

**PERFORMANCE MANAGEMENT STRATEGIES AND ORGANIZATIONAL OUTPUT OF
MICROFINANCE BANKS IN RIVERS STATE, NIGERIA**

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ABSTRACT

This study investigated the relationship between Performance Management Strategies and Organizational Output of microfinance banks in Rivers State, Nigeria. A correlational research design was adopted, and data were collected from 45 employees across selected microfinance banks using a structured questionnaire. The data were analyzed using the Pearson Product-Moment Correlation Coefficient. The findings revealed a significant positive relationship between performance appraisal and both timeliness and quantity of output. Similarly, Management by Objectives showed a significant positive correlation with both timeliness and quantity of output. This study concludes that Performance Management Strategies namely performance appraisal and management by objectives play a critical role in enhancing Organizational Output in microfinance banks in Rivers State. Specifically, performance appraisal significantly improves both the timeliness and volume of output, while MBO fosters goal clarity and employee engagement, resulting in measurable productivity gains. These results validate the relevance of structured performance management systems in promoting operational efficiency and strategic alignment within financial institutions. The study recommended that managers and policymakers in the microfinance sector should prioritize these techniques as tools for optimizing employee contributions and achieving organizational goals.

Introduction

Background to the Study

In today's competitive and dynamic environment, microfinance banks play a pivotal role in promoting financial inclusion and socio-economic development, particularly in emerging economies like Nigeria (Ngumo et al., 2020). To fulfill this core mandate, microfinance institutions must optimize both Performance Management Strategies notably performance appraisal and Management by Objectives (MBO) and Organizational Output, measured through timeliness and quantity of output. Performance appraisal, a systematic review of employee job performance, has been shown to significantly influence productivity. Onyebiuwanso (2022) examined selected Port Harcourt banks and found that robust appraisal processes such as workload evaluations, task-based assessment, self-evaluation, and interim reviews had a strong positive correlation with Organizational Output (ranging between $r = .544$ and $.752$, $p < .05$). Similarly, Akindele, Olatoye, and Oyekanmi (2020) documented that effective appraisal strategies in Nigerian banks positively impacted employee performance, emphasizing that appraisals grounded in job responsibilities (rather than mere deposit targets) yield better outcomes. These studies collectively affirm the critical role that well-structured performance appraisals play in enhancing output quality and employee accountability.

Meanwhile, Management by Objectives (MBO) which involves participative goal setting, delegation of authority, and motivational alignment has been identified as a strong predictor of organizational performance. Francis (2020) showed that in deposit money banks across Yola, employee involvement in goal setting and delegated authority significantly improved performance outcomes. Moreover, a literature review by Amah (2020) highlighted that MBO improves Organizational Output by fostering employee commitment, offering clear feedback pathways, and enabling goal ownership. These findings underscore how MBO operations promote timely and quantifiable performance by aligning individual and organizational targets.

However, a gap exists in the literature concerning how these Performance Management Strategies affect Organizational Output metrics specifically, timeliness of output and quantity of output within the context of microfinance banks, particularly in Rivers State. While studies on larger commercial and deposit money banks are abundant, microfinance banks operate under distinct constraints, such as smaller scale, limited capital, and grassroots operational modalities. These conditions necessitate bespoke strategies to elevate productivity accurately measured by prompt loan disbursement, client service delivery, and transaction handling. Consequently, the present study seeks to investigate how performance appraisals and MBO practices influence

the dual productivity dimensions of timeliness and quantity of output in microfinance banks in Rivers State. Through this lens, the study aims to enrich scholarly understanding of performance management's operational impact at the grassroots financial service level, as well as to equip bank managers with empirically grounded practices to enhance organizational effectiveness.

Statement of the Problem

Microfinance banks in Rivers State are established primarily to deliver grassroots financial services aimed at promoting entrepreneurship, alleviating poverty, and enhancing economic inclusion. However, many of these institutions face persistent challenges related to poor employee performance, delayed service delivery, and low productivity output (Akinbami & Osinubi, 2021). Despite the adoption of various performance management systems, questions remain about the effectiveness of these systems in driving measurable improvements in Organizational Output. Performance appraisal systems, when improperly implemented, often lead to employee demotivation, misaligned expectations, and lack of accountability. Studies have shown that in some Nigerian financial institutions, appraisal methods are either outdated, biased, or do not directly connect to employee job descriptions and organizational goals (Adewumi & Okolo, 2020). This disconnect weakens staff commitment, reduces timeliness in operations, and undermines service efficiency core indicators of productivity.

