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**PERFORMANCE MANAGEMENT PRACTICES AMONG SMALL AND MEDIUM SCALE ELECTRONIC ENTERPRISES IN FEDERAL CAPITAL TERRITORY, ABUJA, NIGERIA.**

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**Abstract**

*The study is focused on Performance Management Practices Among Small and Medium Scale Electronic Enterprises in Federal Capital Territory, Abuja, Nigeria. Five objectives and five research questions guided the study. Mixed method of research design was adopted. The Population of the study comprises of Four Hundred and Twenty-one (421) Technical Personnel and One Hundred and Seventy-Nine (179) Managers of the major electronics SMEs in Abuja, Nigeria, this includes those located in Wuse, Kubwa, Garki, and Abuja Municipal Area. This amount to 74 enterprises that are registered with the Cooperate Affairs Commission (CAC). Simple random sampling technique was used to sample a total of Ninety-three (93) managers and one hundred and fifty-six (156) technical personnel for the study. The total sample population is, therefore, two hundred and forty-nine (249) respondents. Quantitative data was obtained from descriptive survey research design which involves the use of questionnaire while qualitative data was obtained from interviews of Managers and Technicians. Copies of the drafted instruments was validated by three experts two from the Department of Industrial and Technology Education, Federal University of Technology, Minna and one from SMEDAN. Data collected was analyzed using mean and standard deviation to answer the research questions and Z-test to test the hypothesis at 0.05 level of significance. It was thus found that; Employees are rarely train on the main purpose of performance management as well as to improve their capacity, employees are rarely involved in the planning process and that their work progress is seldom monitored. Thus, it was recommended that Electronic SMES owners should organize a series of workshops and training for all staff at all levels on the main purpose of the performance management system. Performance management is associated with the creation of a shared*

*vision and aims of the organization and that Organizations should ensure active participation of staff in target setting for the performance management system at all department levels depending on job profiles, strengths of employees and resource availability.*

***Keywords:*** Performance, Management, Practices, Electronic, Enterprises.

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## **Introduction**

The electronics industry is a sector dealing with the development and application of devices and systems involving the flow of electrons in a vacuum, in gaseous media, and in semiconductors. Electronics deals with electrical circuits that involve active electrical components such as vacuum tubes, transistors, diodes, integrated circuits, optoelectronics, and sensors, associated passive electrical components, and interconnection technologies. (Leidholm & Mead, 2010). Electronic devices contain circuitry consisting primarily or exclusively of active semiconductors supplemented with passive elements. The Electronic industry is an upcoming sector in Nigeria especially in the area of consumer electronics. Just like any other country, the Nigeria Electronic enterprise is very competitive and the SMEs rely on innovation and technology to survive in the market. This sector occupies a strategic position in the Nigeria economy. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), (2013) defines SMEs based on the following criteria: small scale enterprises are businesses with ten to forty-nine people with an annual turnover of five to forty-nine million Naira while a medium-scale enterprise is business organization that have fifty to one hundred and ninety-nine employees with a yearly turnover of fifty to four hundred and ninety-nine million Naira. In a related development, Banji (2015) combined the definition of the Central Bank of Nigeria, Federal Ministry of Industry, and NASME, defined SMEs as businesses with a turnover of less than N100m per annum and or less than 300 employees.

In Nigeria, the SMEs are the driving force and serve as one of the important pillars of the economy. This sector economically holds the key to the sustainable development of the country and its importance can be view in relation to the structure of the economy. Despite government efforts in establishing different funding schemes and providing the enablement environment for SMEs, Aremu & Adeyemi, (2011). Noted that most SMEs in Nigeria die within their first five years of existence, a smaller percentage goes into extinction between the sixth and tenth year while only about five to ten percent survive, thrive and grow to

maturity. This could be due to the implementation of obsolete performance management system

Performance management as a concept has been defined by many authors stating its important aspects and objectives. According to Gary (2009), performance management is a process that consolidates goal setting, performance appraisal, and development into a single, common system, the aim of which is to ensure that the employee' performance is supporting the company's strategic aims. When properly designed, performance management therefore never just entails meeting with a subordinate once or twice a year to review their performance but to set goals that make sense in term of company's strategic needs on a daily or weekly base to ensure continuous improvement in employee's capacity and performance. According to Robert (2011), performance management is an ongoing communication process, undertaken in partnership, between an employee and his or her immediate supervisor that involves establishing clear expectations and understanding about the jobs to be done. It is a system that has a number of parts, all of which need to be included in the performance management system is going to add value to the organizations, thus performance management can be defined as a systematic process of improving organizational performance by developing the performance of individuals and teams. It ensures employees are doing the right things by clarifying their goals. Performance management is owned and driven by line management. According to Handbook for Measuring Employee Performance (2017), performance management is the systematic process of planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating of performance in a summary fashion, and rewarding good performance.

Performance management planning in electronics enterprises is defined as the process of setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organizational objectives. Getting employees involved in the planning process will help them understand the goals of the organization, what needs to be done, why it needs to be done, and how well it should be done (Armstrong 2000).

Monitoring proceeds planning and a very good plan without proper implementation and monitoring will lay on the desk without yielding the desired result. Monitoring means consistently measuring performance and providing ongoing feedback to employees and workgroups on their progress toward reaching their goals. Infective performance monitoring includes conducting progress reviews with employees where their performance is compared against their elements and standards (Rogers & Hunter, 2006).

