
FACTORS AFFECTING THE EMPLOYEE'S PERFORMANCE: A CASE STUDY OF BANKING SECTOR IN PAKISTAN

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ABSTRACT

There are many variables that affect the performance of employees at work place. These variables include working hours, trainings, communication barriers, stress and financial rewards. Financial rewards and trainings have positive impact on the performance of the employees but stress, working hours and communication barriers hinders the performance of the employees. This study is quantitative in nature and will see the effect of these variables in the banking sector of Pakistan focusing Faisalabad 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.

INTRODUCTION

Performance of employees is affected by different factors at work place. Job performance assesses whether a person performs a job well. Employee performance indicates the effectiveness of employee's specific actions that contribute to attain organizational goals. 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 working hours, trainings, communication barriers, stress 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 working hours, trainings, communication barriers, stress 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 working hours, trainings, communication barriers, stress 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. The objectives of this study are to find the factors affecting the job performance of employees. To find the relationship between long working hours and employees performance. To analyze the impact of trainings on job performance of employees. To figure out the effect of communication barriers on job performance of employees. To find the relationship between financial rewards and employee job performance. To analyze the impact of stress on the employee job performance. To provide recommendations for the researchers and practitioners.

LITERATURE OF 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 factors that may affect 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. Rashid saeed et al. (2013), check that there are many variables that affect the performance of employees at work place in the banking sector of Pakistan by using Multiple regression analysis in SPSS and find that there is a positive relationship between the manager's attitude and employees' performance. Rashid saeed et al. (2013), check factors affect employees' job satisfaction in banking sector of by using two analyses Correlation and Multiple regressions and find that there is a positive link exists between leadership; motivation.

Yasir Hassan et al. (2011), check that job satisfaction level in private banking sector and find that most of the employees working in private banks are satisfied with their work, management functions and job

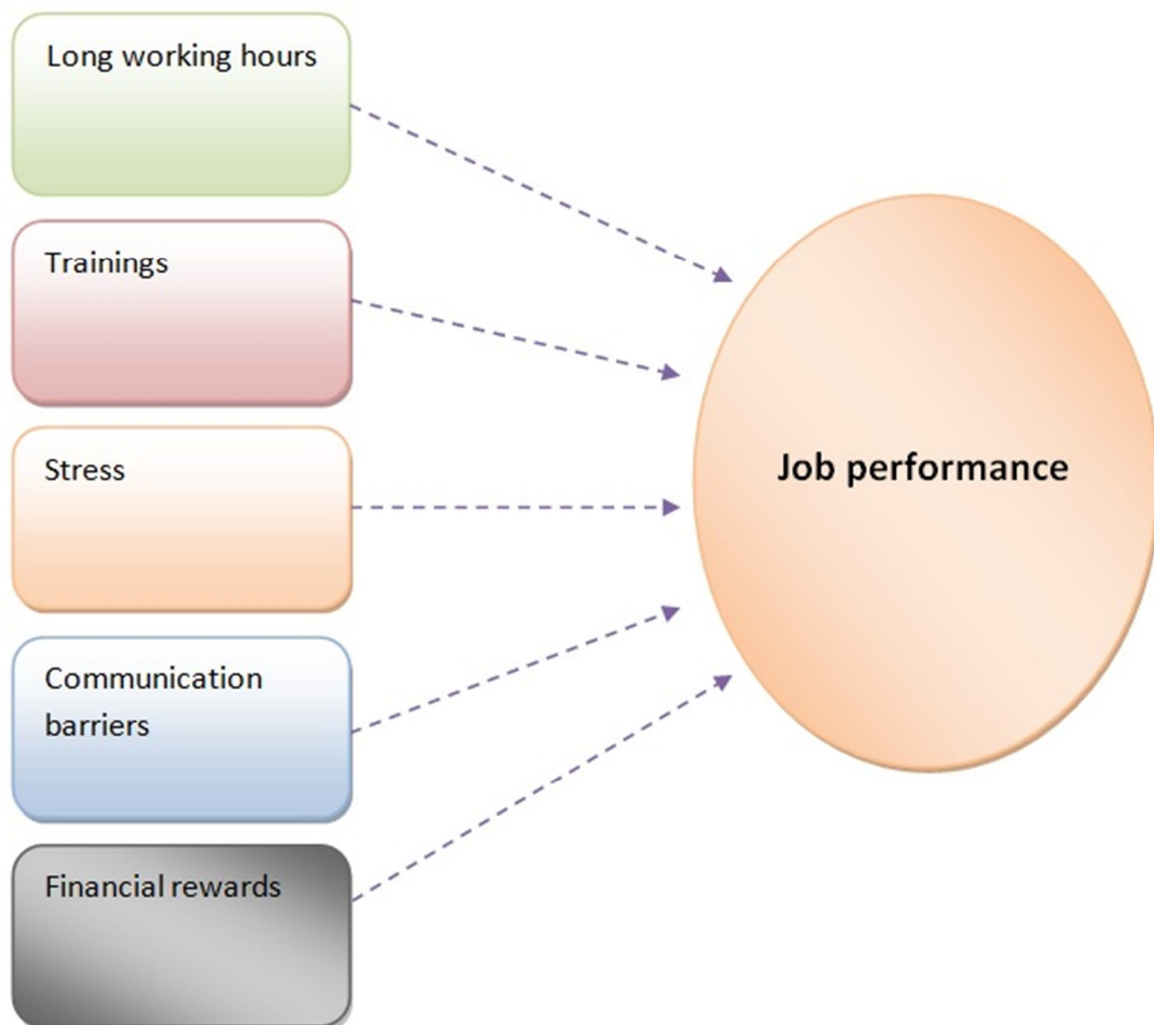
positions in. Ahmed Imran Hunjra et al. (2010), check that the impact of various human resource management practices like job autonomy, team work environment and leadership behavior on job satisfaction in banking sector by using SPSS to analyze the data, using Independent Sample T Test, Correlation and regression analysis and find that there is a positive and significant link between job satisfaction and human resource management practices like team work environment. Naeem Akhtar et al. (2014), check that the relationship between the different factors (financial rewards, personal traits, high salary plans, job design and supervision) and employees motivation in banking sector and SPSS used to analyze the data and find that there is positive relationship between financial rewards and employees motivation. Raja irfansabiret al. (2014), check that the factors affecting Customer Satisfaction in Banking Sector and to find the relationship between Service Quality, used in SPSS and find that there is positive relationship between service quality attributes and customer satisfaction. Abid Hussain et al. (2012), check that the impact of Job Involvement on the Job Performance and the difference between the females and males with respect to Job Performance Banking Sector of Pakistan by conducting a questionnaire survey and using correlation and find that results show that there is a positive correlation ($r=0.705$, $p<0.01$) between Job Involvement and Job Performance.

