

**ASSESSMENT OF EMPLOYEES PERFORMANCE IN COMMERCIAL
BANKS IN TANZANIA: A CASE OF STANBIC BANK TANZANIA
LIMITED**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN
RESOURCE MANAGEMENT OF THE OPEN UNIVERSITY TANZANIA**

2014

CERTIFICATION

I, the undersigned certify that I have read and hereby recommends for acceptance by the open University of Tanzania the dissertation titled; ***“Assessment of Employees performance in Commercial Banks in Tanzania” A Case of Stanbic Bank Tanzania Limited*** in Partial fulfillment of the requirements of the Degree of Master of Human Resource Management of the Open University of Tanzania.

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Date

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DECLARATION

I, **Perez A. Ngowi**, do hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any university or any institution of learning for similar or any other award.

.....

Signature

.....

Date

DEDICATION

This dissertation is dedicated to my lovely wife Anitha Ngowi for his moral support in my study and my lovely children; Melisa, Noelina and Gabriela Ngowi for missing my parental love while I was studying.

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ABSTRACT

This study presents the assessment on employees' performance in commercial banks in Tanzania particularly at Stanbic Bank Tanzania Limited. Specifically the study intended to identify the challenges facing employee's performance at Stanbic Bank; assess the relationship between employees' performance and productivity of commercial bank at Stanbic Bank; and examine the effect of human resource practices on employees' performance at Stanbic Bank.

The research was employed as case study which is Stanbic Bank with both quantitative and qualitative analysis approaches where as sample of 83 respondents were randomly selected using purposive and simple random sampling.

This study found that, there are challenges of employees performance at Stanbic bank which are low salary increment and lack of training. However, organization structure and organization culture are examined in assessing relationship between employees' performance and productivity as very relevant to employees' performance. Moreover, the respondents agreed that, the effect of HR practices on employees' performance dealt with staff welfare overall as it directly affects ones performance in terms of remuneration, wellbeing and health care

This study concluded that; "Every employee would be comfortable at conducive environment that makes employees to serve for customers". The inner satisfaction produces by banks makes high moral for the core employees to give out their best in terms of service delivery. The service delivery time would be fast for the branch to make more profit since the turnover rate for servicing customers is high.

This study recommended that; Stanbic bank, the management should arrange seminars and workshops for employees to improve employees' performance

TABLE OF CONTENTS

Certification	Error! Bookmark not defined.
Statement Of Copyright	i
Declaration	ii
Dedication	iv
Acknowledgement	v
Abstract	v
List of Tables	xi
List of Figures	xii
List of Appendices	xiii
CHAPTER ONE	1
OVERVIEW OF THE STUDY	1
1.0 Introduction.....	1
1.1 Background.....	1
1.2 Statement of the Problem.....	2
1.3 Research objectives.....	3
1.3.1 General objective	3
1.3.2 Specific objectives	4
1.3.2 Research Question	4
1.3.1 General Question	4
1.3.2 Specific Questions	4
1.4 Significance of the Study	4

1.6 Limitations of the Study.....	5
1.7 Delimitation of the Study.....	5
CHAPTER TWO	6
LITERATURE REVIEW	6
2.0 Overview.....	6
2.1 Conceptual Definitions of key terms	6
2.1.1 Performance	6
2.1.2 Employees Performance	6
2.2 Theoretical Review	7
2.2.1 Training.....	7
2.2.1 Reward / compensate	7
2.2.2 Organization structure.....	8
2.2.3 Organization culture.....	8
2.3 Underlying theories of Employees Performance	8
2.3.1 Satisfaction Model	9
2.3.2 Person-Job (P-J) and Person-Organisation (P-O) Fit theories	10
2.4 Empirical Studies	15
2.5 Conceptual Framework.....	18
CHAPTER THREE	19
RESEARCH METHODOLOGY	19
3.1 Introduction.....	19
3.2 Type of study	19
3.3 A Case Study Design	19

3.4 Area of the study and population	20
3.5 Sample and sampling procedure	20
3.6 Sample Size.....	21
3.6.1 Purposively Sampling	22
3.7 Data collection methods.....	22
3.7.1 Primary data	22
3.7.2 Secondary data	22
3.8 Research instruments	22
3.9 Data Validity and Reliability	24
3.10 Data Analysis	24
CHAPTER FOUR.....	26
FINDINGS AND ANALYSIS	26
4.0 Introduction.....	26
4.1 Research Findings Presentation and Analysis	26
4.2 Background of Respondents	27
4.2.1 Age.....	27
4.2.3 Education	28
4.3 Findings and discussion of the research objectives	28
4.3.1 Challenges facing employees performance at Stanbic Bank	28
4.3.2 Relationship between employees' performance and productivity at Stanbic Bank.....	29
4.5 Effect of HR practices on employees' performance at Stanbic Bank.....	34
CHAPTER FIVE	35
SUMMARY, CONCLUSION AND RECOMMENDATIONS	35

5.0 Introduction.....	35
5.1 Summary.....	35
5.2 Conclusion	36
5.3 Recommendations.....	37
5.3.1 Contribution to knowledge	37
5.3.2 Implication to Policy Makers.....	38
5.3.3 Implication to banking decision Makers.....	38
5.4 Areas for Further Study	39
REFERENCES	40
APPENDICES	42