Employee performance can be improved through effective capacity development. Employees capacity to perform and undertake higher task can be improved through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods. Providing employees with training and developmental opportunities encourage good performance, strengthens job-related skills and competencies, and helps employees keep up with new changes in technology in the workplace. Performance management provides an excellent opportunity for supervisors and employees to identify developmental needs. Nyembezi, (2009), noted that while planning and monitoring work, deficiencies in performance will become evident and this should be addressed.

An organization finds it useful to summarize employee performance through performance rating. This helps with comparing performance over time or across a set of employees. Organizations need to know who their best performers are. Within the context of formal performance appraisal requirements, rating means evaluating employee or group performance against the elements and standards in an employee's performance plan and assigning a summary rating of record (Pulakos, 2004).

A basic principle of effective management is that all behavior is controlled by its consequences. Those consequences can and should be both formal and informal and both positive and negative. Good managers don't wait for their organization to solicit nominations for formal awards before recognizing good performance. Recognition is an ongoing, natural part of day-to-day experience. A lot of the actions that reward good performance, like saying "thank you," don't require a specific regulatory authority

As electronic Small and Medium Enterprises (SMEs) work to achieve the economic expectations being placed upon them, they need to successfully adopt and implement performance management practices to survive and grow. This ability to successfully implement performance management practices is vital to all organizations of all sizes and with the growing international emphasis on SMEs, it is important that all electronic enterprises are able to successfully implement these practices. Thus, the need to fully implement performance management practices in the electronic enterprise in Abuja, Federal Capital Territory, Nigeria. The SMEs in the FCT play a pivotal role in the life of other SMEs in Nigeria. This can be traceable to the fact that FCT is the capital of Nigeria and policy regulation is enforced within her. As such, other enterprises within its environs take the SMEs in Abuja as a Role Model.

### **Statement of the Research Problem**

Performance management practices have a significant role to play in enhancing organizational performance by ensuring that all employees understand their expected contribution to organizational objectives. Unfortunately for many years, corporate executives and academic scholars have been debating the consequences of poor performance management practices in organizations. The frequency of inappropriate and the lack of effective and efficient performance management practices are damaging workplace climate and leading to decrease in productivity, it has also ended up with ethical and legal problems in many organizations in developing economies.

In most organizations, performance management is basically an annual event, a form completed by individual employees prior to the end of the financial year. The appraisal form is usually filed by all employees and accessed by managers or supervisors but in most situations will not be touched at all, until the next review session the following year. While other performance management practices consist of an annual appraisal, which may review a list of objectives. The link between individual employee objectives and organizational strategies are not made (Aguinis 2009). Octavius and Debbie (2011) also noted that “in most company’s performance management has a poor reputation. It takes up valuable time and resources, yet delivers little return”. It is not then surprising that over the years, research consistently indicates that in most organizations, performance management practices are of poor quality and poorly executed.

If electronic SMEs continue with poor performance management practices, they will not only be wasting time and money but jeopardizing their overall efficiency and earning potentials. Also, the consequence of this practice is that employees become dissatisfied and lack the motivation to contribute immensely to the growth of the organization. Hence, establishing effective performance management practices and structured methods of identifying poor performance and improving performance is the most effective management approach. Such a practice makes sure that each employee has clear objectives and understands how these affect others; employees will also know what’s needed to meet the required objectives and is confident of having the necessary skills and experience to deliver good results.

Consequently, this research work is aimed at ascertaining the performance planning, monitoring, development, rating and reward practices of electronic SMEs in federal Capital Territory, Abuja, Nigeria.

### **Aim and Objectives of the Study**

The main aim of the study is to determine the performance management practices in small and medium scale electronic enterprises in Abuja the Federal Capital Territory. Specifically, the study seeks to determine the;

1. Performance planning practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja.
2. Performance monitoring practices by small and medium scale electronics enterprise in Federal Capital Territory, Abuja.
3. Performance development practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja.
4. Performance rating practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja.
5. Performance rewarding practices adopted by small and medium scale electrical electronics industries in Federal Capital Territory

### **Scope of the Study**

The study is delimited to Planning, Monitoring, Development, Rating and Rewarding practices among Small and Medium Scale Electronic Enterprise in Federal Capital Territory, Abuja. There are many type managements practices such as, strategic management, higher performance management, and performance productivity management, this work was centered on performance management because it has all the elements that could help business growth. In addition, the study was also delimited to SMEs in Abuja, the Federal Capital Territory, because the SMEs in the city are believed to have the necessary structure to successfully implement performance management.

### **Research Questions**

The following research questions are stated to guide the study;

1. What are the Performance planning practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?
2. What are the performance monitoring practices by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?
3. What are the performance development practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?
4. What are the performance rating practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?
5. What are the performance rewarding practices adopted by small and medium scale electrical electronics industries in Federal Capital Territory, Abuja?

### **Significant of the Study**

If the findings of the research are implemented, it will be of great benefits to SMEs organizations, SMEs supervisors, employees, the government and the society.

If the findings and recommendations of this work are implemented by SMEs organization, it will enhance their planning, monitoring, development, rating and reward system for the efficient services delivery. This work can get to the organization through publication in a journal by the research, The Management of an organization can also use the content of this research as a resource guide to organizing workshops for its staff, this can ensure equitable and fair treatment to employees based on performance.

