publishing outfits in Enugu namely; Government Printing Press, ROCANA Nig Ltd and GOSTAK Nig Ltd. The population consisted of managers and employees in firms stated above which is located at Enugu urban. The sample size for the study was 137. Questionnaire and Oral interview was used as an instrument for collecting data from managers and employees. The outcome of the study was analyzed by the use of tables and percentages while the three hypotheses formulated were tested by the use of chi square. The result of the study is as follows: Participative decision making does not involve participation at all levels of management; there is a positive relationship between participative management and productivity; the investment effort in the practice of participation has not been yielding the desired output; there are diverse perceptions of participation among the workers and managers and the pressing problem facing the practice of participation is that employees and managers misconstrue participation in decision making.

Oyebamiji, (2018) in her study "Influence of Employees Participation in Decision Making on Organisation Performance: A Study of Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso, Oyo State, Nigeria" This study examines the influence of employees' participation in decision making on organization performance with reference to Ladoke Akintola University of Technology (LAUTECH) Teaching Hospital, Ogbomoso, Oyo State, Nigeria. The total population for this study was 800. Purposive random sampling technique was used to select Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso Oyo State, Nigeria, while simple random sampling method was used to select 205 respondents. Data were sourced through a structured questionnaire and frequency, percentage, means, standard deviation

and linear regression analysis were employed to analyze the data. The findings of this study indicated that both direct and representative participation both have a positive and significant impact on organizational performance. Also results indicated that there is a low level of employee participation in LAUTECH teaching hospital, Ogbomoso due to unwillingness of management to share decision making with employees.

Nwoko and Emerole (2017) in their study "Effect of Employees Participation in Decision Making on Organisational Performance: A study of National Root Crops Research Institute Umudike (2012-2016)" This study focused on the effect of employees' participation in decision making on organizational performance with reference to National Root Crops Research Institutes Umudike (NRCRI). The study adopted survey research design; primary and secondary data were used. The population of the study consists of all the employees of the institution. Logistic Regression analysis and Pearson Product Moment Correlation were used to run the analysis through SPSS version 20. The result of the finding revealed that there is a positive relationship between employees' participation in decision making and work commitment of the employees in the institution. Also employees' participation in the decision making has a low positive effect on the productivity of the institution with correlation coefficient of $r = 0.228$.

2.3.3 Empirical Review of Performance Appraisal and Organizational Performance

Obi (2016) in his study "Performance Appraisal as a Tool for Enhancing Productivity in an Organisation" This study focus on using performance appraisal as a tool for enhancing productivity in an organization. Descriptive research design was adopted in this study. Interviews and questionnaire were used in collecting data. Data obtained were analyzed using tables and percentages. The result indicated that performance appraisal helps an organization to position employees adequately for optimum productivity.

Wachiuri (2017) in her study "Effect of performance appraisal on organizational performance: A case study of KPMG Kenya" The purpose of this research is to investigate the extent of performance appraisals in measuring performance of an organization" A descriptive research was used and the research used questionnaire in collecting of data. The population of the study was 50. 50 questionnaires were distributed to KPMG staff. Data was analyzed using both descriptive and inferential statistics by using SPSS and the results were presents in figures and tables. Regression analysis was used in analyzing of the variables. The findings indicated that objective based appraisals contribute to organisational performance.

Mwema and Gachunga (2014) in their study "The

influence of performance appraisal on employees productivity in organisations: A case study of selected WHO offices in East Africa" The objective of this study is to establish the effects of performance appraisal on employee productivity a case study of World Health Organisation (WHO). Descriptive design was adopted in this study. Regression analysis was done to establish the effects of performance appraisal on employee productivity. The result indicated that organisations should appraise their employees often through utilized targets, accomplishments, organization goals, time management and efficiency for performance measure purposes as it would lead to increase in employees' productivity.

Kolawole, Komolafe, Adebayo, and Adegoye (2013). In their study "Appraisal System: A Tool for Performance in Selected Organisations in Nigeria" This study focuses on the use of performance appraisal in most organisations in Nigeria. This study used National Petroleum Investment Management Services and National Engineering and Technical Company in Lagos as a case study. The sample size taken was 620 that is, 129 and 27 respectively using stratified sampling technique. Questionnaire was used in the collection of data. Both qualitative and quantitative data were collected for this study. The analysis used for analyzing the data was SPSS while content analysis was utilized in analyzing the qualitative data. The finding of this study shows that employees have good knowledge of performance appraisal but their attitude towards it is not positive because of the way it is done.