LIST OF TABLES

Table 3.1 Distribution of Sample Size.....	21
Table: 4.1 Distribution of respondents.....	26
Table 4.2: Age distribution of the respondents.....	27
Table 4.3: Level of Education of the Respondents.....	28
Table 4.4: Responses on Challenges facing employees performance at Stanbic Bank.....	29
Table 4.5: Responses on Organization Structure.....	30
Table 4.6: Responses on Reward on employee’s performance.....	32
Table 4.7: Responses on Types of Reward that influence employee’s performance.....	33
Table 4.8: Responses on Effect of HR practices on employees’ performance.....	34

LIST OF FIGURES

Figure 2.1: Satisfaction Model.....	10
Figure 2.2: Conceptual Model	18
Figure 4.1: Bar Chart Shows Responses on Organization Structure	30
Figure 4.2: Pie Chart shows Responses on Reward on employee's performance	32
Figure 4.2: Pie Chart shows Responses on Types of Reward that influence employee's performance	33

LIST OF APPENDICES

Appendix I-Data Gathering Questionnaires.....	42
Appendix II-Interview Guide.....	47
Appendix III-Documentary Analysis.....	48

CHAPTER ONE

OVERVIEW OF THE STUDY

1.0 Introduction

This chapter presents an overview of the study matter. In brief, it has background of the study, statement of the problem, research objectives and questions, significance of the study and expected limitations and delimitations of the study.

1.1 Background

In this study, it is recognized that, the employees' performance is typically the main explore productivity of commercial banks in Tanzania. Since these conversations focus more on evaluation of performance, goal attainment and salary adjustments, they seldom get to meaningful about employees tasks (Barnett, 2008).

However, Commercial banks have been undergoing changes since the mid of 1990's in the form of innovative use of information Technology (Kalakota, 1996). Technological innovation such as those available in ATMs, phone banking internet banking and smart card application are taking place at an overwhelmingly fast phase in the global banking industry, (Faith, 2011). Innovation is regard for man to satisfy his changing need and cope with the demand of changing and dynamic environment. Shrivastava (1984) regards technology innovation as changes in technology that significantly improve the performance of organization: Organization should employ different methods to promote and use technology to promote its adaptability and management to ever changing conditions and environment in which it operate to improve employees performance.

Human beings takes the most active part, as they are involved in producing and using technology and also in using the purchasing product and services that are produced by organizations through the use of technology. According to Swanson and Holton (2001) with the connection expansion of the global economy and fast changing evaluation of technology and innovation, organization are facing an ongoing need for employees learning and development. According to Torrington and Hall (1987) agree and point out that due to their use of labor intensive activities and increasing competition within the industry financial services in general and banks in particular have embarked on considerable investment. More and more attention is being paired to motivational aspect of human personality particularly the need for self-esteem, group belonging and self-actualization, thus lead to improve employee performance in commercial banks.

1.2 Statement of the Problem

It is true that, employees' performance is valuable to be studied for. However, job security and loyalty to the commercial banks are challenged by external market pressure and changing social norms for employees performance. Notably, employees must be committed to their organization. They must be willing and able to give greater effort to help their organizations to succeed. They must be prepared to go beyond what is expected of them to deliver outstanding work. Good employees feel inspired by their work and care about the future of their organization being successful. The 'carrot and the stick' leadership do not work presently and managers must find new ways to motivate the employees (Barber, 1998).

On previous research, according to Ahmed, (1999) studied about relationship between demographic and employees' performance with increase of time at work, which provides logical sense and says that unsatisfied employees are more likely to quit the profession and therefore not ready and build the future career in doing the job. However, Bartram, (2000) argues that, there is correlation between employees performance and productivity; employees lacking the willingness to put in their best in their job thereby reducing the level of productivity as a whole.

Preliminary survey at Stanbic bank Tanzania Limited, observation indicated that employees are largely dissatisfied with internal operational environment which its impact result to retardation of the bank's performance and sluggish in the general banks growth. However, banks offer employees a lower range of pay and not training them to increase their capability in the bank service.

Therefore, this is why the study intends to bridge knowledge gap by probing into examined, the problems of employee performance in commercial banks in Tanzania particularly at Stanbic Bank Tanzania Limited. Thus, the study intended to find out "What are the factors that drive these talented or good employees to give in their best?"

1.3 Research objectives

1.3.1 General objective

The main objective of this study was assessing employees' performance in commercial banks in Tanzania particularly at Stanbic Bank Tanzania Limited.

1.3.2 Specific objectives

The specific objectives of the study were:-

1. To identify the challenges facing employees performance at Stanbic Bank.
2. To assess the relationship between employees performance and productivity of commercial bank at Stanbic Bank.
3. To examine the effect of human resource practices on employees' performance at Stanbic Bank.

1.3.2 Research Question

1.3.1 General Question

What is employees' performance in commercial banks in Tanzania?

1.3.2 Specific Questions

1. What are the challenges facing employees performance at Stanbic Bank?
2. What is the relationship between employees' performance and productivity of commercial bank at Stanbic Bank?
3. What is the effect of human resource practices on employees' performance at Stanbic Bank?