SMEs Supervisors will benefit from the findings of this work as they will be acquainted with a better way to monitor their subordinate, seek individualized development plans, provide better rewards for employees by implementing the findings and recommendations from this research. A common misconception among supervisors is that behaviours and activities are the same. Thus, an employee may appear extremely busy, but not contributing at all toward the goals of the organization. An example is an employee who manually reviews completion of every form and procedure, rather than supporting automation of the review. The supervisor may conclude that the employee is very committed to the organization and works very hard, thus, deserving a very high performance rating. Performance management practices thus enlighten the supervisor on the difference between an employee which is just busy, contributing nothing to organizational growth and an employee who is contributing.

Employees will benefit from the implementation of this work as SMEs supervisors and organization manners will find a standard rating and reward system that will be without bias and human errors. This will encourage the employees to put in more efforts which will consequently increase the organization performance.

If the findings of this work are implemented, the performance of the organization will be increased, which will, in turn, increase their productivity and consequently, this will increase the country GDP. The society will benefit because, the organization employees will put in more efforts into their work, this will lead to good customer relation and customer satisfaction. Workers will also be retained since training is organized to employees to improve their performance, the issue of hire and fire is eliminated and employment problems are tackled.

### **Hypotheses**

The following null hypotheses will be tested at 0.05 significant levels

**H<sub>01</sub>:** There is no significance difference between the mean response of Managers and Technical Personnel on the performance management practices of small and medium scale electronics enterprises in Federal Capital Territory, Abuja.

### **Research Methodology**

In carrying out this study, a mixed-method design involving both quantitative and qualitative data will be used for the study. Creswell and Clark (2017) opined that mixed methods research is a research design with philosophical assumptions as well as methods of inquiry.

Quantitative data was obtained from descriptive survey research design which involves the use of questionnaire while qualitative data was obtained from interviews of Managers and Technicians on the issue of performance management practices in small and medium scale enterprises in FCT, Nigeria. Mixed methods research design is suitable for this research since it will enable the researcher to gather broader data that will provide a more comprehensive explanation of the performance practices in SMEs. Manager and technicians are chosen because they are the custodian of performance practices; they talk and live by it on a daily basis.

The population of the study comprises of Four Hundred and Twenty-one (421) Technical Personnel and One Hundred and Seventy-Nine (179) Managers of the major electronics SMEs in Abuja, Nigeria, this includes those located in Wuse, Kubwa, Garki, and Abuja Municipal Area. This amount to 74 enterprises that are registered with the Cooperate Affairs Commission (CAC)

Simple random sampling technique was used to sample a total of Ninety-three (93) managers and one hundred and fifty-six (156) technical personnel for the study. The total sample population is, therefore, two hundred and forty-nine (249) respondents

The Instrument for data collection is a structured questionnaire titled; Questionnaire on Performance Management Practices of Small and Medium Scale Electronics Enterprises in Federal Capital Territory, Abuja, Nigeria (PMPSMSEEFCTAN) developed by the researcher

A five-point rating scale was used with real and upper limit, a mean scored of 4.50-5.00 is considered Highly Adopted (HA), a score mean of 3.50-4.49 is considered Adopted (A), a mean score of 2.50 - 3.49, is considered Rarely Adopted (RA) while a mean score of 1.50 - 2.49 Not Adopted (NA). Finally, any mean score of 0.50 - 1.49 is considered Undecided (U)

Also, an Interview guide consists of an introduction stating the purpose of the research and things to use in recording the interview. The same question was structured for both the Manager and the technical personnel's.

Copies of the drafted instruments will be subjected to face and content validity by two experts from Electrical/Electronic Technology option in the Department of Industrial and Technology Education, Federal University of Technology, Minna,



Niger State and one expert from the Small and Medium Enterprises Development Agency of Nigeria. A pilot study was conducted using Haier Thermacool Ng. Ltd. Located in Masaka, Nasarawa

State. Questionnaires were administered to Manager and Technical Staffs of the enterprise and the questionnaires collected was analyzed using Cronbach's Alpha method to check the reliability and internal consistency of the instrument. The reliability coefficient is 0.89.

The questionnaire was administered to the respondents by the researcher with the aid of Three (3) research assistants. The question will be administered simultaneously to both enterprise and will be retrieved at the interval of a week to enable the respondents enough time to respond well. Interviews will be scheduled with one manager and one technician from each three-sampled area. The data analysis for this study was carried out using Statistical Package for Social Science (SPSS, version 20) the statistical tool used in this study are Mean, standard deviation, and Z-test statistics.

Z-test was used to test hypothesis one ( $H_{01}$ ) on the significant difference between the view of the manager and technical personnel on performance management practices of electronics SMEs in the FCT.

If the Z-calculated is higher than the Z,-critical value, it means there is a significant difference between the mean responses of the respondents, the null hypothesis will be accepted. However, if the Z,-calculated value is below the Z,-critical value, it means there is no significant difference between the mean responses of the respondents and the null hypothesis will be rejected.