Similarly, the use of Management by Objectives (MBO), though conceptually promising, is underutilized or inconsistently applied in many microfinance settings. Research suggests that while MBO enhances participatory goal-setting and aligns personal performance with institutional outcomes, many microfinance institutions in Rivers State still operate with top-down management approaches that do not encourage employee involvement or ownership of performance targets (Chibundu, 2022). As a result, there is a noticeable lag in achieving key productivity metrics, such as the volume of loans processed, the number of clients served, and the timely execution of banking services. Furthermore, Organizational Output in microfinance banks measured through timeliness of output (e.g., service delivery speed, turnaround time for loan processing) and quantity of output (e.g., number of transactions or clients served) remains suboptimal in the face of growing customer demands and operational expectations. The absence of a strong link between performance management practices and productivity outcomes raises concerns about strategic human resource management effectiveness in these institutions. Given these issues, there is a critical need to examine how specific Performance Management Strategies, namely performance appraisal and management by objectives, impact the timeliness and quantity of output in microfinance banks in Rivers State. Without this understanding, efforts to enhance institutional efficiency, employee performance, and overall service delivery may remain ineffective or misdirected.

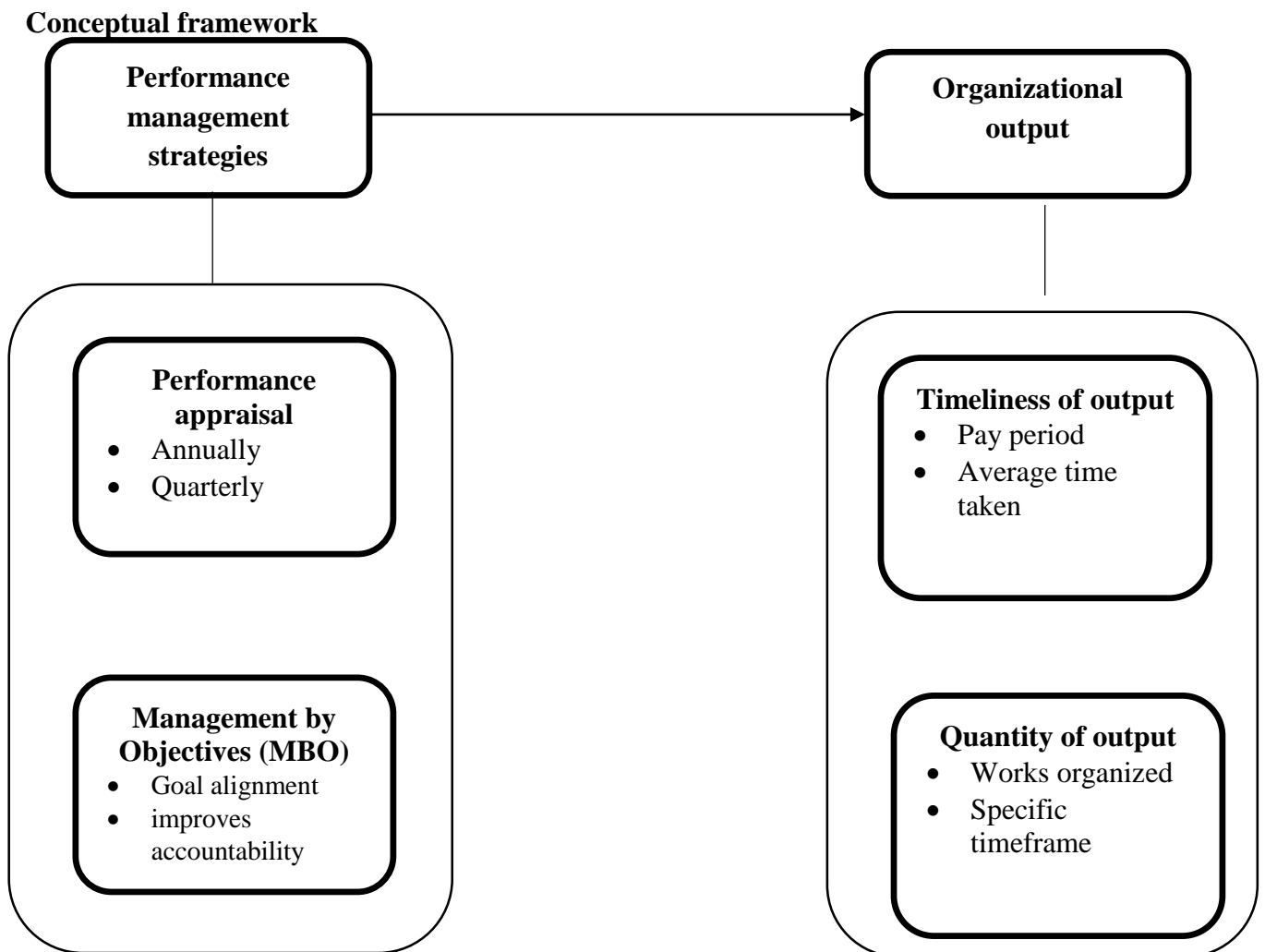


Figure 1: conceptual framework showing Performance Management Strategies and Organizational Output

Source: Akindele, et al., (2020).