1.4 Significance of the Study

This study benefits sector in Tanzania especially commercial banks which currently operates competitively. It discloses operational options on to improve and motivate staff in commercial banks for higher organization performance. Also since it identifies an opportunity which can help them diversity that risks and improves the profitability of their operations, the government on the

other side of the coin utilizes the same document to make significant improvements in the formulation of the rules, laws and regulations.

Furthermore, the findings obtained helps academicians and research in doing further researches on the same subject with the aim of improving employee performance not only of Stanbic Bank, but also in other commercial banks in Tanzania. The study also serves a guide as future reference for both practitioners and academicians who are doing research on similar topic. Moreover the study aimed of producing a research paper which is a partial fulfillment of Master of Business Administration course.

1.6 Limitations of the Study

Research being the field of inquiry, research like many other fields of study is vulnerable to a number of factors. The following were the obstacles anticipated to crop up during the study:

- (i) Time shortage-some of the aspects that explored need more time.
- (ii) Financial constraints were affected the process of collection of data due to persistent increase in the general price level and the cost of living.

1.7 Delimitation of the Study

The research focused at Stanbic Bank Tanzania Limited because the problem were observed more easily and felt by the staff and also the information was easily obtained.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter gives the reader an insight on assessing employees' performance in commercial banks in Tanzania. The Chapter lays down contextual knowledge to assist in a better understanding of what is going to be examined and reported in the study. In accordance with the aims and objectives of the study, the chapter provides a theoretical review, empirical Review and conceptual framework.

2.1 Conceptual Definitions of key terms

2.1.1 Performance

Performance has been defined by Hellriegel, Jackson and Slocum (1999) as the level of an individual's work achievement after having exerted effort. Cummings and Schwab (1973) and Whetten and Cameron (1998) believe that performance is ultimately an individual phenomenon with environmental variables influencing performance primarily through their effect on the individual determinants of performance – ability and motivation.

2.1.2 Employees Performance

Employee performance has been shown to have a significant positive effect on organizational performance (Collis and Montgomery, 1995). One of the major pitfalls in an organization occurs when managers believe their organizations are constantly operating at the highest level of efficiency, or that they do not require input from their employees (Foot and Hook, 1999).

Whetten and Cameron (1998) state that Employee performance is the product of ability multiplied by motivation. Furthermore, Cummings and Schwab (1973) concur with the belief that performance is ultimately an Employee phenomenon with environmental factors influencing performance primarily through their effect on the Employee determinants of performance – ability and motivation.

2.2 Theoretical Review

2.2.1 Training

According to Anthony (1999) argued that, training involves learning and teaching employee due to a need for development of skills and knowledge. Training involves three man activities which are training, education and development. Arthur (1995) states that training an employee to get along well with authority and with people who entertain diverse point of view is one of the best guarantees of long term success.

2.2.1 Reward / compensate

Research has shown that rewarding employee will often lead to increased employees performance (Amodt.2007). A successful incentive program will not only increase profit, but also inspire staff loyally and raise morale. The manner in which reward is observed on any given organization stand to influence the manner to will the employees are motivated in their work environment.

2.2.2 Organization structure

According to Nelson and Pastermark (2005), Organization structure refers to how individual and team work within an organization are co-ordinate to achieve organizational goal and objective. Nelson and Pastermark (2005) observed organization structure to be a form of employee performance. However, further state that it doesn't end at the organization structure since not all member of an organization are normally reflected in the structure as individual work needs to be coordinated and managed to lower level.

2.2.3 Organization culture

According to Khan (2005) the successes of an organization, depend in part on the match between individuals and the culture or the organization. Organization culture is the set of operating principles that determine how people behave within the context of the company. Underlying the observable behavior are beliefs values and assumption.

2.3 Underlying theories of Employees Performance

Theorists have divided employees' performance in two categories: task performance and dispositional performance. Task performance is defined as tasks and responsibilities of each person and related directly to all things that must be done by that person such as monitoring absent or present employee. Proper understanding of this needs definite standards. The other performance is dispositional which help organizational and social network to survive (Kwong, 2003).