## Result

### Research Question 1

What are the performance planning practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

**Table 1:** Mean and standard deviation of Manager and Technical personnel on Performance Planning Practices adopted

S/N	ITEMS	$X_M$	$SD_M$	$X_{TP}$	$SD_{TP}$	$X_T$	$SD_T$	REM
1.	Define goals and the key objectives	4.84	0.65	4.74	0.22	4.79	0.44	HA
2.	Ensure the active participation of staff in target setting for the	3.18	0.79	3.67	1.09	3.43	0.94	RA

	performance management system.								
3.	Involving employees in the planning process	3.13	0.89	3.45	0.95	3.29	0.92	RA	
4.	Determine resources needed to implement task	3.80	1.06	3.67	1.01	3.74	1.03	A	
5.	A planned mechanism for providing immediate feedback in private location is incorporated	3.37	0.98	3.63	0.95	3.50	0.96	A	
6.	Management ensure that goals set are understandable	3.54	0.89	3.64	0.85	3.59	0.87	A	
7.	Management ensure that goals set are achievable flexible employee performance plan suitable for changing programme objectives and work	3.45	0.90	3.42	0.98	3.44	0.94	RA	
8.	Requirements Training managers and employees on their roles and responsibilities in the performance	3.32	0.96	3.55	0.98	3.44	0.97	RA	
9.	Feedback process.	3.56	0.99	3.78	0.93	3.67	0.96	Guide A	
10.	Consult Performance Management Resource	4.11	0.90	3.58	1.01	3.85	0.96	A	
11.	Review Entity and Department Balanced Scorecards	3.53	0.93	3.79	0.98	3.66	0.96	A	
12.	Established staff member's job description.	4.29	0.77	3.72	0.90	4.01	0.84	A	
13.	Create expected job results template	3.20	0.82	3.72	1.07	3.46	0.94	RA	

14.	Formulate Performance Planning and Review Form	3.70	1.03	3.54	1.02	3.62	1.02	A
15.	Allow Staff Member at least one week to plan for a performance planning session	3.44	1.01	3.69	0.92	3.57	0.96	A
16.	Seek consensus on departmental goals and strategies	3.35	0.93	3.90	0.96	3.63	0.94	A
17.	Defined expected job results and behaviours.	3.52	0.90	3.49	0.96	3.51	0.93	A
18.	Share preliminary draft and discussing areas of disagreement or need for clarification with the staff member	3.53	0.97	3.42	1.10	3.48	1.04	RA
19.	Choose action steps that are concrete, measurable, and attainable	3.24	1.10	3.65	0.87	3.45	0.98	RA

**Key:**  $\bar{X}_m$  = Mean of Managers,  $\bar{X}_t$  = Mean of Technical Personnel's,  $\bar{X}_t$  = Average Mean

$SD_m$  = Standard Deviation of Managers,  $SD_{tp}$  = Standard Deviation of Technical Personnel's

$SD_t$  = Average Standard Deviation. **Rem.** = Remark

From table 1 above, 11 items are adopted, 7 are rarely adopted while 1 item is highly adopted.

### Research question 2

What are the performance monitoring practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

**Table 2:** Mean and standard deviation of Manager and Technical personnel on Performance Monitoring Practices adopted

Consistently monitor employee work

S/N	ITEMS	X <sub>M</sub>	SD <sub>M</sub>	X <sub>TP</sub>	SD <sub>TP</sub>	X <sub>T</sub>	SD <sub>T</sub>	REM
1	progress	2.82	0.87	2.56	0.91	2.69	0.89	RA
2	Employees listen actively	3.61	0.79	4.03	0.87	3.82	0.83	A
3	Employee react non-defensively	3.88	0.93	3.28	0.93	3.58	0.93	A
4	Restate the feedback to ensure clear communication	3.06	0.90	3.78	1.02	3.42	0.96	RA
5	Thank th individual providing the feedback	3.95	0.99	3.38	0.82	3.67	0.91	A
6	Use what is appropriate	3.37	0.87	3.13	1.03	3.25	0.95	RA

2.	Managers delegate monitoring responsibility to subordinate	2.74	0.86	3.31	0.93	3.03	0.89	RA	
3.	Adjust unrealistic or problematic standards	3.11	0.93	3.59	0.95	3.35	0.94	RA	
4.	State feedback in behavioural terms	3.73	1.05	3.94	0.91	3.84	0.98	A	
5.	Suggest an alternative behaviour when providing improvement information	4.32	0.69	3.38	0.97	3.85	0.83	RA	
6.	Provide feedback on things individual can do	3.45	0.94	3.88	0.97	3.67	0.95	A	
7.	Check to ensure clear communication.	3.55	1.05	3.33	0.86	3.44	0.95	RA	
8.	Monitoring is carried out regularly	3.18	0.79	3.74	1.07	3.46	0.93	RA	
9.	Monitoring is carried out with the knowledge of the employee	3.80	1.06	3.38	0.95	3.59	1.01	A	
10.	Monitoring work-looking over shoulders		3.41	1.07	3.44	1.02	3.43	1.05	RA
11.	Mistake done are corrected at the spot	3.23	0.92	3.41	1.02	3.32	0.97	RA	
12.	Providing face to face and two-way communication	3.38	1.10	3.58	0.98	3.48	1.04	RA	
13.	Issuing memos, e-mail and one-way communication	3.67	1.08	3.61	1.09	3.64	1.08	A	
14.	Being clear and consistent in practice	3.72	1.03	3.72	1.08	3.72	1.05	A	
15.	Creating a climate of confidence and	4.17	0.97	3.83	0.99	4.00	0.98	RA	

	freedom to express ideas.								
16.	Maintaining atmosphere of caution and fear	3.48	1.07	3.92	0.96	3.70	1.02		A
17.	Be curious-no condemning. focus on the problem, not the person	4.09	0.83	4.11	0.99	4.10	0.91		RA

Key:  $\bar{X}_m$  = Mean of Managers,  $\bar{X}_t$  = Mean of Technical Personnel's,  $\bar{X}_t$  = Average Mean

$SD_m$  = Standard Deviation of Managers,  $SD_{tp}$  = Standard Deviation of Technical Personnel's  $SD_t$  = Average Standard Deviation. **Rem.** = Remark

