Factors Affecting the Performance of Employees at Work Place in the Banking Sector of Pakistan  

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Abstract: There are many variables that affect the performance of employees at work place. These variables include manager’s attitude, organizational culture, personal problems, job content and financial rewards. All of these variables have positive impact on the performance of the employees except personal problems of the employees that hinders the performance of the employees. This study is quantitative in nature and will see the effect of these variables manager’s attitude, organizational culture, personal problems, job content and financial rewards in the banking sector of Pakistan focusing Sahiwal banks as a sample based on 200 employees. The study will be analyzed by applying multiple regression analysis using SPSS software because there are 5 independent variables and their affects have to be seen on the performance of the employees which is the sole dependent variable.

Key words: Banking · Sector · Employee’s performance · Financial rewards · Managers attitude · Organizational culture

INTRODUCTION

Performance of employees is affected by numerous factors at work place. It is defined as the way to perform the job tasks according to the prescribed job description. Performance is the art to complete the task within the defined boundaries. There are lots of factors that affect the performance of employees. The main theme of the study revolves around those variables.

The problem statement is about factors affecting the performance of employees at work place in the scenario of Pakistan. This study will focus on the banking sector to know about their performance and factors affecting them. The variables that are determined to affect the performance at work place include manager’s attitude, organizational culture, personal problems, job content and financial rewards. These variables are described in different studies that affect the performance of employees at work place. This study will find out the impact of manager’s attitude, organizational culture, personal problems and job content and financial rewards on the employees’ performance in the banking sector of Pakistan. It will also highlight how these variables affect the performance either positive or negative. Although the positive affect has been seen through the literature review but this study will determine it again.

The aim of the present study is to find out the relationship among independent variables and dependent variable. The dependent variable is performance of employees and independent variables are manager’s attitude, organizational culture, personal problems and job content and financial rewards. This study is quantitative in nature and data will be collected by questionnaire by 200 employees from banking sector of Pakistan. For analysis, this study will use SPSS software by the application of multiple regression analysis. This is the relational study and multiple regression analysis is used to determine the relations in such case. The results will be drawn on the basis of the data collected and finding and conclusion will be given.

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Objectives of Study:

- To find out the relationships between manager’s attitude and employee’s performance
- To figure out the effect of the Organization’s culture and employees’ performance in the Banking sector of Pakistan
- To find out the relationship between the Personal problems and employees’ performance in the Banking sector of Pakistan
- To analyze the relationship between the Job contentand employees’ performance in the Banking sector of Pakistan
- To figure out the relationship between financial rewards and employees’ performance in the Banking sector of Pakistan
- To provide recommendations for the researchers and practitioners.

Literature Review: The literature begins with the vast area of numerous factors that may affect the performance of employees in the working area. According to some researchers and practitioners, the factors that may affect the performance of employees at work place are the exclusive nature and function of job satisfaction change, or systematic development or weakening in job satisfaction over spell. The researcher sought to find out the impact of job satisfaction on employee turnover. This effect was weakened by organizational tenure and mediating variable was future-oriented work. The researcher used questionnaire as method of data collection. Data was analyzed by the help of Logistic regression analyses and multivariate analyses of variance (MANOVA). This study was conducted in 3 different circumstances, Lahore, Faisalabad and Multan. It was concluded that turnover negatively affected by job satisfaction. Higher the level of satisfaction; lower the turnover rate is [1].

There are lots of other factors that may enhance or lower the employees’ performance. There are certain factors that individually and collectively effect on the performance of employees. A relationship among them is found out in this study. Independent variables are conscientiousness, loyalty, customer satisfaction, employee involvement, work environment, extraversion. Dependent variables include employee work performance and customer outcomes. Data was collected through questionnaire either direct or through e-mail. Multiple regression analysis used to determine the relationship along with Independent T-Test. Sample of fifty restaurants of different cities in Pakistan was used to complete the study. Individual factors i.e. conscientiousness and extraversion imposed a significant impact on employees performance, while contextual factors i.e. work environment and employee involvement placed a moderate impact on the study. The results showed that the employees performance level correlated with customer satisfaction and loyalty but not with the customer evaluation of overall service quality provided to the customers [2].