Aim and Objectives

The aim of this study was to determine the relationship between Performance Management Strategies and Organizational Output of microfinance banks in Rivers state. The specific objectives are to:

- 1) Determine the relationship between Performance appraisal and Timeliness of output of microfinance banks in Rivers state.
- 2) Determine the relationship between Performance appraisal and Quantity of output of microfinance banks in Rivers state.
- 3) Determine the relationship between Management by Objectives and Timeliness of output of microfinance banks in Rivers state.
- 4) Determine the relationship between Management by Objectives and Quantity of output of microfinance banks in Rivers state.

Research Questions

The following research questions were raised to guide the study.

- 1) What the relationship between Performance appraisal and Timeliness of output of microfinance banks in Rivers state?

- 2) What the relationship between Performance appraisal and Quantity of output of microfinance banks in Rivers state?
- 3) What the relationship between Management by Objectives and Timeliness of output of microfinance banks in Rivers state?
- 4) What the relationship between Management by Objectives and Quantity of output of microfinance banks in Rivers state?

Research Hypotheses

The following null hypotheses were formulated and tested at a significant level of 0.05.

- H01:** There no significant relationship between Performance appraisal and Timeliness of output of microfinance banks in Rivers state.
- H02:** There no significant relationship between Performance appraisal and Quantity of output of microfinance banks in Rivers state.
- H03:** There no significant relationship between Management by Objectives and Timeliness of output of microfinance banks in Rivers state.
- H04:** There no significant relationship between Management by Objectives and Quantity of output of microfinance banks in Rivers state.

Significance of the study

This study holds significant value as it explores the influence of Performance Management Strategies specifically Performance Appraisal and Management by Objectives (MBO) on key indicators of Organizational Output, namely Timeliness of Output and Quantity of Output, within microfinance banks in Rivers State. Given the critical role of microfinance institutions in supporting small businesses and fostering financial inclusion, understanding how to improve their productivity through effective performance management is timely and relevant. Categories of Persons/Stakeholders Who Will Benefit from the Study:

1. Microfinance Bank Managers and Executives: This study will provide insights into the most effective Performance Management Strategies that can be adopted to enhance operational efficiency. It will help them design performance appraisal systems and MBO frameworks that align with institutional goals.
2. Employees of Microfinance Banks: Findings will highlight how transparent and structured performance evaluations and objective-setting practices can motivate staff, improve work output, and enhance job satisfaction.
3. Policy Makers and Regulatory Authorities (e.g., CBN, NDIC): Regulatory bodies can use the findings to craft policies or guidelines that encourage microfinance banks to institutionalize best practices in performance management, thereby improving sectoral productivity.
4. Board of Directors and Shareholders: They will benefit from a clearer understanding of how managerial techniques impact organizational success, helping to inform strategic decisions and investment priorities.
5. Researchers and Academics: The study contributes to the body of knowledge in human resource management, organizational behavior, and financial services productivity, serving as a reference for further research.
6. Human Resource Practitioners and Consultants: Professionals involved in organizational development and HRM can apply the findings to design or improve performance systems in financial institutions.
7. Small and Medium Enterprises (SMEs) and Clients of Microfinance Banks: As productivity in microfinance banks improves, service delivery becomes more efficient and reliable, directly benefiting the clients who depend on these institutions for financial support.
8. Government and Development Agencies: Since microfinance is vital for poverty alleviation and economic development, agencies involved in economic planning can use the results to support capacity-building initiatives for financial institutions.

By examining the links between Performance Management Strategies and productivity outcomes, this study provides practical and empirical insights that can drive efficiency and competitiveness in the microfinance sector of Rivers State.

Conceptual Review

Performance Management Strategies

Performance Management Strategies are critical tools for aligning employee activities with organizational goals and improving overall productivity. Two widely adopted techniques include Performance Appraisal and Management by Objectives (MBO). Integrating both performance appraisal and MBO can yield better results than using them in isolation. Eze and Mba (2023) argue that performance appraisal provides feedback necessary for refining the objectives set under MBO frameworks. This synergy enables continuous improvement, timely correction of inefficiencies, and stronger alignment between individual and organizational goals. Contemporary research underscores the importance of both Performance Appraisal and MBO in improving organizational performance. The success of these techniques depends largely on their implementation quality, employee involvement, and alignment with strategic goals. For microfinance banks and other service-based institutions, adopting a blended approach that combines appraisal with goal-setting may be most effective in enhancing productivity.

Dimensions of Performance Management Strategies

Performance Appraisal

Performance appraisal is a systematic process of evaluating employee performance, providing feedback, and identifying areas for improvement. Recent literature emphasizes its role in enhancing employee motivation and organizational efficiency. According to Agyare and Adjei (2021), effective performance appraisal systems foster transparency, set clear expectations, and contribute to employee development and organizational growth. Similarly, Ofori and Aryeetey (2020) noted that performance appraisal, when implemented fairly and consistently, enhances employee engagement and performance in financial institutions. However, performance appraisals must be well-structured to avoid bias and demotivation. For example, Usman and Ibrahim (2022) found that poorly conducted appraisals led to reduced morale and turnover among bank staff in Northern Nigeria. Therefore, the effectiveness of this technique depends on managerial competence, objectivity, and employee involvement in the appraisal process.