Table 2 contains 22 items. 13 out of the 22 are rarely adopted while 9 are adopted

### Research Question 3

What are the Performance development practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

**Table 3:** Mean and standard deviation of Manager and Technical personnel on Performance

Development Practices adopted

S/N	ITEMS	$\bar{X}_M$	$SD_M$	$\bar{X}_{TP}$	$SD_{TP}$	$\bar{X}_T$	$SD_T$	REM
1.	Employees are trained consistently to improve their skills	3.58	0.61	2.51	0.95	3.05	0.78	RA
2.	Change in technology and market condition are used to improve training	2.28	0.95	2.11	0.95	2.20	0.95	NA
3.	Trainers put up good posture, gestures and facial expressions	3.91	1.02	3.38	0.97	3.65	0.99	A
4.	Employee training is usually carried out on the job	3.30	0.98	3.63	1.08	3.47	1.03	RA
5.	Employees training is usually carried out of the job	3.30	1.14	3.25	0.96	3.28	1.05	RA
6.	During training, send consistent messages, your	3.34	0.87	3.31	1.05	3.33	0.96	RA

	body language should match and reinforce your verbal statements									
7.	During training, Strive for a friendly tone of voice	3.29	1.03	3.52	1.06	3.41	1.04	RA		
8.	Maintain eye contact during the training	3.10	0.99	3.58	1.07	3.34	1.03	RA		
9.	Articulate vision, values, strategies, goals and alignment during the training	3.73	1.05	3.87	0.91	3.80	0.98	A		
10.	The trainers rehearse his body language as much as his research word.	4.32	0.69	3.44	0.99	3.88	0.84	A		
11.	Arrange refresher course when changing work procedure, or new technology	2.45	0.94	1.41	0.67	2.43	0.81	NA		
12.	Clearly define priorities and expectations	4.48	0.65	3.31	0.83	3.90	0.74	A		
13.	Communication on development issues are done on face to face bases	3.24	0.84	3.85	1.06	3.55	0.95	A		
14.	Reflect back content/feelings on what you've heard	3.91	1.07	3.33	0.93	3.62	1.00	A		
15.	Some training sessions are carried out on the on the job	3.42	0.99	3.48	0.99	3.45	0.99	RA		
16.	Identify daily improvement needs	2.57	0.96	3.53	0.87	3.05	0.91	RA		

**Key:**  $\bar{X}_m$  = Mean of Managers,  $\bar{X}_t$  = Mean of Technical Personnel's,  $\bar{X}_t$  = Average Mean

$SD_m$  = Standard Deviation of Managers,  $SD_{tp}$  = Standard Deviation of Technical Personnel's

$SD_t$  = Average Standard Deviation. **Rem.** = Remark

As seen in the table above, 9 items are rarely adopted while 7 items were adopted. None was highly adopted nor undecided.

#### Research Question 4

What are the performance rating practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

**Table 4:** Mean and standard deviation of Manager and Technical personnel on Performance Rating Practices adopted

<u>S/N</u>	<u>ITEMS</u>	<u>X<sub>M</sub></u>	<u>SD<sub>M</sub></u>	<u>X<sub>TP</sub></u>	<u>SD<sub>TP</sub></u>	<u>X<sub>T</sub></u>	<u>SD<sub>T</sub></u>	<u>REM</u>
1.	Review observations and documentation	3.57	0.84	3.46	0.85	3.52	0.85	A
2.	Review effectiveness of the Staff member's actions.	3.54	0.88	3.58	1.05	3.56	0.96	A
3.	Review any Performance Improvement Plans	3.61	0.98	3.65	0.96	3.63	0.97	A
4.	Review performance development plan and accomplishments	3.86	0.86	3.90	0.81	3.88	0.83	A
5.	Review factors beyond the control of the Staff Member	3.58	0.76	3.56	0.93	3.57	0.84	A
6.	Carry out performance rating on daily basis	2.85	0.94	1.38	1.10	2.12	1.02	NA
7.	Carry out performance rating on monthly basis	3.10	0.93	2.07	0.92	2.59	0.93	RA
8.	Carry out performance rating on annual basis	3.71	0.97	3.94	0.88	3.83	0.93	A
9.	Rate performance based on the elements and standards in an employee's performance plan	3.20	0.92	3.81	0.99	3.51	0.95	A
10.	Adopted appropriate scales which are relatively easy to administer and assist in differentiating between employees	2.99	0.88	3.45	0.93	3.22	0.90	RA
11.	Numerical rating scale are used to rate employee	3.86	0.97	3.47	1.03	3.67	1.00	A

	performance (for example 1,2,3,4,5)							
12.	A narrative rating scale is used to rate employee performance for example, “unacceptable performance” “acceptable” “effective”, “Very effective” and so on.	3.38	1.00	3.34	0.96	3.36	0.98	RA
13.	Raters are provided with an example of behaviour, skills, measurement, and other data that will assist them in deciding regarding the performance level.	4.37	0.70	3.70	0.89	4.04	0.80	A
14.	Rating scale used are consistent, uniform and easily comprehensible by all	3.42	0.93	3.49	0.98	3.46	0.95	RA
15.	Alphabetic rating scale is used to rate employee performance (For example A, B, C, D, E)	3.53	1.06	3.43	1.04	3.48	1.05	RA
16.	Rating is carried out at the end of the fiscal year	4.80	1.06	4.77	1.12	4.79	1.09	HA
17.	Behavioural Anchored Rating Scale are used	3.20	0.84	3.71	0.93	3.46	0.89	RA

**Key:**

$X_m$  = Mean of Managers,  $X_{tm}$  = Mean of Technical Personnel's,  $X_t$  = Average Mean

$SD_m$  = Standard Deviation of Managers,  $SD_{tp}$  = Standard Deviation of Technical Personnel's  $SD_t$  = Average Standard Deviation. **Rem.** = Remark From the table above, 1 item is Highly adopted, 9 items are adopted, 6 rarely adopted while 1 item is not adopted



**Research Question 5**

What are the performance rewarding practices adopted by small and medium scale electronics industries in Federal Capital Territory, Abuja?