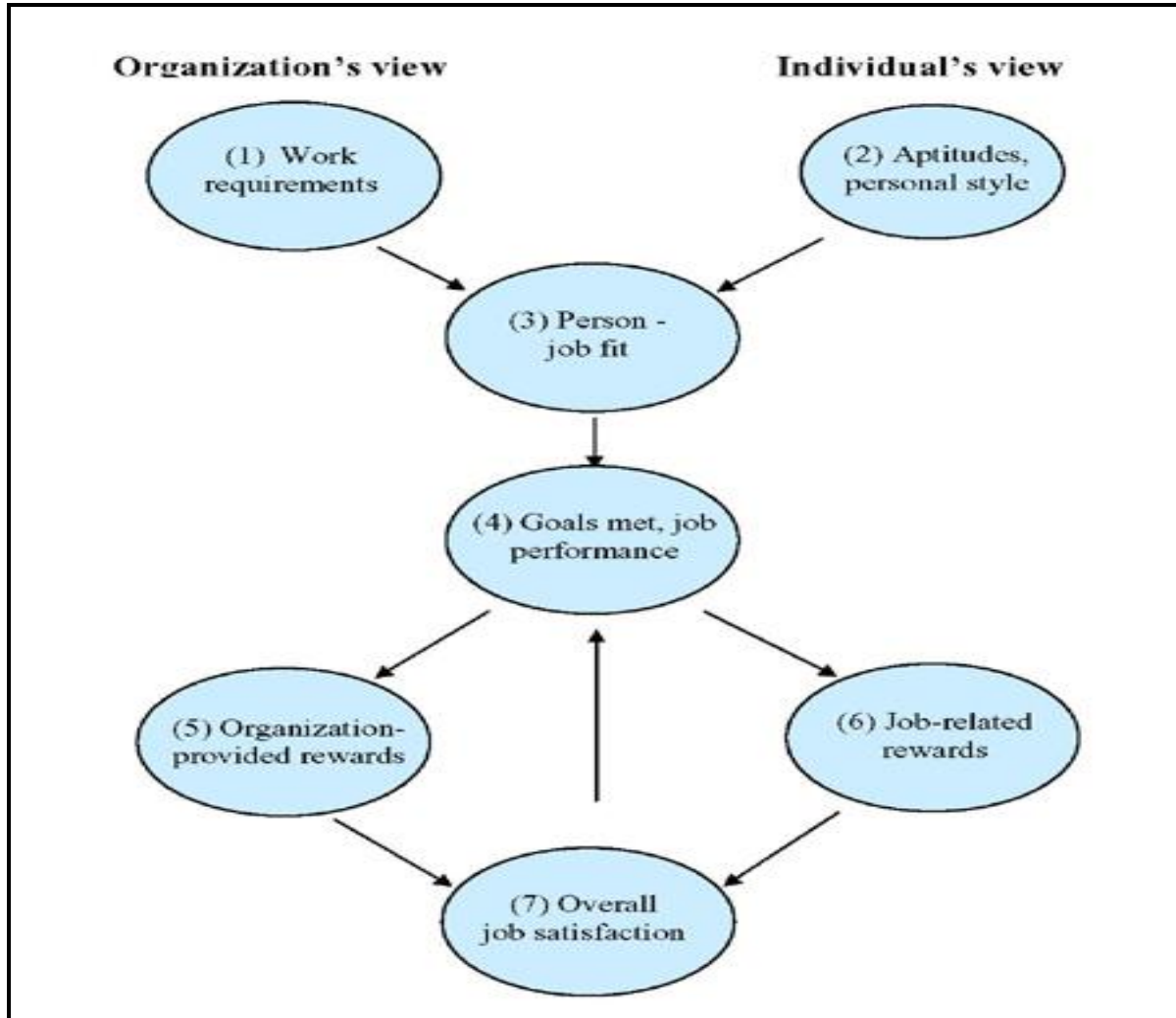
Therefore, the following theories describes the correspondences for this study

2.3.1 Satisfaction Model

Employees are in a better position for achieving success and satisfying work once they understand and can communicate how their own unique work profiles (aptitudes/abilities, interests, personality style & values) can meet an organization's work-related requirements and opportunities (See figure 2.1).

The model is divided the concepts on the left side identify what the employer wants and what it offers as rewards and benefits the organization-provided satisfiers (circles 1 and 5). The right side of the model shows what the employee contributes to accomplish specific tasks (circle 2) and ultimately the organization's goals. The more self-aware an individual is about their aptitudes, personal style, and values, the greater the potential to identify and select jobs that fit. The more accurate the job description, the better the odds of attracting the right pool of applicants (circle 3). When there is a clear fit between the person and the job, there is a greater chance of successfully accomplishing goals (circle 4). This in turn leads to an increase in personal satisfaction (circles 6 and 7). In today's complex work environment, job descriptions are evolving as we take on special projects or are assigned to teams. This expanded complexity increases the need to be proactive in determining fit (see figure 2.1).

Figure 2.1: Satisfaction Model



Source: Emerald Group Publishing Limited, 2005

2.3.2 Person-Job (P-J) and Person-Organization (P-O) Fit theories

The perceptions of applicant's are commonly related to the work characteristics of a job and the work values within the organization. Research on applicant's perception has indicated that individuals who are attracted to a job or an organization which exhibits characteristics similar to their own will undertake further action and actively pursue the job advertised (Rynes & Connerly, 1993; Schneider, Goldstein, & Smith, 1995; Schwoerer & Rosen, 1989; Williams &

Bauer, 1994). Whilst P-J and P-O fit theories are closely related, they are also distinct constructs and should be considered separately (Saks et al., 1997). As with much of the research on recruitment, studies on applicant's perceptions of P-J and P-O fit have predominantly used post-hire outcome measures including job performance, turnover, job satisfaction, organizational commitment and organizational identification. The lack of research on the immediate pre-hire outcome of recruitment, this being the attraction of applicants and subsequent job choice decisions, has been identified within this study and by other researchers as being an area for future research, and is addressed by the current study.

