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PERFORMANCE EVALUATION MODEL USED IN NIGERIAN QUOTED COMPANIES: EMPIRICAL RESEARCH FINDINGS

ABSTRACT

Performance is the outcome of work and it provides the linkage between the goals of an organisation and its effectiveness. Since there are various models of performance, this study seeks to empirically identify the most commonly used model by companies quoted on the 1st Tier of the Nigerian Stock Exchange and the effect of such usage on the development of the companies and the Exchange. Based on a randomly selected sample and descriptive statistics, the study has shown that the most used performance evaluation model is the accounting model, which has led to the neglect of the activities of the companies on the Stock Exchange in their performance measure. The practical implications of this finding are that the management of Nigerian quoted companies are not sensitive to the performance of their securities on the floor of the Nigerian Stock Exchange and therefore activities on the exchange are not as dynamic as they should be. Consequently, the paper calls for the use of market based performance evaluation models and the enlargement of performance indicators reported.