Sobia Shujaat et al (2013), check the Impact of Career Development on Employee Satisfaction Banking Sector by using Chi-Square test and SPSS find the study determined that there is positive relationship between career development and employee job satisfaction in banking sector. Sobia Shujat et al. (2011), check the Impact of Work Life Balance on Employee Job Satisfaction Banking Sector of by using SPSS, test applied was correlation and these findings suggest that work life balance has very less impact on employee job. Aftab et al. (2012), check the A Study of Job Satisfaction and IT's Impact on the Performance in the Banking Industry by using Herzberg's two-factor theory (1959)" and correlation and find a positive relationship between job satisfaction and job performance. Saba Saleem et al. (2013), check the Determinants of Job Satisfaction among Employees of Banking Industry at Bahawalpur by using Linear Regression Analysis and Correlation Analysis and Descriptive Statistics and Cronbach's alpha and find that stress, communication and personality have a significant but weak impact on job satisfaction whereas recruitment & selection procedures, organizational policy & strategy and nature of work have a significant and strong impact on employee job satisfaction. Ahmed Imran Hunjra et al. (2010), check the Factors effecting job satisfaction of employees in Pakistani banking sector by using the SPSS to analyze the data, using independent sample T test, Correlation and regression analysis. There is a positive and significant link between job satisfaction and human resource management practices. Atif Salman et al. (2014), check the Factors Affecting on Employees Retention in Banking Sector: An Investigation from by using the SPSS, correlation, regression and coefficient analysis and find a strong relationship between Employees' motivation and employees' retention among employees.

Bang, et al. (2013), find out the impact of job satisfaction on turnover of employees Data was analyzed by the help of Logistic regression analyses and multivariate analyses of variance (MANOVA). Higher the level of satisfaction; lower the turnover rate is. Banget al. (2013), check the mediating role of job satisfaction in the relationship between volunteer's motivation and commitment. I.V is volunteer's motivation. T-test used for data analysis. To find out that job satisfaction partially mediating the relationship between volunteers motivational factors and effective commitments. Some of the researchers pay attention on coaching program to motivate the concern employees. McComb (2012), aims to assist the organizational management to introduce the coaching program. I.V is coaching culture and D.V is motivation. It is concluded that in some situations managers are interested in coaching culture. Welbourne, T.M., et al (1998), The aim is to know the

effect of employees' participation and work design on the performance of employees. This study took place in Pakistan. 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. Reis and Pena (2001), has objective to introduce the environment in employees can work friendly. Different famous theories of writers and the Surveys are used to collect the data. It concerns with management history. Findings show that in nowadays cooperative work environment is great effect on motivation. It's confirmed that working style and method has been changed.

Theoretical Framework:



Hypothesis:

Relationships between Long working hours and Employee's Performance: Long working hours have negative effect on employee's performance as well as on their families, the employer and community. Researcher indicate that long working hours have more complex relationship with risk, as long working hours can reduce the efficiency of the employee because nonstop working will increase the chances of mistakes and faults. Employees who are allowed for some rest time during their job and they work few hours' shows greater efficiency and effectiveness at their job as they are fresh and energetic during their job. Banks timing is mostly from 9am to 5pm in Pakistan but originally there is no time limit so employees have to work for longer hours.