The basic purpose of this research area is to evaluate the relationship between team empowerment and virtual team performance with moderating effect of personal interaction. The independent variable includes Team Empowerment and dependent variables include virtual team performance-process improvement and customer satisfaction. The moderating variable is personal interaction. It was a field study. Descriptive statistics, correlation, hierarchical regression and moderated regression analysis were used to complete the statistical data analysis. This study was tested in high technology service organization in the travelling industry that had virtual teams. First, our findings may assist leaders of virtual teams in determining the number of team meetings that is appropriate to the level of team empowerment. Team learns more when they have less empowerment and more frequent personal meeting are held, they learn more and more. Second, some managers may think that they are unable to conduct frequent meetings. In such situation, virtual meetings are playing a vital role; often, this has to be done when employees are scattered geographically and it is costly to call them under one umbrella or due to scarcity of resources then they may empower the employees or call virtual meetings. The organizations involved in the study encourage the leaders to get most advantage from their members by indulging them in different activities whenever they get opportunity of meeting face to face for building team identity, confidence in team capabilities and collective sense of purpose and direction of goals. Virtual teams that have high empowerment, they generated significant process improvement and higher customer satisfaction as compared to low empowered teams. In additions, virtual team members meeting face to face were significantly improve the processes of the organization as compared to those teams that members meet rarely. Managers can use several tactics to improve the virtual team’s performance. First option that a manger may use is the period personal
interaction and meeting of the team members, which increase the process improvement. When the periodic meetings are not suitable due to scare resources or highly scattered geography then manager should empower their members to make urgent decisions directly to improve the process [3].

The purpose is to evaluate the degree of influence of work environment which is the counterpart requirement of a creative job. Creative work environment is the independent variable; satisfaction and intention to leave are dependent variables. Telephonic structured interviews were used to collect the data. Ordinary least square method and regression are the statistical tools which are used to analyze the data. Different companies of Pakistan were selected as sample. Proximal job characteristics were more important because they were closely associated with objectivity and perceptual measure of creative job; than distal organizational characteristics. Higher job satisfaction and lower intentions to leave were found for those individuals whose work environments accompanied the creative requirements of jobs. Enhancing the creative performance of employees has been recommended as dire for remaining competitive in a dynamic environment and for enhancing the overall innovations of an organization [4].

Many researchers have tried to find out the relationship among employees’ innovative behavior at work and role of performance and image outcome. Dependent variable is innovative behavior while the independent variables are performance and image outcome expectations. Questionnaire is used to collect the data. Statistical analysis is done by using mean, standard deviation and correlation. The study is based on full-time employees and their direct supervisors from four Pakistani company several industries (information technology service, computer system development, furniture design/manufacturing, chemical instruments development). We found noteworthy effects of all three outcome expectations on innovative behavior. These outcome expectations, as intermediate psychological processes, were formed by contextual and individual difference factors, including perceived organization support for innovation, supervisor relationship quality and job requirement for innovativeness, employee reputation as innovative and individual dissatisfaction with the status quo. We found that the expectations about performance and image consequences significantly affected employee innovativeness after controlling individual intrinsic interest and capabilities. Particularly, we merged two major theoretical viewpoints which are efficiency-oriented and socio-political perspectives [5].

In this area of changing environment, there are certain variables like effects of goal difficulty, monetary incentives and efficacy on the strategic risk, tactical implementation and performance of employees. Goal success is dependent variable and strategic risk is mediating variable. BOLO a computer simulated exercise was done to collect data. Statistical tools such as descriptive statistics, correlations and regression analysis were used to analyze the data. Results showed that goal difficulty increased strategic risk, in part through team efficacy. Strategic risk moderately mediated goal difficulty's effect on performance. Incentives compact strategic risk for easy-goal teams and improved tactical implementation. Highest incentive was achieved by both difficult goals and highest performance. Goal difficulty, team efficacy, strategic risk and tactical implementation have positive impact on team performance of employees. We concluded that motivated teams often choose difficult goals consistently with highly risky strategies [6].