**Table 4:** Mean and standard deviation of Manager and Technical personnel on Performance Rewarding Practices adopted

S/N	ITEMS	X <sub>M</sub>	SD <sub>M</sub>	X <sub>TP</sub>	SD <sub>TP</sub>	X <sub>T</sub>	SD <sub>T</sub>	REM
1.	Reward system incorporated into feedback to keep an employee motivated all year round	3.41	1.07	2.78	1.08	3.10	1.07	RA
2.	Performance management is primarily in place to reward top and hard-working employees	2.23	0.92	1.83	0.91	2.03	0.92	NA
3.	The performance reward system is built around only senior managers and technical staff	2.18	1.10	1.03	0.98	1.61	1.04	NA
4.	The performance reward system is fair, unbiased and open to all employees	3.67	1.08	1.67	1.02	2.67	1.05	RA
5.	The right rewards are given for each behaviour	2.72	1.03	2.77	1.05	2.75	1.04	RA
6.	Errors are eliminated from employee's evaluation and reward system	2.17	0.97	1.24	1.01	1.71	0.99	NA
7.	Reward usually come at the end of an organization fiscal year.	4.48	1.07	4.57	1.03	4.53	1.05	HA
8.	Salary increase serves as the major reward system	4.49	0.83	4.88	1.00	4.69	0.91	HA
9.	Bonuses are used as the major reward system	3.80	1.17	4.04	0.87	3.92	1.02	A
10.	Rewards are given at every stage of	2.37	0.90	2.42	0.96	2.40	0.93	RA

	performance evaluation to buttress good performance								
11.	A reward is given at the beginning of the fiscal year to serve as motivation	2.86	1.08	1.54	1.00	2.20	1.04	NA	
12.	Reward form part of development	3.80	0.89	2.91	0.95	3.36	0.92	RA	
13.	Rewards are given on a daily basis	3.38	1.10	3.49	1.06	3.44	1.08	RA	
14.	Cafeteria free service as part of reward	2.74	1.04	1.67	0.92	2.21	0.98	NA	
15.	Holiday treatment form part of a reward system	3.17	0.81	3.45	0.95	3.31	0.88	RA	
16.	Gifts are often used as a reward to motivate employees	4.43	0.70	3.59	1.01	4.01	0.85	A	
17.	Trust and empowerment form part of a reward system	3.41	1.02	3.32	1.05	3.37	1.04	RA	
18.	Pay-for-performance reward System	4.48	0.83	4.86	1.00	4.66	0.91	HA	

**Keys:**

$X_m$  = Mean of Managers,  $X_{tm}$  = Mean of Technical Personnel's,  $X_t$  = Average Mean

$SD_m$  = Standard Deviation of Managers,  $SD_{tp}$  = Standard Deviation of Technical Personnel's

$SD_t$  = Average Standard Deviation. **Rem.** = Remark From table 5 above, 2 items each are highly adopted and adopted. 5 items are not adopted while 8 are rarely adopted.

**Hypotheses**

There is no significant difference between the mean response of Managers and Technical Personnel on the performance management practices of small and medium scale electronics enterprises in Federal Capital Territory, Abuja.

**Table 6**

**Z-test analysis of the mean response of Managers and Technical personnel on performance management practices of small and medium scale electronics enterprises in Federal Capital Territory, Abuja.**

<u>Respondents</u>	<u>N</u>	<u>X</u>	<u>SD</u>	<u>df</u>	<u>Z-cal</u>	<u>Z-critical</u>	<u>Decision</u>
Managers	9	3.47	0.93	247	0.892	1.650	Not Significant
Tech. Personnel's	156	3.36	0.96				

**Key:**

**X = Mean, SD = Standard deviation, df = degree of freedom,**

The result from the table shows that the z-cal value of 0.892 is less than the z-critical value of 1.650 from z-table at 0.05 significance level and 247 degrees of freedom. The null hypothesis is accepted. This means that a significant difference does not exist between the means response of managers and technical personnel on the performance management practices of small and medium scale electronics enterprises in federal capital territory, Abuja.

### **Summary of Major Findings**

#### **Research Question 1**

What are the performance planning practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

- i. Goals and Key objectives of the organization are set
- ii. Employees are rarely involved in the planning process
- iii. Resources needed to implement task are determined
- iv. There is a planned mechanism for providing immediate feedback
- v. Management ensure that goals set are understandable
- vi. Performance Management Resource Guides are consulted during the planning
- vii. Staff member's job description is Established
- viii. Performance Planning and Review form is formulated
- ix. There is a consensus on departmental goals and strategies
- x. Managers and employees are trained on their roles and responsibilities in the performance feedback process

#### **Research question 2**

What are the performance monitoring practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

- i. Monitoring is not carried out on a regular basis

- ii. Alternative behaviour are not always provided when providing improvement information
- iii. Check to ensure clear communication
- iv. Monitoring is usually carried out with the knowledge of the employee
- v. A mistake done are not usually corrected at the spot
- vi. Communication is one-way which involved Issuing memos and e-mail
- vii. Climate of confidence and freedom to express ideas are not always provided
- viii. Maintaining atmosphere of caution and fear among employee

### **Research Question 3**

What are the Performance development practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

- i. Employees are Seldom trained to improve their skills
- ii. Change in technology and market condition are not used to improve training
- iii. Employee training is not always carried out on the job
- iv. Refresher courses are not arranged for employees when changing work procedure, or new technology
- v. Daily improvement needs are seldom identified

### **Research Question 4**

What are the performance rating practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja?