H1: There is a negative relationship between long working hours and employee performance in the banking industry of Pakistan.

Relationships between Trainings and Employee's Performance: Organizations need to be aware about the importance of keeping their human resources up-to-date. New product information, SOPs to perform new assignments, knowledge about their surrounding development and most importantly to keep them alive with the advancing technologies; trainings can play critical role. That is why trainings have positive impact on employee's performance as he/she will be confident and fully aware about his tasks comparative to the employee who is not being trained for important roles, he will be doing thing according his own understanding and he will definitely create problem for the bank.

H1: There is a positive relationship between Trainings and employee performance in the banking industry of Pakistan.

Relationships between stress and Employee's Performance: it is assumed mostly that stress has a positive effect on employees of any Organization but up to a certain extent up to which an employee can cope with it, mostly it exceeds the bearable limits and has a negative result on employee's performance. Stress exists in every organization either big or small the work places and organizations have become so much complex due to which it exists, work place stress has significant effects over the employees job performance, and the organizations. Stress has negative relationship with the employee's performance.

H1: There is a negative relationship between stress and employee's performance in the banking industry of Pakistan.

Relationships between communication barriers and Employee's Performance:

Communication barriers create huge hurdles for employees to discuss their routine problems and to get their solutions from the upper management. So when they feel confused to talk with their managers they feel hesitation and fear that they will be scolded and abused by their manager and decide at their own which may lead them towards wrong decisions and it can affect their efficiency. In this study we will assume that communication barriers play negative role for the employee performance.

H1: there is a negative relationship between communication barriers and employee performance in the banking industry 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. This study hypothesizes that.

H1: There is a positive relationship between financial rewards 1 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 is designed to collect data. Questionnaire will be constructed by formulating closed ended so that there is maximum margin to know about the effect of long working hours, stress, trainings, communication barriers and 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 variables.

Data Analysis and Findings

Scale	Cronbach alpha coefficient	No. of items
Long working hours	0.790	5
Trainings	0.876	4
Stress	0.864	8
communication barrier	0.818	5
Financial Rewards	0.833	5

Table 2:

Correlations		LWH	TR	ST	CB	FR	EP
LWH	Pearson Correlation	1	.080	.049	.003	-.009	.496**
			(.330)	.551	.967	.909	.000
	Sig. (2-tailed)						
TR	Pearson Correlation	.080	1	-.020	.099	.121	.296**
		.330		.812	.229	.141	.000
	Sig. (2-tailed)						
ST	Pearson Correlation	.049	-.020	1	-.078	-.054	.467**
		.551	.812		.343	.515	.000
	Sig. (2-tailed)						
CB	Pearson Correlation	.003	.099	-.078	1	-.094	.216**
		.967	.229	.343		.250	.008
	Sig. (2-tailed)						
FR	Pearson Correlation	-.009	.121	-.054	-.094	1	.246**
		.909	.141	.515	.250		.002
	Sig. (2-tailed)						
EP	Pearson Correlation	.496**	.296**	.467**	.216**	.246**	
		.000	.000	.000	.008	.002	1
	Sig. (2-tailed)						

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

Table 3: Multiple-regression of independent variables on employee performance

Independent variable	Standard error	Beta	t-value	P
LWH	.032	.444	8.678	.000
TR	.023	.200	3.863	.000
ST	.033	.461	9.013	.000
CB	.032	.329	6.381	.000
FR	.030	.259	5.006	.000

N=200, Adjusted R Square = 0.614, F = 48.474, overall model significance= 0.01 level

Reliability:

The value of Cronbach Alpha for Long Working Hours 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 Trainings is .876 which clearly indicates that the results. The value of Cronbach's Alpha for Stress is .864 which clearly indicates that the results are reliable. The value of Cronbach Alpha for Communication Barriers is .818 which clearly indicates that the results are reliable. The value of Cronbach 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 Long working hours variable is correlated with employees' performance at the value of 0.000. The results are significant. In this study, Training variable is correlated with employees' performance at the value of 0.000. The results are significant. In this study, stress is correlated with employees' performance at the value of 0.000. The results are significant. The significance communication barrier 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 long working hours, trainings, stress, communication barriers and financial rewards.

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 square is 0.614. The results are justified.

CONCLUSION

The results of this study provide an innovative attempt at investigating an obvious yet neglected link there is a positive relationship between the trainings and employees' performance in the Banking sector of Pakistan. The firms with trained employees have more positive impact on their employee's performance. The results suggest that there is a negative relationship between the Long working hours and employees' performance in the Banking sector of Pakistan. The value of ChronBach Alpha is 0.79 which shows that the relationship is significant. There is a relationship between the Stress 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 negative relationship between the communication barriers 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 long working hours, trainings, stress, communication barriers and financial rewards of the company.

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