2.3.4 Empirical Review of Performance Feedback and Organisational Performance

Nar (2017) in his study "The Role of Feedback in Employee Performance Improvement" This study deals with the role of feedback in employee performance. This study used five hypotheses to look into various aspect of feedback. Primary data was majorly used in obtaining data. Correlation was the unit of analysis used in this study. The result suggested that there is a correlation between feedback and performance.

Singh, Tiwari, and Singh (2010) in their study "Performance Feedback, Mental Workload and Monitoring Efficiency" The objective of this study is to examine the effect of success and failure performance feedback on perceived mental workload and monitoring performance in flight situation task. The revised version of the multi-attribute task battery (MATB) was administered on 20 non-pilot participants. The performance was recorded as hit rates false alarms and root mean square errors. Mental workload was accessed using NASA-TLX questionnaire. The result showed that performance feedback did not have a significant effect on mental workload and malfunction detection.

Dahling, O'Malley and. Chau (2015) in their study

“Effects of Feedback Motives on Inquiry and Performance” The purpose of this study is to examine how two motives for feedback-seeking behavior, the instrumental and image enhancement motives, impact the feedback-seeking process and supervisor ratings of task performance. For this study, correlational data were collected from supervisor-subordinate dyads and analysed with path analysis. The result show that perceptions of a supportive supervisory feedback environment are associated with both higher instrumental and image enhancement motives. The instrumental motive fully mediates the relationship between the feedback environment and feedback-seeking behavior. However, the positive effect of feedback-seeking behavior on task performance ratings made by supervisors is only significant when the image enhancement motive is low.

3 Methodology

This study adopted descriptive survey research design through the use of questionnaire. The

population of the study comprised of 11,226 staff of First Bank of Nigeria PLC. The sample size of this study was 388 staff which was determined through the use of a formula derived by Taro Yamanne. The data was analysed using a statistical tool of Regression Analysis with the aid of the Statistical Package for Social Sciences (SPSS version 22.0) at 5% level of significance. Descriptive Statistics was also used to analyse the relevant data.

4 Analysis & Results/Discussions

H₀₁: impact of participative decision making on organizational performance in Guaranty Trust Bank Plc.

In order to test hypothesis one, standard simple regression analysis was used. Data on of participative decision making on organizational performance in Guaranty Trust Bank Plc. were obtained by adding the items under each of the variable. The results of the test of hypothesis are presented in Table 5.

Table 1: The Overall Significance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.394	.156	.127	.101513		
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.068	2	6.776	6.776	.015
	Residual	.377	309	.010		
	Total	.433	307			
a. Dependent Variable: Participative Decision Making						
b. Predictors: (Constant), Organizational Performance						

Source: Field Survey 2019

Table 2 Regression Coefficients

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.461	.145		3.065	.004	10.104	12.107
	Participative Decision Making	.482	.164	.393	2.672	.015	.167	.278
a. Dependent Variable: Organizational Performance								

Source: Field Survey 2019

The results presented in table 1 show the effect that participative decision making have on organizational performance was significant (F = 6.776, p < 0.05). From the table, 15% of the variation in organizational performance was explained by variation in participative decision making(R square = .156, p < 0.05). β was also statistically significant (β = 0.482, t= 2.672, p < 0.05). Overall, regression results presented in table 2 indicate that participative decision making has positive effect on

organizational performance
The hypothesis that participative decision making impact organizational performance was therefore confirmed for organizational performance indicators. As participative decision making increases, organizational performance increases in Guaranty Trust Bank Plc.

$$O P = .461 + .482 P D M + ?$$

..... (Eqn. 1)

Where:

OP= Organizational performance
 PDM = Participative decision making

? = Error term

Discussion

The regression equation one indicates that the parameter estimates complied with a priori expectation which explains that participative decision making will increase organizational performance of Guaranty Trust Bank Plc. The constant is 0.461 implies that if participative decision making is zero, organizational performance would be 0.482. The coefficient of participative decision making is 0.482 which indicates that a 1-unit increase in participative decision making is associated with a 0.482 units increase in organizational performance of Guaranty Trust Bank Plc. This implies that an increase in participative decision making will subsequently increase performance of participative decision making. The result of hypothesis one demonstrates that participative decision making of Guaranty Trust Bank Plc. has a significant effect on performance of Guaranty Trust Bank Plc.