Management by Objectives (MBO)

Management by Objectives (MBO), introduced by Peter Drucker, has gained renewed attention as a participatory performance management technique. MBO involves setting specific and measurable goals collaboratively between managers and employees. Nwachukwu and Ezeugwu (2020) observed that MBO enhances accountability and performance, particularly in service-oriented organizations like banks. The authors emphasized that employee participation in goal-setting increases their sense of ownership and motivation. In a study on Nigerian financial institutions, Okoye and Nwankwo (2021) reported that organizations that adopted MBO practices experienced a 25% improvement in operational efficiency over a 12-month period. The research highlighted that the clarity of expectations and periodic performance reviews were instrumental to the improvement. However, challenges such as unrealistic goals and lack of follow-up were noted as potential limitations of MBO.

Organizational Output

Organizational Output refers to the efficiency with which an organization transforms inputs into outputs to achieve desired results. In service-based institutions such as microfinance banks, productivity is often evaluated through indicators like timeliness of output (how promptly services are delivered) and quantity of output (volume of services rendered within a given period). According to Onuoha and Okorie (2021), Organizational Output encompasses both the quality and quantity of work completed within a specified timeframe, using available resources efficiently. It reflects an organization's ability to meet its strategic objectives through optimal performance of its workforce and systems. The productivity of an organization is influenced by internal factors such as employee competence, technology usage, management practices, and motivation, as well as external factors including customer expectations and economic conditions (Afolabi & Adewale, 2020).

Measures of Organizational Output

Timeliness of Output

Timeliness refers to how quickly an organization delivers its goods or services to customers or clients. It is a critical determinant of customer satisfaction and operational efficiency. As noted by Hassan and Lawal (2022), delays in service delivery can damage an organization's reputation and erode customer trust, especially in the financial sector where responsiveness is crucial. In a study on financial institutions, Adeyemi et al. (2021) found that performance management systems that include real-time monitoring and clear deadlines significantly improve the timeliness of service delivery. The study emphasized the importance of using time-tracking tools and performance metrics aligned with operational goals.

Quantity of Output

Quantity of output is measured by the volume of work or services an organization completes within a given period. It reflects the organization's capacity to scale its operations and meet demand. Ezenwa and Ogbuehi (2020) observed that in microfinance institutions, a high volume of loan processing, customer onboarding, and service resolution directly correlates with growth in market share and revenue. However, achieving high output must not compromise quality. According to Oladipo and Ojo (2023), there must be a balance between speed and accuracy to sustain productivity gains over time. They stress the role of employee training, process automation, and effective supervision in achieving both quantity and quality of outputs.

Recent literature establishes a strong connection between Performance Management Strategies and Organizational Output. For instance, performance appraisals and Management by Objectives (MBO) help clarify roles, track performance indicators like timeliness, and identify areas needing improvement (Eze & Mba, 2023). Productivity improves when employees understand what is expected and are held accountable for specific results. Organizational Output, especially in microfinance institutions, is vital for operational success and customer satisfaction. The timeliness and quantity of output are practical measures of how well an organization utilizes its resources. Effective performance management systems that focus on employee engagement, goal clarity, and continuous feedback are essential to sustaining high productivity levels.

Theoretical Review

Goal-Setting Theory (Locke & Latham, 1990)

Goal-Setting Theory posits that specific, challenging goals along with appropriate feedback contribute to higher and more consistent levels of employee performance. The theory emphasizes the importance of setting clear, measurable, and time-bound objectives to guide employee behavior and productivity.

Assumptions:

- Specific goals lead to higher performance than vague or general goals.
- More difficult goals, when accepted, result in greater effort and performance.
- Feedback on progress toward goals enhances outcomes.

Relevance to the Study: This theory underpins the Management by Objectives (MBO) technique, where managers and employees collaboratively set individual and team goals aligned with organizational objectives. In microfinance banks, applying MBO can help ensure that staff efforts are strategically directed toward enhancing the timeliness and quantity of outputs. The theory also supports the use of performance appraisals that include goal review and feedback, both of which are crucial for boosting productivity.

Expectancy Theory (Vroom, 1964)

Expectancy Theory explains how individuals make decisions regarding different behavioral alternatives. It proposes that motivation is a function of three key relationships:

- **Expectancy:** The belief that effort will lead to desired performance.
- **Instrumentality:** The belief that performance will lead to a specific outcome.
- **Valence:** The value an individual places on the outcome.

Relevance: Expectancy Theory provides insight into how performance appraisal systems can influence employee motivation and productivity. If employees in microfinance banks believe that high performance will be fairly appraised and rewarded (e.g., bonuses, recognition, promotions), they are more likely to exert effort

to improve **timeliness and quantity of outputs**. This theory supports the design of performance management systems that are transparent, fair, and reward-driven, which are vital to achieving higher productivity in service-based institutions like microfinance banks.