- i. Observations and documentation are made
- ii. Effectiveness of the Staff member's actions are review
- iii. Performance Improvement Plans are reviewed
- iv. Performance development plan and accomplishments are reviewed
- v. Factors beyond the control of the Staff Member are reviewed
- vi. Carry out performance rating on an annual basis
- vii. Numerical rating scale (1,2,3,4,5) is used to rate employee performance
- viii. Rating scale used is consistent, uniform and easily comprehensible by all
- ix. Rating is usually carried out at the end of the fiscal year

### **Research Question 5**

What are the performance rewarding practices adopted by small and medium scale electronics industries in Federal Capital Territory, Abuja?

- i. SMEs adopts Pay-for-performance reward System

- ii. Reward system is rarely incorporated into feedback to keep an employee motivated all year round
- iii. Reward usually come at the end of an organization fiscal year.
- iv. Salary increase serves as the major reward system
- v. Rewards are not given at every stage of performance to buttress good performance
- vi. A reward is not given at the beginning of the fiscal year to serve as motivation
- vii. Reward form part of a development
- viii. Rewards are not always given on a daily basis
- ix. Holiday treatment form part of a reward system
- x. Gifts are often used as a reward to motivate employees
- xi. Trust and empowerment form part of a reward system

### Discussion of Findings

Findings emerging on performance management planning on small and medium scale electronics enterprises in federal capital territory Abuja show that SMEs organization set goals and key objectives during the performance planning session. This is so because every system is designed for a purpose, and for it to achieve its goals, there must be laid down strategies. According to Otley (2012), general performance management considers such problems as what are the key objectives that are central to the organization's overall future success, and how does it go about evaluating its achievement for each of these objectives.

Findings also indicate that employees are rarely involved in the planning process. The aim of performance planning is to establish expectations for employee performance. Pulakos (2014) opined that, at the beginning of the performance management cycle, it is important to conduct thorough planning with active involvement from employees on their performance expectations including both the behaviour employees are expected to exhibit and the results they are expected to achieve during the upcoming rating cycle. USOPM (2011) Further stressed that, getting employees involved in the planning process will help them understand the goals of the organization in terms of what needs to be done, why it needs to be done and how well it should be done. For instance, one of the interviewee stated:

*Planning is crucial to any organization but it is so unfortunate that our leaders don't look at it that way or rather they don't involve the right machinery in the planning process. It is said that if you want to prevent a thief from stealing your goods, you*

*should give them to him for safekeeping, so also it applies to work plan or performance plan as the case may be. For you to have an effective performance plan, you need to involve those who carry out this work on a daily basis. They know better and are in a better position of telling you the 'Do's' and 'Don'ts' that should be enshrined in the plan. By involving them, they feel this sense of belonging and there will be no case of insubordination during the course of their duty.*

Findings on monitoring practices adopted by small and medium scale electronics enterprise in Federal Capital Territory, Abuja revealed that Employee work progress is seldom monitored. With a good performance plan on the desk, it is necessary that managers monitor the implementation process to ensure strict compliance with regulations, if this is not done, the result will be poor and poor plan implemented strongly then many irregularities can be overcome. Monitoring is very important and should be executed simultaneously with work. Marion (2009) asserted that monitoring should be done continuously and consistently while providing ongoing feedback to employees and workgroups on their progress toward reaching their goals. The researcher further stated that; Ongoing monitoring provides the supervisor the opportunity to check how well employees are meeting predetermined standards and to make changes to unrealistic or problematic standards

Findings also indicate that alternative behavior is not always provided when providing improvement information. As work progress, there may be many difficulties faced by the employees. The manager or supervisor must coach and guide the persons if any problem is faced. The problems are to be solved on the spot. Alternative behaviour has to be proffered by the manager. The proper coaching must be carried out regarding the system, its parts, performance procedure, and most likely difficulties faced on the jobs. This will avoid confusion on the spot and performance will improve. This will give job confidence and satisfaction to the performers. Another important action during work is the motivation of the employees

Findings on Performance development practices adopted by small and medium scale electronics enterprise show that employees are Seldom trained to improve their skills. Providing employees with training and developmental opportunities encourage good performance, strengthens job-related skills and competencies, and helps employees keep up with changes in the workplace, such as the introduction of new technology. Cunneen (2006) stressed that coaching comes

naturally, and could take place during the review meetings or should be carried out throughout the year.