Nwoko and Emerole (2017) in their study “Effect of Employees Participation in Decision Making on Organisational Performance: A study of National Root Crops Research Institute Umudike (2012-2016) This study focused on the effect of employees' participation in decision making on organizational performance with reference to National Root Crops Research Institutes Umudike (NRCRI). The study adopted survey research design; primary and secondary data were used. The population of the study consists of all the employees of the institution. Logistic Regression analysis and Pearson Product

Moment Correlation were used to run the analysis through SPSS version 20. The result of the finding revealed that there is a positive relationship between employees' participation in decision making and work commitment of the employees in the institution. Also employees' participation in the decision making has a low positive effect on the productivity of the institution with correlation coefficient of $r=0.228$.

Oyebamiji (2018) in her study “Influence of Employees Participation in Decision Making on Organisation Performance: A Study of Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso, Oyo State, Nigeria” This study examines the influence of employees' participation in decision making on organization performance with reference to Ladoke Akintola University of Technology (LAUTECH) Teaching Hospital, Ogbomoso, Oyo State, Nigeria. The total population for this study was 800. Purposive random sampling technique was used to select Ladoke Akintola University of Technology Teaching Hospital, Ogbomoso Oyo State, Nigeria, while simple random sampling method was used to select 205 respondents. Data were sourced through a structured questionnaire and frequency, percentage, means, standard deviation and linear regression analysis were employed to analyze the data. The findings of this study indicated that both direct and representative participation both have a positive and significant impact on organizational performance. Also results indicated that there is a low level of employee participation in LAUTECH teaching hospital, Ogbomoso due to unwillingness of management to share decision making with employees.

Ho₂: there is no significant relationship between performance appraisals on organizational performance.

Table 3: The Overall Significance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.332	.146	.119	.101217		
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.077	2	7.342	6.532	.015
	Residual	.353	309	.018		
	Total	.514	307			
a. Dependent Variable: Employees Performance						
b. Predictors: (Constant), Performance Appraisal						

Source: Field Survey 2019

Table 4 : Régression Coefficients

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.474	.134		3.181	.004	11.135	14.271
	Performance Appraisal	.463	.172	.269	2.912	.015	.164	.251
a. Dependent Variable: Organizational performance								

Source: Field Survey 2019

The results presented in table 3 show the effect that performance appraisal have on organizational performance was significant (F = 7.342, p < 0.05). From the table, 15% of the variation in organizational performance was explained by variation in performance appraisal (R square = .146, p < 0.05). β was also statistically significant (β = 0.463, t= 2.913, p < 0.05). Overall, regression results presented in table 4 indicate that performance appraisal has positive effect on organizational performance.

The hypothesis that performance appraisal affect organizational performance was therefore confirmed for organizational performance indicators. As performance appraisal increases, organizational performance increases in Guaranty Trust Bank Plc.

$$OP = .474 + .463 PA + ?$$

(Eqn. 2)

Where:

OP= Organizational performance

PA= Performance Appraisal

?= Error term

Discussion

The regression equation one indicates that the parameter estimates complied with a priori expectation which explains that performance appraisal will increase organizational performance of Guaranty Trust Bank Plc. The constant is 0.474 implies that if performance appraisal is zero, organizational performance would be 0.463. The coefficient of performance appraisal is 0.474 which indicates that a 1-unit increase in performance appraisal is associated with a 0.461 units increase in organizational performance of Guaranty Trust Bank Plc. This implies that an increase in performance appraisal will subsequently increase organizational performance. The result of hypothesis one

demonstrates that performance appraisal of Guaranty Trust Bank Plc. has a significant effect on organizational performance of Guaranty Trust Bank Plc.

Wachiuri (2017) in her study “Effect of performance appraisal on organizational performance: A case study of KPMG Kenya” The purpose of this research is to investigate the extent of performance appraisals in measuring performance of an organization” A descriptive research was used and the research used questionnaire in collecting of data. The population of the study was 50. 50 questionnaires were distributed to KPMG staff. Data was analyzed using both descriptive and inferential statistics by using SPSS and the results were presents in figures and tables. Regression analysis was used in analyzing of the variables. The findings indicated that objective based appraisals contribute to organisational performance. Mwema and Gachunga (2014) in their study “The influence of performance appraisal on employees productivity in organisations: A case study of selected WHO offices in East Africa” The objective of this study is to establish the effects of performance appraisal on employee productivity a case study of World Health Organisation (WHO). Descriptive design was adopted in this study. Regression analysis was done to establish the effects of performance appraisal on employee productivity. The result indicated that organisations should appraise their employees often through utilized targets, accomplishments, organization goals, time management and efficiency for performance measure purposes as it would lead to increase in employees' productivity.

H₀₃: There is no significant effect of performance feedback on organizational performance in Guaranty Trust Bank Plc.