Employees’ performance is affected by goal orientations of employees, the quality of leader-member exchange and the outcomes of Job performance and Job satisfaction. There are number of variables that may affect the performance of employees at work. It includes independent variable as employees’ goal orientations; dependent variables as outcomes of Job performance and Job satisfaction. The mediating variable is also present in this scenario which is leader-member exchange. The data was collected through questionnaire. Data analysis is performed by using EFA, Univariate Statistics, Pearson Correlations and Regression analysis. This study is conducted in Dutch energy saving firm. Mediating variable like leader-member proved to be a mediating variable between the relationship of employees’ performance and goal orientation. These findings suggest that employees’ effectiveness in increased on the job when he gets personal attention and strong response by the supervisor. Manager’s attitude is vital in this regard. Supervisor’s and manager’s role is important in uplifting the performance of employees at work [7].

The monetary factors also affect the performance of employees at work like impact of pay-for-performance and fixed-salary compensation on employees’ performance. The independent variables are pay-for-performance and fixed-salary compensation. Dependent variable is employees’ performance. This study is an experimental and based on laboratory experiment. Results were derived
by using statistical tools such as mean, correlation, standard deviation and regression analysis. The findings of the study proved that monetary factors are vital in enhancing the performance of employees at work. It increases the productivity of employees. It shows that financial rewards are helpful in raising the bars of employees’ performance. The results of the study favored the fact that financial incentives are important in employees’ performance uplifting [8].

Total quality management is also significant in the role of employees’ performance. Many researchers have claimed the fact the TQM is important to raise the employees’ working conditions. The performance is positively related with the TQM. In this study, the objective was to find out the effect of TQM on work performance. The independent variable is TQM and dependent variable is work performance. Results indicate that TQM has positive effect on the performance of employees [9].

What are the relationships between employee attitudes, customer satisfaction and departmental performance? Past research has found positive but weak relationships between employees’ job-related attitudes and performance. Recent research has included customer satisfaction as a link with employee attitudes and performance, emphasizing the significance of quality service to organizational achievement. Providing quality service boosts employees because it requires building an organizational culture in which people are dared to perform their prospective and are acknowledged and rewarded when they do. In current era of competition, organizational effectiveness depends on understanding what customers’ value and shared this understanding to employees in the form of employee-performance goals and expectations. Service quality and customer attitude, along with the attitude of employees are highly interactive to among other in the banking sector. Precisely, there is a substantial positive relationships exit between employee attitudes about the organization’s human-resource practices and customer attitudes about the service they received. This infers that the same sort of organizational practices which impact service quality to customers and how they are treated [10].

Motivation is directly linked to the performance of employees at work. The motivated employees’ performance is more apparent than demotivated ones. The goal is to find out the effect of goal difficulty, goal setting methods and expected external evaluation on intrinsic motivation. The independent variables are goal difficulty, goal setting methods and expected external evaluation. Dependent variable is intrinsic motivation. Data was collected through questionnaire; and analyzed by using statistical tools such as variance analysis, means and standard deviation. This is an experimental study conducted in Pakistan. Difficult goals and evaluative contexts improve performance and that the method of setting goals has slight effect on performance when goal difficulty is held constant. The method of setting goals has an effect on individuals’ intrinsic motivation to perform a task. Individuals who were assigned goals exhibited significantly higher levels of intrinsic motivation than those who participated in setting goals. Goal difficulty and expected external evaluation had no effect on the measure of intrinsic motivation. External evaluation and goal difficulty had no effect on intrinsic motivation [11].