The study undertaken by Werbel and Landau (1996) tested the model of “person-job” (P-J) fit. The method used by the authors was based on an assessment of applicant's own impressions of their suitability to the position. The results study indicated fit varied across the source with the self-initiated applicant's and referrals reporting higher perceptions of job fit than college placement offices and direct employer contact. Whilst P-J fit perceptions existed, there was no support for P-J as a mediator in terms of relationships between source and the post hire outcome of performance and turnover. This research therefore provides some indications that applicant perceptions do affect decisions to apply for the job, which is of interest to the current study, but had no subsequent effect on post hire outcomes.

O'Reilly, Chartman and Caldwell (1991) provided support for the “person organization” (P-O) fit theory with results in their study highlighting that significant positive relationships exist, suggesting that if an applicant had a high person organization fit on entry into the organization, their commitment and job satisfaction is higher and their intention to leave the organization

lower after one year in the position. P-O fit theory was also supported by Ryan et al. (2005) who investigated applicant fit perception based on demographic groups. Their study indicated that minorities and women were more likely to have negative perceptions of their fit with an organization than other applicants if these demographic groups are underrepresented in the organization.

Cable and Judge (1996) Investigated applicant perceptions of both P-J and P-O fit and their relationship with job choice attitude and decisions. Findings from their study indicated that an applicant's intentions to accept a job offer were related to P-O fit perceptions, but not P-J fit perceptions. An expectation of the study was that P-J fit would be related to actual job choice decisions, however no such relationship existed. In contrast, P-O fit was found to have a significant relationship with job choice decisions and with the post-hire outcomes of organizational commitment, job satisfaction, turnover, and in recommending the organization to others (Cable & Judge, 1996). In a later study, Cable and DeRue (2002) also produced results in support of the P-O fit theory. Their study of employed individual indicated that P-O fit perceptions were related to organically focused outcomes such as organizational identifications. These results indicate that information that is relevant to the organization, as provided by the recruitment source, can influence applicant perceptions about their fit with the organization (Cable & DeRue, 2002).

In contrast to Cable and Judge's (1996) results, Cable and DeRue (2002) and Saks and Ashforth (1997) produced results to also support the P-J fit theory. In the study undertaken by Cable and DeRue (2002) the results indicated that P-J fit perceptions were related to job and career-focused

outcomes such as job satisfaction, career satisfaction and occupational commitment. Saks and Ashforth (1997) undertook a longitudinal study to assess fit perceptions. Their results identified a positive relationship for P-J fit theory with the post-hire variables of job satisfaction, organization commitment, and organizational identifications. However there were no similar findings for P-O fit perceptions which are particularly interesting in relation to the organizationally relevant outcomes of organizational commitment and organizational identification, P-O fit perceptions were negatively related to intentions to quit and turnover.

Carless (2005) captured the P-J and P-O fit theories under the more globally conceptualized notion of person environment (P-E) fit theory which operates on the premises that when a good fit exists between the person and the environment then people will display higher levels of satisfaction and mental and physical well-being. In their longitudinal study, which captured data at four different stages of the recruitment process (before the selection process, during the selection process, at the conclusion of selection process and after actual job offer)? The results indicated that P-J and P-O fit perceptions are predictors of organizational attractiveness. Carless (2005) also found partial support for the relationship between job and organization fit and job acceptance intentions, although this relationship was only prevalent at all stages of recruitment process for P-J fit perceptions.

The results previously discussed indicate that applicant's perceptions of fit can influence subsequent post-hire outcomes. There have also been few studies that assessed fit in terms of applicant attractions towards the job, a pre hire recruitments outcome, and however the methodology used to capture these assessments, with the exception of the study of Carless

(2005), was undertaken after the participants had commenced work with the organization and not at the actual time of application. This research gap will be addressed in the current study through the gathering of data on applicant perceptions at the time of application.

In an attempt to broaden the research base on the fit theories researchers have included new measures or new approaches not previously attempted. The research undertaken by Van Vianen (2000) investigated P-O fit in terms of organizational culture. The organization culture dimension identified included concern for people and concern for goal accomplishment. The results of study show that P-O fit measures for the two organizational culture dimensions had relationship with newcomer effective outcomes (Vianen, 2000).

Brown (2000) explored P-O and P-J fit from a recruiter's perspective via two different studies. The first study indicated that recruiter's judge P-J and P-O fit based on different type of applicant characteristics, such as KSAs (knowledge, skills and Abilities), Values and personalities traits. KSAs were higher indicators of P-J fit as was hypothesized by the author, whilst values and personality traits were linked with P-O fit assessments. The second study investigated the factor structure and predictive validity of perceived P-J and P-O fit. The results indicated that perceived P-J and P-O fit are distinct constructs and that they offer unique predictions of hiring recommendations, however are highly related when considered together by recruiters (Kristof-Brown, 2000). The assessment of applicant fit from a recruiters perspective provides clues as to how organizations determine the information to be captured and portrayed by recruitment sources and throughout the recruitment process. With minimal research on this perspective

existing in the recruitment literature, the current study will also attempt to assess organizational perspectives of sources effectiveness in attracting applicants.

Overall the findings of literature on P-J and P-O fit theories indicate that an applicant's attraction to a job and decision to accept a job offer can be based on both job- related and organizational related factors (Barber, 1998; Carless, 2005). These factors contributed to measures of self-selections whereby the applicant's makes an assessment of their fit with the organization and the job, and subsequently undertakes a number of job decisions about whether they will participate in the recruitment process. With the majority of research being based on post-hire outcomes, the current study will incorporate an assessment of applicant perceptions about the job and organization, based on information provided by source with the pre-hire outcome of their intentions to pursue the job at the time of application.