Hypothesis three was tested using simple regression

Table 5: The Overall Significance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.534	.313	.256	.094053		
ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.097	3	.034	3.762	.023
	Residual	.231	26	.009		
	Total	.327	29			
a. Dependent Variable: performance feedback						
b. Predictors: (Constant), Organizational performance						

Source: Field Survey 2019

Table 6: Régression Coefficients

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.431	.175		2.604	.024	12.140	13.143
	performance feedback	.463	.216	.443	2.251	.041	.117	.231

a. Dependent Variable: Organizational performance

Source: Field Survey 2019

The results presented in table 5 show the effect that performance feedback have on organizational performance was significant (R Square = .313, F = 3.762, p < 0.05). From the table, 15% of the variation in organizational performance was explained by variation in performance feedback (R square = .313, p < 0.05). β was also statistically significant (β = 0.431, t= 0.463, p < 0.05). Overall, regression results presented in table 6 indicate that performance feedback has positive effect on organizational performance.

The hypothesis that performance feedback affects organizational performance was therefore confirmed for organizational performance indicators. As performance feedback increases, organizational performance increases in Guaranty Trust Bank Plc.

$$O P = . 4 3 1 + . 4 6 3 P F + ?$$

..... (Eqn. 3)

Where:

OP= Organizational Performance

PF= Performance Feedback

?= Error term

Discussion

The regression equation one indicates that the parameter estimates complied with a priori expectation which explains that performance feedback will increase organizational performance of Guaranty Trust Bank Plc. The constant is 0.431 implies that if feedback content is zero, organizational performance would be 0.463. The coefficient of performance feedback is 0.431 which indicates that a 1-unit increase in performance feedback is associated with a 0.463 units increase in organizational performance of Guaranty Trust Bank Plc. This implies that an increase in performance feedback will subsequently increase organizational performance of performance feedback. The result of hypothesis one demonstrates that performance feedback of Guaranty Trust Bank Plc. has a significant effect on organizational performance of Guaranty Trust Bank Plc.

Nar (2017) in his study “The Role of Feedback in Employee Performance Improvement” This study deals with the role of feedback in employee performance. This study used five hypotheses to look into various aspect of feedback. Primary data was majorly used in obtaining data. Correlation was the unit of analysis used in this study. The result suggested that there is a correlation between feedback and performance.

5.0 Conclusion & Recommendations

It is imperative to consider that this research work on Management by Objective and Organisational performance is not exhaustive but dynamic conclusions can be drawn from it. Management by Objective is a process whereby subordinate and superior come together in formulating of

organizational goals. In Management by Objective employee and superior work together in order to achieve the goal set. Management by Objective is made up of various stages, starting from the goal formulation to performance feedback. Management by Objective was discovered in this work as having a significant effect on organizational performance, as well as it's process, that is, participative decision making, performance appraisal and performance feedback, has a positive relationship with organizational performance. Management by Objective has a positive impact on the growth and productivity of the organization. That is, with the increase in any of these variables will lead to an increase in organizational performance.

The study recommended that Participative Decision Making should be encouraged in the organization. Employees should be given the opportunity to share their ideas with the organization. By allowing employees to be involved in the decision making, will lead to the accumulation of creative and innovative ideas in the organization. Employees tend to work harder when they know that their input in the organization is of importance; Managers should refrain from exercising appraisals in areas that isn't in line with the goal of the organization. Appraisals should be objective and result-oriented. Performance appraisal should be carried out using the goals of the organization as criteria.

Efficient performance appraisals reduces the rate of absenteeism, provides room for promotion, other incentives, creates job satisfaction, motivates employees and improves the performance of the organization; To be able to control and monitor the progress in the organization, feedback should be taken at a regular basis. Feedback serves as a means of keeping track of the activities in the organization. An unbiased feedback system should be put in place. Information passed from one individual to another in the organization is clarified through the use of feedback. Performance feedback helps in improving employees' skills and organizational performance; Management by Objective, as the name implies managing based on the objective set. Goals should not just be set, but strict attention should be paid to the accomplishment of this goal set. Every activity in the organization should be based on the goals set. That is they should not deviate from the actual reason (objective) of operation.

6.0 Suggestion for future research

This research is not exhaustive. It has only added vital value to the existing researches, because Management by Objective is a broad topic and there are still other aspects of Management by Objective that needs to be brought to light. Also as time passes, the rate at which MBO is being applied in organizations diminishes. Therefore it is suggested that further study should be carried on the effect of Management by Objective on organizational Performance using other industries as case study.

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