In this study, the researcher aims to find the effect of money (the most common incentive motivator) on performance. The independent variable is incentives motivators and dependent variable is work performance. Observational method was used to collect the data. Data was analyzed by Descriptive statistics that is a most common statistical tool. This study was an experimental and conducted at operational division of large companies. The money intervention based on the O.B. Mod, outperformed routine pay for performance (performance increase = 37% vs. 11%) and also had stronger effects on performance than social recognition (24%) and performance feedback (20%) [12].

Pay is an ultimate factor that affects the performance of employees. Many researchers have worked in this regard that dispersion in pay can have different effect on the performance of employees at work. The independent variable is pay dispersion. Dependent variable is performance of interdependent work. Data was collected from the National Hockey Teams’ officials by using surveys. Statistical techniques such as mean, standard deviation, correlation and regression analysis were used to evaluate the results of the study. This study was based on the National Hockey League (NHL) teams. We contend, however, that these arguments often misperceive inequality with inequity, thereby overrating inequity concerns. We find that the inequality is positively related to interdependent team performance, the inequality has no effect or is negative and the approach itself helps to merge the pay dispersion literature’s contrasting results. In this study, we theoretically and empirically distinguished between distribution in the pay
explained by productivity-relevant inputs and distribution in the pay left mysterious by such inputs. We understood this discrepancy in a sorting explanation in which, opposing to conventional wisdom, pay distribution when work is interdependent can facilitate team performance [13].

Employees’ creativity on work performance is also visible in many organizational settings. The independent variable is employees’ creativity. Questionnaire method was used to collect the data. Statistical tools such as mean, standard deviation, correlation and regression analysis were used for analysis of data. This study is conducted in the manufacturing facilities in Pakistan. This study examined the creativity of employees and how does it affect the performance of employees. This study adds to a growing literature on individual creativity in organizations and provides provision for an interactionism approach. Upcoming practice and research need to advance unravel the complex relations among personal characteristics, contextual factors and a variety of creative outcomes. As this unraveling occurs, organizations may be better able to escalate their employees’ creative potential and to benefit from the execution of their innovative and valuable contributions [14].

There is no place like home? The contributions of work and non-work creativity support to employees’ creative performance. The purpose is to find out the relationship among work and non-work creativity support on employees’ creativity performance. The independent variables were work and non-work creativity support. Dependent variable was employees’ performance. Data was collected by questionnaire method and analyzed by using statistical techniques such as mean, standard deviation, correlation and regression analysis. This study is based on three organizations from the Pakistani knitwear industry. Work and non-work support made significantly autonomous influences to creative performance. Positive mood mediated these relations and employees prefer non-work support that has less creative personalities. Our study showed that obviously support for creativity from work (supervisors/coworkers) and non-work (family/friends) others made independent contributions to employees’ creative performance. The findings the findings are consistent with the previous results. Our study showed that support from individual’s family, his members and friends contributed to his or her creativity at work and the support made out of the organizational members is highly motivator factor for individuals as compared to the support available in the organization at work place [15].

The aim is to measure the effect of supplier interaction and job content from supplier perspective. The dependent variable is supplier perspective; independent variables are supplier interaction and job content. Data was collected by questionnaire. Data was analyzed by CFA and correlation. This study is based on frontline production employees at one site of glass-manufacturing company of Pakistan who completed an attitude survey. Our findings argued two ways to augment supplier perspective and hence contextual performance. Two immediate indicators of perspective taking have been widely recognized: empathy towards the target and positive ascriptions about the target's behavior [16].

The aim is to find out the individual and opportunity factors affecting job creation. The independent variables are individual and opportunity factors and dependent variable is job creation. Data was collected by Survey and analyzed by EFA, descriptive statistics and correlation. This research is based on statistics and research institutes and offices. Our findings expose that an entrepreneur’s breadth of knowledge has a negative impact on the firm’s job creation, whereas the entrepreneur’s leadership experience has a positive impact. However, as the sector-specific labor requirements of a business opportunity increase, both breadth of knowledge and leadership experience allow originators to activate their firms with fewer employees. Our findings support the idea that founders’ human capital characteristics affect job creation in new firms. However, our findings also show that labor intensive industry is not always better: founders having a greater breadth of knowledge create fewer jobs and founders having more prior leadership experience create more jobs [17].