2.4 Empirical Studies

Reward and recognition are consistently acknowledged by the organizations and managers as important elements in motivating individual employees. The expectancy theory states that individuals base decisions about their behavior on their expectation that one or another alternate behavior is more likely to lead to needed or desired outcome. As mentioned in Ramayah and Nasurdin (2001) work reward can be identified include task and organizational rewards (Kats & Van Maanan, 1977; Mottaz, 1988) whereby the task reward associate with doing the job and organizational rewards refer to reward that provided by the organization.

Kang et al (2005) defined communication as broadly as formal as well as informal sharing of meaningful and timely information between organizational members. It has been operationalized as the frequency of business contact (buckline&se Gupta 1993) and exchange of information (lusch& brown, 1996). The efforts done by the organization in order to improve the productivity through communication. Cited by Jirk (1993) in the Henderson (2003) communication can prepare people for the positive and negative effects of change, increase other's understanding of, and commitment to change (Beckard and Prithcard) , 1992, Morgan 1998), or it can in fact be the context in which change actually occurs (April, 1999, Ford and Ford, 1995).

Employee training and development continues to be an essential element for organizations striving for sustainable competitive advantage and survival in the twenty-first century. A study by Zakaria and Rozhan (1993), showed that only 44 percent of the responding organizations conducted formal training. 38 percent for informal training. Ong et al (2000) indicated that training should be implemented and for the service quality. Besides that, the Malaysia government has make a training need assessment which is an effort to analyze and diagnose the person, task, and organization to determine whether or not training is required (Goldstein, 1993)

Kaplan (2003) indicated that as a company grows, establishing a system for managing behavior and ensuring that the result are consistent with the goal and strategies of the organization.

According to Kaplan, for companies to gain strategic advantage over competitors based on the strength of employees, leaders of such organization need to manage the performance of the company's employees manage the relationship between employee performance and organization strategies and goal.

Kaplan also suggested that employee performance review should take place on a regular basis. The way in which an organization manages people can influence its performance (Delany 1996). In particular, employee participation and empowerment job redesign including based production system, extensive employee training at work- place and performance continuity incentive compensation are widely believed to improve the performance of organization. (Refer 1994). According to Gold stem (1980) and Latham (1988), training is defined as the systematic acquisition and development of the knowledge and skills, altitudes required by employees to adequately perform an assigned job or tusk to boost performance in the job environment.

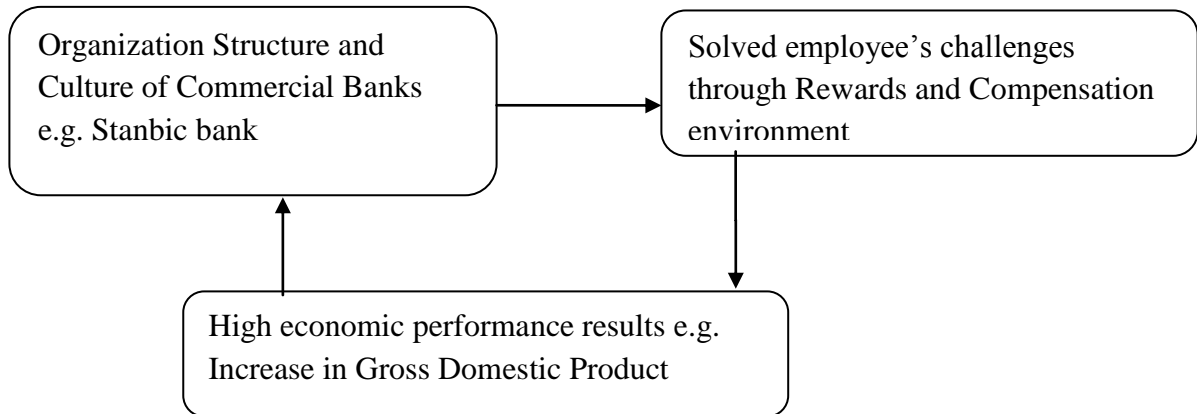
According to Salas (1999), Trained should import new knowledge and skill and thus meet organization needs, and efficiency and thus and thus improve organization performance.

Takeda (1993) agreed that organization should contribute to technology evolution and revolution but the two should be combined with organization work system to enable individual employee and groups to reach the highest level of performance. Selcoran (1998) argued that satisfied workers gives the results in the organization like to improve work life quality, performance reward linkage improve the overall atmosphere of organization.

2.5 Conceptual Framework

A conceptual framework is used by a researcher to outline a possible course of action or to present a preferred approach to an idea or thought. Kakatuni (2009) states that the conceptual framework aims to update and refine existing concepts to reflect changes.

Figure 2.2: Conceptual Model



Source: Researcher's Own Construct, 2014

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology and procedures that was used in collecting data for the study. It describes the research design, the area of the study, the population, sample and the instruments that was used in data collection. The methodology underpinning this study is mainly quantitative and qualitative data analysis methods was employed.