Empirical Review

Several empirical studies have examined the relationship between Performance Management Strategies and Organizational Output in microfinance banks across Nigeria, with specific focus on Rivers State. A study by Nwankwo and Eze (2021) titled “Effect of Performance Appraisal on Employee Productivity in Microfinance Institutions in Port Harcourt” employed a survey research design. The study targeted 45 employees from five microfinance banks in Port Harcourt using structured questionnaires. The researchers used descriptive statistics and regression analysis to test the relationship between performance appraisal and productivity. The findings revealed that regular and structured performance appraisals significantly improved the timeliness of service delivery and increased the volume of client processing. The study concluded that performance appraisal systems serve as a motivational tool when they are transparent and linked to rewards. It recommended that microfinance banks adopt bi-annual performance reviews and involve employees in setting performance expectations to enhance productivity.

Similarly, Obinna and Amadi (2022) conducted a study titled “Management by Objectives (MBO) and Organizational Output in Selected Microfinance Banks in Rivers State.” The researchers used a mixed-method approach, combining quantitative questionnaires (n = 120) with semi-structured interviews with bank managers. Data analysis was performed using SPSS version 25, focusing on correlation and regression models. The study found a strong positive correlation between MBO practices and quantity of output, noting that when employees were involved in goal-setting, they were more committed and productive. The study also highlighted that clear individual goals contributed to faster service delivery and fewer customer complaints. The authors concluded that MBO enhances both operational efficiency and employee accountability in microfinance settings. They recommended that bank managers integrate MBO frameworks with daily operational planning and ensure regular performance feedback sessions.

In another study by Okpara and Idowu (2023) titled “Performance Management Strategies and Organizational Effectiveness of Microfinance Institutions in Rivers State”, a cross-sectional survey was adopted. The study sampled 150 staff across 10 microfinance banks in Port Harcourt, Bonny, and Ahoada using stratified sampling. The data were analyzed using Pearson correlation and multiple regression analysis. Findings showed that both performance appraisal and MBO significantly influenced timeliness and quantity of service outputs. Specifically, performance appraisal improved service precision and reduced staff absenteeism, while MBO practices enhanced task ownership and increased the number of loans processed monthly. The conclusion emphasized the need for microfinance institutions to institutionalize structured goal-setting and adopt digital appraisal tools. The study recommended periodic staff training on goal alignment and incorporating employee feedback into performance reviews. The empirical studies reviewed consistently affirm that performance appraisal and MBO are critical tools for enhancing the timeliness and quantity of output in microfinance banks in Rivers State. The studies recommend more participatory, transparent, and structured approaches to performance management to drive sustainable productivity gains in the sector.

Method

Research Design

This study adopted a correlational research design to examine the relationship between Performance Management Strategies (specifically Performance Appraisal and Management by Objectives) and Organizational Output (measured by timeliness and quantity of output) in selected microfinance banks in Rivers State. The choice of this design is appropriate because it allows the researcher to determine the degree and direction of association between independent and dependent variables without manipulating any variable (Creswell & Creswell, 2018).

Population of the Study

The target population comprised all managerial and non-managerial staff of licensed microfinance banks operating within Rivers State. The population of the study consisted of 24 Microfinance Bank in rivers state.

Table 1: Population

S/N	Bank Name	Address
1	Rivers State Microfinance Agency (RIMA)	3 Evo Crescent, New GRA, Port Harcourt
2	Evo Microfinance Bank Limited	Evo Market Square, Port Harcourt
3	Garden City Microfinance Bank Limited	No 54, Mbonu Street, D-Line, Port Harcourt
4	Giticom Microfinance Bank Limited	No 1 Liberation Stadium Road, Elekahia, Port Harcourt
5	Golden Choice Microfinance Bank Limited	Eleme-Bori Express Rd, Opp. Eleme Civic Center, Alode, Eleme LGA
6	Iwoama Microfinance Bank Limited	No 12 Okrika/Refinery 2D, Okrika Mainland, Okrika
7	Ahetou Microfinance Bank Limited	Akabuka, Onne LGA, Rivers State
8	Cosmopolitan Microfinance Bank Limited	Charis Plaza, 141 Olu-Obasanjo Road, Port Harcourt
9	Levite Microfinance Bank Limited	192 Aba Road, Port Harcourt
10	Midland Microfinance Bank Limited	141 Olu-Obasanjo Road, Port Harcourt
11	Minji-Se Churchill Microfinance Bank Limited	26 Churchill Road, Port Harcourt
12	Moneywell Microfinance Bank Limited	No 1 Ezingbu Rd, off Circular Rd, G.R.A. Phase IV, Port Harcourt
13	Nkpolu-UST Microfinance Bank Limited	Nkpolu-Oroworukwu, University of Science & Technology, Port Harcourt
14	Premium Microfinance Bank Limited	202 Olu-Obasanjo Rd, GRA Phase II, Port Harcourt
15	Rima Growth Pathway Microfinance Bank Limited	State Secretariat (Podium Building), Port Harcourt
16	Royal Microfinance Bank Limited	No 7 King Jaja Street, Borokiri, Port Harcourt
17	Surelife Microfinance Bank Limited	88 Hospital Road, Khana LGA, Rivers State
18	Titare Microfinance Bank Limited	Marine Base Bus Stop, Marine Base, Port Harcourt
19	U & C Microfinance Bank Limited	Choba Park Shopping Complex, University of Port Harcourt
20	Diobu Microfinance Bank Limited	15B Bishop Barahart/Okoye Street, Diobu, Port Harcourt
21	LAPO Microfinance Bank (Woji Branch)	No 14 Allen Mgba Crescent, Woji, Port Harcourt
22	LAPO Microfinance Bank (Choba Branch)	Uniport Road, Choba
23	LAPO Microfinance Bank (Other branches)	Agip Road, Christ Church Road, etc. – across Port Harcourt
24	MaxiTrust Microfinance Bank Limited	15B Agudama Street, D-Line, Port Harcourt