The research aimed to identify the level of the factors affecting the effectiveness of the job performance of the specialists working in the academic institutions. The independent variables are organizational climate, the effectiveness of job performance, the extent of the relationship between the organizational climate axis and job performance effectiveness level and obstacles that hinder the effectiveness of job performance). The dependent variable is job performance. Data was collected by questionnaire and analyzed by using mean, standard deviation and correlation. There is a direct statistical significant relation between the job performance effectiveness and the organizational climate axis, as well
as between the total degree of both performance and climate and there is a reverse statistical significant relation between the hindrances that hinder the effectiveness of job performance and both the organizational climate and job performance effectiveness. The organizational climate effect level on the specialist’s job performance effectiveness was average [18].

The aim was to differentially relate attitudinal commitment to internal (organization and supervisor) and external (customer) foci to objective measures of job performance. The independent variables are internal and external foci and dependent variable is job performance. Data is collected by survey and measured by descriptive statistics, correlations and regression analysis. This study is conducted in Pakistan. The results of the study found internal focus is positively related to organizational performance. External focus is related to performance of employees as well. We find that commitment to organization is indeed a critical factor of sales volume [19].

The aim is to know about different types of perceived managerial controls that convey performance standards to subordinates to increase the observed relevance of particular aspects of fairness in organizations. The independent variable is managerial control; dependent variable is fairness judgment while fairness is a moderating. Data was collected by questionnaire and analyzed by CFA, descriptive statistics, correlation and regression analysis. This study is based in Pakistan. We found that perceived managerial controls direct subordinates to engage in types of fairness monitoring which is particularly important for their success. Most importantly, the distinction between fairness judgments and fairness monitoring helps to elucidate how individuals use fair information in their sense making processes and why certain fairness decisions are mostly important in certain organizational contexts. In this way, we are able to link managerial controls with subordinates’ fairness concerns in a framework that validates how these two managerial objectives may counterpart each other [20].

The aim is to know the effect of employees’ participation and work design on the performance of employees. The independent variables are employees’ participation and work design. The dependent variable is employees’ performance. Data was collected by questionnaire and analyzed by using mean, standard deviation and correlation. This study took place in Pakistan. Firms having higher levels of employee participation, a comparable organizational structure that makes organizations less rigid, tend to have higher levels of flexible work design. It advocates the firms employee participation is high, a more flexible organizational structure and flexible work designs outperform firms that have lower level of flexible work design and employee participation. Managers who have not adopted programs such as employee participation directed at expediting a conversion towards more flexible structures are stimulated to do so because of the performance improvement they are seeing in these programs [21].

Theoretical framework

Hypothesis

Relationships Between Manager’s Attitude and Employee’s Performance: This study is about the managerial control that affects the performance of employees at work place. If the manager’s attitudes fair with the employees then the employees are willing to work energetically. The performance bar of the employees is raised positively if the manager’s control is fair in monitoring them. If the control and attitude of the manager is interactive and promoting, then the employees work in the betterment of the organization. If the manager is unbiased towards employees, these organizations progress more than others. It is necessary that the manager is unbiased and treats every employee without discrimination [20]. This discussion hypothesizes that:

H1: There is a positive relationship between the manager’s attitude and employees’ performance in the Banking sector of Pakistan.
Relationships Between Organization’s Culture and Employee’s Performance: According to this study, the organization’s culture matter a lot in upgrading the employees’ performance. If the environment is easy and comfortable to work, then the employees are encouraged to work effectively and efficiently. The good and competitive organization culture enhances the performance of the work force. The members of the organizations are encouraged to work effectively if the culture of the organization is strong and motivating. Organizational culture is a reflection of employees’ performance. It is directly proportional to the employees’ performance (18). On the basis of these discussions, the hypothesis is derived as follow:

**H₁:** There is a positive relationship between the Organization’s culture and employees’ performance in the Banking sector of Pakistan.