3.2 Type of study

There are various types of research designs namely, case study, surveys, experimental design and quasi-experimental. For the purpose of this study, the researcher was used case study design which is defined as an investigation of particular contemporary phenomena within its natural setting/context using multiple sources of evidence (Robson, 2002). It is a depth inquiry which enables easy collection of both primary and secondary data sources.

3.3 A Case Study Design

According to Nduguru (2007) a case study design allows an investigation across a variety of characteristics and makes possible for through study of a unit over a range of variables but always maintaining a unitary nature of inquiry. In this study, a case study approach which was allowed intensive observations and investigation on improving employees performance of Business Banking at Stanbic Bank Tanzania Limited. The case study design is chosen because of its viability and flexibility in terms of data collection methods and analysis. Flexibility in this study is important due to financial constraints and limited time. In a nutshell this research design was

facilitated a better understanding how to improve employee performance of Business Banking at Stanbic Bank Tanzania Limited in Tanzania.

3.4 Area of the study and population

Stanbic Bank Tanzania Limited is one of commercial bank in Tanzania and also one of the private banks which are operating in Tanzania. The population of the study was the employees of the Stanbic Bank Tanzania Limited. The Stanbic Bank Tanzania Limited has many employees who are employed as permanent workers and they possess different academic qualifications.

3.5 Sample and sampling procedure

A sample is a group hopefully representative of the population intended to be studied and from which one devices generalization about the population (Bailey, 1994) Sample size is the number of respondents selected for interview from a research population. It depends on the accuracy needed, population size, population heterogeneity whether the sample was subdivided or not and resources available (Bailey 1994).

In this study the sample was selected judgmentally/purposively and randomly. For the purposive sampling, respondents were chosen based on the researcher's judgment that they have desirable characteristics and can provide the required information. The simple random sampling was applied in selecting respondents from several departments at Stanbic Bank in order to provide equal chances to businessmen of to be selected as sample.

The sample of 83 of the population was drawn at the Stanbic Bank Tanzania Limited. The sample size is reasonable as the population is heterogeneity and resources are not enough, also the sample is considerably larger therefore questionnaires was used as one among a tool for data collection and they have low rate of response and hence the use of larger sample was helping to generalize the findings. After that the researcher was used simple random sampling which was including all employees from different department with Stanbic Bank. The reason for this method is to provide equal chances for every employee to be selected a sample.

3.6 Sample Size

The total sample size for the study was 83 respondents. The sample was purposively drawn from finance department, human resources management, administration and management department and operational management.

Table 3.1 Distribution of Sample Size

Descriptions	Sample Size	Percentages (%)
Staff at Finance Department	18	20
Staff at Human Resources Management Department	24	30
Staff at Administration and Management Department	23	30
Staff at Operational Management	18	20
Total	83	100

Sources: Researcher's Own Construct, 2014

3.6.1 Purposively Sampling

Purposive sampling entails deliberately selecting cases on the basis of specific qualities which they illustrate. Kothari (2004) define purposive sampling as the intentional seeking or selecting of individuals or situations likely to yield a greater understating of the phenomenon of interest. The criterion for choosing the individuals or situations is whether they are information rich (Patton, 1990). Therefore, in this technique of sampling only 5 respondents from Trade officers of all Stanbic Bank Branches in Dar es Salaam Region will be selected.

3.7 Data collection methods

This study was used both primary and secondary data. Multiple methods in data collection such as questionnaires, interviews and documentary review were used.

3.7.1 Primary data

Primary data was collected directly by the researcher from participants through questionnaires and interview guide.

3.7.2 Secondary data

Secondary data was obtained through reviewing various documents such as office files, circulars, reports and other records from the Stanbic Bank Tanzania Limited, Ministry of finance, REPOA, ESRF and bureaus of statistics

3.8 Research instruments

The following was the applicable instruments for data collection

3.8.1 Questionnaires

Questionnaires are data collection instruments through which subjects responds to questions or statements that generally require factual information (Sekaran, 2003). A questionnaire with open

and closed-ended questions was used in data collection. The closed ended questions was used to get direct answers and hence less time consuming in responding. The open ended questions was providing a wide room for respondents to explain issues in details and help to rest the knowledge of isolated pieces of information and procedures to staff. Appendix iii presents the questionnaire to be used in this study.

3.8.2 Interviews

Kothari (2004) defines an interview as a selected set of questions administered through verbal communication in a face to face relationship between a researcher and the respondent. It entails a face to conversation between interview and interviewee. This method is useful as it gives the respondent freedom to ask in case of need. Interviews was used in order to collect additional information mainly qualitative information which the questionnaire could otherwise not able to collect. An interview guide was prepared in order to have consistency in asking questions.

3.8.3 Documentary Review

This is a secondary data collection method. According to Kothari (2004), secondary data refers to the data which have already been collected and analyzed by someone else. Kothari emphasizes on the value of documents as they can provide more insight into the program me being studied by cross validating and augmenting evidence from other source. Relevant information was extracted and reviewed from files, circular reports and other records published and unpublished which contain vital information about the factors which contribute to employee's performance and its relationship with organization performance. This method was used to acquire secondary

information. This method is useful because it supplements the interview and questionnaire methods in and reliable data.