Source: Finelib(2022) www.finelib.com

Sample size and Sampling Technique

The study adopted a simple random sampling selecting 50% of the population under study which give us a sample size of 12 firms. The respondents the study was 48 respondents which was selected using a purposive random sampling technique to ensure fair representation across various departments and branches of the microfinance banks. The strata were based on job roles and departmental functions which includes branch managers, human resource officers, loan officers, and front-desk service staff who are directly involved in operational and performance-related activities.

Instrument for Data Collection

The primary instrument for data collection was a structured, closed-ended questionnaire designed by the researcher based on reviewed literature. The questionnaire was divided into three sections:

- Section A: Demographic information
- Section B: Items on performance appraisal and MBO (independent variables)
- Section C: Items on timeliness and quantity of output (dependent variables)

A 5-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (5) was used to measure the respondents' perceptions. The instrument was subjected to face and content validity by academic experts in entrepreneurship and human resource management. A pilot test was conducted on 20 staff from non-sampled microfinance banks, and a Cronbach's alpha of 0.84 was obtained, indicating high internal consistency.

Method of Data Analysis

The collected data were coded and analyzed using the Statistical Package for Social Sciences (SPSS) version 25. Descriptive statistics such as mean and standard deviation were used to summarize responses, while Pearson Product-Moment Correlation Coefficient was employed to test the relationships between Performance Management Strategies and Organizational Output indicators. The level of significance was set at 0.05 for hypothesis testing.

Results

A total number of 48 questionnaires were distributed and 45 were retrieved, hence 45 form the basis of the analysis.

H01: There no significant relationship between Performance appraisal and Timeliness of output of microfinance banks in Rivers state.

Table 3: Correlations on Performance appraisal and Timeliness of output

		Performance appraisal	Timeliness of output
Performance appraisal	Pearson Correlation	1	.578**
	Sig. (2-tailed)		.000
	N	45	45
Timeliness of output	Pearson Correlation	.578**	1
	Sig. (2-tailed)	.000	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient (r) between performance appraisal and timeliness of output is 0.578, which indicates a moderate positive relationship between the two variables. The p-value = 0.000, which is less than 0.01, shows that the relationship is statistically significant at the 1% level. Since the p-value is less than the 0.01 significance level, we reject the null hypothesis (H₀₁) and accept the alternative hypothesis. This means that: There is a significant positive relationship between performance appraisal and timeliness of output of microfinance banks in Rivers State.

H02: There no significant relationship between Performance appraisal and Quantity of output of microfinance banks in Rivers state.

Table 4: Correlations on Performance appraisal and Quantity of output

		Performance appraisal	Quantity of output
Performance appraisal	Pearson Correlation	1	.406**
	Sig. (2-tailed)		.000
	N	45	45
Quantity of output	Pearson Correlation	.406**	1
	Sig. (2-tailed)	.000	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient (r) between performance appraisal and quantity of output is 0.406, indicating a moderate positive relationship between the two variables. The significance value (p-value) is 0.000, which is less than the alpha level of 0.01, suggesting that the correlation is statistically significant. Since the p-value is less than 0.01, we reject the null hypothesis (H_{02}) and accept the alternative hypothesis. This means that: There is a statistically significant positive relationship between performance appraisal and quantity of output of microfinance banks in Rivers State. In practical terms, the result implies that the more effective and consistent the performance appraisal practices within the banks, the higher the volume of output produced by employees such as the number of transactions processed, customers attended to, or services delivered. This supports the notion that performance evaluations, when well implemented, can drive productivity in measurable ways.

H03: There no significant relationship between Management by Objectives and Timeliness of output of microfinance banks in Rivers state.