Finding from performance rating practices adopted by small and medium scale electronics industries in Federal Capital Territory, Abuja indicated that Numerical rating scale (1,2,3,4,5) is used to rate employee performance and that the rating scale used is consistent, uniform and easily comprehensible by all. Rating scales are used in performance management systems to indicate an employee's level of performance or achievement. These scales are commonly used because they provide quantitative assessments, relatively easy to administer and assist in differentiating between employees. As noted by Huang & Brown (2007) no consensus on which specific scale works best, but most performance rating scales used by employers share common elements. Such as a numeric scale (1, 2, 3, 4, 5). As described by one of our interviewers. *One thing an employee always look out for is the ability of the organization to recognize his performance. Performance management is design to reward hard-working employees in other to keep them motivated all year round. If the rating is ambiguous and biased, most people will lose trust in the system. In any agreement, there must be trust between the two parties who enter into the agreement. This trust can only be established if there is fairness in the system towards both parties. Similarly, in the performance management system that includes the employees on the one hand and the managers, on the other hand, there must be fairness in the system and in the expectation of results by the employees. Only then can trust be established between the two parties. We need a better system than what we currently have. The system that will be fair and less prone to human manipulation. Line managers dictate the outcomes of your PMS, less favored subordinates are assessed differently to more favored subordinates and that undermines the fairness of the system.*

Finally, findings on performance rewarding practices adopted by small and medium scale electronics industries in Federal Capital Territory, Abuja includes; SMEs adopts Pay-for-performance reward System, Reward usually come at the end of an organization fiscal year, and Salary increase serves as the major reward system.

Rewards serve plenty of purposes in SMEs organizations. It builds the best employment deal, holds on to good employees and to reduce employee turnover. The principal goal is to increase people's willingness to work in one's organization, to enhance their productivity. This is an important mechanism by which employees' behaviors can be aligned with the interest of the organization. Particularly, pay-for-performance is a reward practice that links Employees pay

increase to their performance and could be used to direct, sustain and motivate desirable behaviour such as knowledge sharing Martin, Bartol, & Kehoe (2000) observed. From the interview, one of our respondents has this to say:

*Performance management systems should be entirely focused on the developmental role and allocation of merit pay or remuneration increases should be made through other mechanisms. It should also be linked to monetary incentives.*

The findings from this study are consistent with the general proposition that effective performance management systems should be supported by practices and organizational contexts with certain characteristics. Indeed, as reported in this study, the institution needs to provide more performance management training, engage employees and emphasize employee recognition if the performance management system is to be effective and deliver valuable and desirable outcomes.

### **Conclusion**

The sole of all SMEs is profit maximization, and this can only happen when the human resource, the most important factor of production is effectively utilized. Performance management practices have a significant role to play in enhancing organizational performance by ensuring that the organization main aim of profit maximization is achieved. Unfortunately for many years, academic scholars have been debating the consequences of poor performance management practices in organizations. The frequency of inappropriate and the lack of effective and efficient performance management practices are damaging workplace climate and leading to a decrease in productivity. Performance management as a continuous process starts at planning. The aim of performance planning is to establish expectations for employee performance. The strategies and plans that an organization adopted and the processes and activities that it has decided will be required for it to successfully implement the objectives. If these objectives are to be met, the manager or supervisor must coach and guide the persons if any problem is faced. The problems are to be solved on the spot. Alternative behaviour has to be proffered by the manager. The proper coaching must be carried out regarding the system, its parts, performance procedure, and most likely difficulties faced on the jobs. This will avoid confusion on the spot and performance will improve. This will give job confidence and satisfaction to the employee.

Providing employees with training and developmental opportunities encourage good performance, strengthens job-related skills and competencies, and helps



employees keep up with changes in the workplace, such as the introduction of new technology. A good training or coaching course should be held on regular bases to improve the quantity and quality of organizational output; increase the chances of organizational success; decrease the organizational costs and expenses and provide opportunity notice employee's performance and rate them accordingly.

Rating scales are used in performance management systems to indicate an employee's level of performance or achievement. These scales are commonly used because they provide quantitative assessments, relatively easy to administer and assist in differentiating between employees. The principal goal is to increase people's willingness to work in one's organization, to enhance their productivity. This is an important mechanism by which employees' behaviours can be aligned with the interest of the organization and this help manager to reward each behaviour.

If SMEs will fulfill the economic responsibility placed on them, there is a need for them to adopt a complete performance management system that will enhance employee's performance and consequently the organization overall performance.

### **Recommendations**

The findings of this study highlight several issues at various stages of the performance management system. The experiences and perceptions of employees at the different stages of a performance management system point to the existence of problems that are thought to impact on the effectiveness of the system. In the following sections, an attempt is made to identify recommendations which, if implemented properly, can contribute to increased effectiveness of the performance management system.

Based on the findings of this study, the following recommendations are made

1. Electronic SMES owners should organize a series of workshops and training for all staff at all levels on the main purpose of the performance management system. Performance management is associated with the creation of a shared vision and aims of the organization. In so doing, it helps each individual employee to understand and recognize their part in contributing to them and, in so doing, manage and enhance employee performance
2. Organizations should ensure active participation of staff in target setting for the performance management system at all department levels depending on job profiles, strengths of employees and resource

availability. Performance planning means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organizational objectives. In this regard, employees need to play an active role in defining and redefining their job.

3. Managers and Supervisors should discuss areas of behavioural and result expectations should be discussed and feedback provided on an on-going basis throughout the rating period. In addition to providing feedback whenever exceptional or ineffective performance is observed, periodic feedback about day-to-day accomplishments and contributions is also highly valuable.
4. During the process of performance evaluation, managers should discuss with employees their ratings, narratives, and rationale for the evaluation given.
5. To improve employee productivity and performance, electronics SMEs employers need to encourage and motivate their employee by compensation them in relation to their previous efforts as this has been shown to improve employee productivity

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