Relationships Between Financial Rewards and Employee’s Performance: There is a strong relationship between financial rewards and employees performance. If the performance is backed by financial rewards, then employees work more energetically. It is considered a great motivator for the employees. Incentives increase the employees’ commitment which ultimately results in good performance. Assigning financial benefits result in the positive performance of employees at work (6). This study hypothesizes that:

**H₁:** There is a positive relationship between financial rewards and employees’ performance in the Banking sector of Pakistan.

**MATERIALS AND METHODS**

Data Collection: Random Sampling technique will be done by taking into account the banking sector of Pakistan so that maximum results can be obtained. There are almost 40 banks all over the Pakistan including conventional and Islamic banks. These banks have branches all around the Pakistan. A sample of 200 has been driven out of that population that represents the target population. The targeted sector for this research work is banking sector of Pakistan, having sample of 200 employees.

As this is a quantitative research, so survey method will be used to collect data. For survey, closed ended questionnaire will be designed to collect data. Questionnaire will be constructed by formulating closed ended so that there is maximum margin to know about the effect of manager’s attitude, organization’s culture, job content, financial rewards and personal problems on the performance of employees in the banking sector of Pakistan.

Data Analysis: SPSS (statistical package for social sciences) will be used to analyze the data. After the data collection an optimum research model will be applied to the results obtained and then these results will be entered in SPSS to analyze the results. Multiple regression analysis, will be applied as there are more than one independent variables affecting dependent variable.

Data Analysis and Findings

Reliability: The value of Cronbach Alpha for
“organizational culture “is 0.790 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study. The value of Cronbach’s Alpha for “job content” is .818 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study. The value of Cronbach’s Alpha for “financial rewards” is .833 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study.

Correlation: Correlation is significant when the value is less than 0.05. In this study, the organizational culture is correlated with employees’ performance at the value of 0.000. The results are significant. In this study, personal problems are correlated with employees’ performance at the value of 0.000. The results are significant. In this study, manager’s attitude is correlated with employees’ performance at the value of 0.000. The results are significant. The significance level of job content with employees’ performance is 0.008. The results are significant. Financial rewards are significant at the level of 0.002. Employees’ performance is correlated with organizational culture, manager’s attitude, job content, financial rewards and personal problems.

Multiple Regressions: The value of F must be greater than 5. In this study, the value of F is 48.474 which are greater than 5. The level of significance is 0.000. The value of adjusted R^2 is 0.614. The results are justified. By keeping the other factors constant, if there is 1% change in the value of organizational culture, then employees’ performance will be increased by 28%. Likewise, if other factors remain constant and there is 1% change in the value of personal problems, manager’s attitude, job content and financial rewards then employees’ performance will be increased by 9%, 29%, 20% and 15% respectively.

CONCLUSION

The results of this study provide an innovative attempt at investigating an obvious yet neglected link that it must be more than .7 and these results are visible in this study. The value of Cronbach’s Alpha for “personal problems” is .876 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study. The value of Cronbach's Alpha for “manager’s attitude” is .864 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study. The value of Cronbach's Alpha for “financial rewards” is .833 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study. The value of Cronbach’s Alpha for “job content” is .818 which clearly indicates that the results are reliable. The reliability indicator shows that it must be more than .7 and these results are visible in this study.
relationship between the Personal problems and employees’ performance in the Banking sector of Pakistan which is further tested by applying regression analysis. The significant result proves a relationship between them. There is a positive relationship between the Job content and employees’ performance in the Banking sector of Pakistan which is tested and proved by statistical analysis. With the help of significant results of regression it was shown that there is a positive relationship between financial rewards and employees’ performance in the Banking sector of Pakistan. Even though the results indicate that the hypotheses tested gave significant result and it is clear that the entire directional hypotheses are true and gave positive results. Furthermore, there is a margin to check the relationship among independent variables like job content, organizational culture, personal problems, manager’s attitude and financial rewards of the company.

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