Table 5: Correlations on Management by Objectives and Timeliness of output

		Management by Objectives	Timeliness of output
Management by Objectives	Pearson Correlation	1	.443**
	Sig. (2-tailed)		.000
	N	45	45
Timeliness of output	Pearson Correlation	.443**	1
	Sig. (2-tailed)	.000	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient (r) between Management by Objectives (MBO) and Timeliness of Output is 0.443, indicating a moderate positive correlation between the two variables. The p-value is 0.000, which is less than the significance level of 0.01, indicating that the relationship is statistically significant. Since the p-value is less than 0.01, we reject the null hypothesis (H_{03}) and accept the alternative hypothesis. This implies that:

There is a significant positive relationship between Management by Objectives and timeliness of output of microfinance banks in Rivers State. This result suggests that when employees are actively involved in setting clear and measurable objectives, they are more likely to complete tasks on time, meet deadlines, and respond promptly to customer needs. Therefore, the implementation of MBO contributes meaningfully to enhancing operational efficiency and timely service delivery in microfinance institutions.

H04: There no significant relationship between Management by Objectives and Quantity of output of microfinance banks in Rivers state.

Table 6: Correlations on Management by Objectives and Quantity of output

		Management by Objectives	Quantity of output
Management by Objectives	Pearson Correlation	1	.559**
	Sig. (2-tailed)		.000
	N	45	45
Quantity of output	Pearson Correlation	.559**	1

Sig. (2-tailed)	.000	
N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient (r) between Management by Objectives (MBO) and Quantity of Output is 0.559, which indicates a moderately strong positive relationship between the two variables. The p -value is 0.000, which is less than the significance level of 0.01, confirming that the relationship is statistically significant.

Since the p -value is less than 0.01, we reject the null hypothesis (H_{04}) and accept the alternative hypothesis. This means: There is a statistically significant positive relationship between Management by Objectives and quantity of output of microfinance banks in Rivers State. This finding implies that when employees participate in setting measurable goals through MBO, they are more likely to increase their output such as the number of customer transactions, loan applications processed, or financial services rendered. MBO encourages ownership, accountability, and alignment of individual roles with organizational objectives, which ultimately boosts overall productivity.

Summary of findings

- 1) There a significant relationship between Performance appraisal and Timeliness of output of microfinance banks in Rivers state.
- 2) There a significant relationship between Performance appraisal and Quantity of output of microfinance banks in Rivers state.
- 3) There a significant relationship between Management by Objectives and Timeliness of output of microfinance banks in Rivers state.
- 4) There a significant relationship between Management by Objectives and Quantity of output of microfinance banks in Rivers state.

Discussion of Findings

Performance appraisal and timeliness of output

The Pearson correlation coefficient (r) between performance appraisal and timeliness of output is 0.578, which indicates a moderate positive relationship between the two variables. The p -value = 0.000, which is less than 0.01, shows that the relationship is statistically significant at the 1% level. Since the p -value is less than the 0.01 significance level, we reject the null hypothesis (H_{01}) and accept the alternative hypothesis. This means that: There is a significant positive relationship between performance appraisal and timeliness of output of microfinance banks in Rivers State. Similarly, A study by Nwankwo and Eze (2021) titled “Effect of Performance Appraisal on Employee Productivity in Microfinance Institutions in Port Harcourt” employed a survey research design. The findings revealed that regular and structured performance appraisals significantly improved the timeliness of service delivery and increased the volume of client processing. The study concluded that performance appraisal systems serve as a motivational tool when they are transparent and linked to rewards. It recommended that microfinance banks adopt bi-annual performance reviews and involve employees in setting performance expectations to enhance productivity.

Performance appraisal and quantity of output

The Pearson correlation coefficient (r) between performance appraisal and quantity of output is 0.406, indicating a moderate positive relationship between the two variables. The significance value (p -value) is 0.000, which is less than the alpha level of 0.01, suggesting that the correlation is statistically significant. Since the p -value is less than 0.01, we reject the null hypothesis (H_{02}) and accept the alternative hypothesis. This means that: There is a statistically significant positive relationship between performance appraisal and quantity of output of microfinance banks in Rivers State. In practical terms, the result implies that the more effective and consistent the performance appraisal practices within the banks, the higher the volume of output produced by employees—such as the number of transactions processed, customers attended to, or services delivered. This supports the notion that performance evaluations, when well implemented, can drive productivity in measurable ways. Similarly, In another study by Okpara and Idowu (2023) titled “Performance Management Strategies and Organizational Effectiveness of Microfinance Institutions in Rivers State”, a cross-sectional

survey was adopted. Specifically, performance appraisal improved service precision and reduced staff absenteeism, while MBO practices enhanced task ownership and increased the number of loans processed monthly. The conclusion emphasized the need for microfinance institutions to institutionalize structured goal-setting and adopt digital appraisal tools. The study recommended periodic staff training on goal alignment and incorporating employee feedback into performance reviews. The empirical studies reviewed consistently affirm that performance appraisal and MBO are critical tools for enhancing the timeliness and quantity of output in microfinance banks in Rivers State. The studies recommend more participatory, transparent, and structured approaches to performance management to drive sustainable productivity gains in the sector.

Management by Objectives and Timeliness

The Pearson correlation coefficient (r) between Management by Objectives (MBO) and Timeliness of Output is 0.443, indicating a moderate positive correlation between the two variables. The p -value is 0.000, which is less than the significance level of 0.01, indicating that the relationship is statistically significant. Since the p -value is less than 0.01, we reject the null hypothesis (H_{03}) and accept the alternative hypothesis. This implies that: There is a significant positive relationship between Management by Objectives and timeliness of output of microfinance banks in Rivers State. This result suggests that when employees are actively involved in setting clear and measurable objectives, they are more likely to complete tasks on time, meet deadlines, and respond promptly to customer needs. Therefore, the implementation of MBO contributes meaningfully to enhancing operational efficiency and timely service delivery in microfinance institutions. Similarly, Obinna and Amadi (2022) conducted a study titled "Management by Objectives (MBO) and Organizational Output in Selected Microfinance Banks in Rivers State." The study found a strong positive correlation between MBO practices and quantity of output, noting that when employees were involved in goal-setting, they were more committed and productive. The study also highlighted that clear individual goals contributed to faster service delivery and fewer customer complaints. The authors concluded that MBO enhances both operational efficiency and employee accountability in microfinance settings. They recommended that bank managers integrate MBO frameworks with daily operational planning and ensure regular performance feedback sessions.

Management by Objectives and Quantity of output

The Pearson correlation coefficient (r) between Management by Objectives (MBO) and Quantity of Output is 0.559, which indicates a moderately strong positive relationship between the two variables. The p -value is 0.000, which is less than the significance level of 0.01, confirming that the relationship is statistically significant. Since the p -value is less than 0.01, we reject the null hypothesis (H_{04}) and accept the alternative hypothesis. This means: There is a statistically significant positive relationship between Management by Objectives and quantity of output of microfinance banks in Rivers State. This finding implies that when employees participate in setting measurable goals through MBO, they are more likely to increase their output such as the number of customer transactions, loan applications processed, or financial services rendered. MBO encourages ownership, accountability, and alignment of individual roles with organizational objectives, which ultimately boosts overall productivity. Similarly, Obinna and Amadi (2022) conducted a study titled "Management by Objectives (MBO) and Organizational Output in Selected Microfinance Banks in Rivers State." The study found a strong positive correlation between MBO practices and quantity of output, noting that when employees were involved in goal-setting, they were more committed and productive. The study also highlighted that clear individual goals contributed to faster service delivery and fewer customer complaints. The authors concluded that MBO enhances both operational efficiency and employee accountability in microfinance settings. They recommended that bank managers integrate MBO frameworks with daily operational planning and ensure regular performance feedback sessions.

CONCLUSION

This study concludes that Performance Management Strategies namely performance appraisal and management by objectives play a critical role in enhancing Organizational Output in microfinance banks in Rivers State. Specifically, performance appraisal significantly improves both the timeliness and volume of output, while MBO fosters goal clarity and employee engagement, resulting in measurable productivity gains. These results validate the relevance of structured performance management systems in promoting operational efficiency and strategic alignment within financial institutions. Therefore, managers and policymakers in the

microfinance sector should prioritize these techniques as tools for optimizing employee contributions and achieving organizational goals.

RECOMMENDATIONS

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

1. Microfinance banks should implement structured and periodic performance appraisals to provide feedback, recognize achievements, and identify areas for improvement. This will enhance employee motivation and output.
2. Management by Objectives should be adopted as a participatory management strategy to involve employees in setting clear and measurable goals, thereby improving accountability and performance outcomes.
3. Capacity-building programs should be organized for managers and supervisors on effective performance management practices to ensure consistency and objectivity in implementation.
4. There should be a transparent system that connects performance evaluations to incentives, promotions, and career development to boost morale and encourage high productivity.

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**APPENDICE A
QUESTIONNAIRE**

Section A

Instructions: Tick the most appropriate response that appeals to you.

S/N	Performance Management Strategies	1	2	3	4	5
1.	Performance appraisal in my organization helps improve the timeliness of service delivery.					
2.	The goals set through Management by Objectives (MBO) have led to an increase in the volume of work/output in my department.					
Organizational Output						
3.	Regular performance reviews positively affect how quickly tasks are completed in my organization.					
4.	Involving employees in setting performance targets has increased the quantity of services delivered by the bank.					

**APPENDIX B
SPSS OUTPUT**

Correlations

Correlations

		Performance appraisal	Quantity of output
Performance appraisal	Pearson Correlation	1	.406**
	Sig. (2-tailed)		.000
	N	45	45
Quantity of output	Pearson Correlation	.406**	1
	Sig. (2-tailed)	.000	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

Correlations

		Management by Objectives	Timeliness of output
Management by Objectives	Pearson Correlation	1	.443**
	Sig. (2-tailed)		.000
	N	45	45
Timeliness of output	Pearson Correlation	.443**	1
	Sig. (2-tailed)	.000	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations

Correlations

		Management by Objectives	Quantity of output
Management by Objectives	Pearson Correlation	1	.559**
	Sig. (2-tailed)		.000
	N	45	45
Quantity of output	Pearson Correlation	.559**	1
	Sig. (2-tailed)	.000	
	N	45	45

** . Correlation is significant at the 0.01 level (2-tailed).