3.9 Data Validity and Reliability

3.9.1 Validity

Refers to the extent to which the concept one wishes to measure is actually being measured by a particular scale or index. It is the extent to which an account accurately represents the social phenomena to which it refers (Babbie, 1992). To ensure validity of measures, the data was gathered from heads of departments, staffs and supporting staff members and the interview was conducted by using the interview guide to clear any ambiguity might rise. The units were ensured adequate representation of age and gender.

3.9.2 Reliability

It refers to the consistency measure produce the same results across time and across observers (Patton, 2002). To ensure reliability, this study was employed two methods of data collection i.e. questionnaires and interviews. Also questionnaires and interview guide to the sample was administered with a great care in order to control the ineffectiveness of such tools that may occur in the whole process of operations.

3.10 Data Analysis

Data analysis refers to the process of schematization, interpretation and making critical discussions of the data collected so that one can make genuine conclusions and recommendation. The collected qualitative and quantitative information was coded, analyzed and interpreted. The

statistical package for social science (SPSS) program was helping in tabulation of data. Descriptive statistics such as frequencies, percentages and tables was produced. Out of those data, the conclusion and recommendation was drawn so as to give possible solution on the factors that hamper effective employee performance in Business Banking as well as other organization.

CHAPTER FOUR

FINDINGS AND ANALYSIS

4.0 Introduction

This chapter presents details of the research results that presented in light of predetermined research objectives. Therefore, the analysis of data collected was guided and confined to the predefined research problem and present objectives. It present and analyze the research data as well as discuss the study findings.

4.1 Research Findings Presentation and Analysis

The researcher studied Stanbic Bank Tanzania Limited in assessing employees' performance in commercial banks in Tanzania, a total of 83 respondents were giving the questionnaires but only 50 questionnaires were returned. Most of the results are presented in percentages, tables and descriptive form. The findings are based on 60% respondents' rate. The table below provides description of the respondents included in the study.

Table: 4.1 Distribution of respondents

Sample Descriptions	Returned	Percentages Returned (%)
Staff at Finance Department	10	20
Staff at Human Resources Management Department	15	30
Staff at Administration and Management Department	15	30
Staff at Operational Management	10	20
Total	50	100

Source: Research Data, 2014

4.2 Background of Respondents

This aspect was important in obtaining the real picture of respondents, the information of respondents which examined during the study included age and level of education.

4.2.1 Age

As noted in table 4.2, out of 50 questionnaires returned, 36% of the respondents were at the age of 34-41 years, and 28% of the respondents were at the age of 26-33 years. Notably, 20% of the respondents were at the age of 18-25 years and 16% of the respondents were at the age more than 41 years.

Linking to this respondents response, it is interpreted that, employees' performance tends to increase throughout working life because older people have better performance than younger people, since, due to a longer career (Mckenna 2000 p. 276): hence age have significant relationship with employees' performance

Table 4.2: Age distribution of the respondents

Age group	Frequencies	Percentages (%)
18-25 years	10	20
26-33 years	14	28
34 -41 years	18	36
More than 41 years	8	16
Total	50	100

Source: Researcher Data, 2013

4.2.3 Education

It was very important to check the level of education of the respondents. This is very important in employees' performance. The finding on table 4.3 shows that 1(2%) respondents had reached the PHD, while 15(30%) of respondents are Masters Degree, 10(20%) of respondent were Undergraduate meanwhile 14(28%) of respondents are Diploma and 10(20%) of respondents are Certificate. This finding implies that the level of education increase the skills required by employees' performance (Green & Gallie, 2002); hence level of education has significant relationship with employees' performance

Table 4.3: Level of Education of the Respondents

Responses	Frequency	Percentages (%)
PHD	1	2
Masters	15	30
Undergraduate	10	20
Diploma	14	28
Certificate	10	20
Total	50	100

Source: Study Findings, 2014

4.3 Findings and discussion of the research objectives

4.3.1 Challenges facing employees performance at Stanbic Bank

In objectives one of assessing challenges facing employees performance at Stanbic Bank, most of the respondents i.e. as noted in table 4.4, 72% agreed that there are challenges of employees performance at Stanbic bank which are low salary increment and lack of training. Linking to this

finding, training make employees to know the bank and be familiarize with banking activities, training simplify communication among employees, training enable employees know the goal of the bank. However, high salary avoid employees feeling uncomfortable and know the bases of their job and makes employees to be loyal to the bank by making them integrated into culture of the bank.

Linking to this result, salary increments by employees raises some basic concerns on the bankers needs. The respondents said salary increment is necessary so as to enable them finance their physiological needs which are fundamental in humans as identified by Maslow in his hierarchy of needs model.

Table 4.4: Responses on Challenges facing employees performance at Stanbic Bank

Responses	Frequencies	Percentage (%)
Agreed	36	72
Disagree	14	28
Total	50	100

Source: Study Findings, 2014

4.3.2 Relationship between employees' performance and productivity at Stanbic Bank

In objectives two of assessing relationship between employees' performance and productivity at Stanbic Bank organization structure and organization culture are examined. As noted by table 4.5 and figure 4.1, most of the respondents i.e. 15(30%) argued that organization structure is very

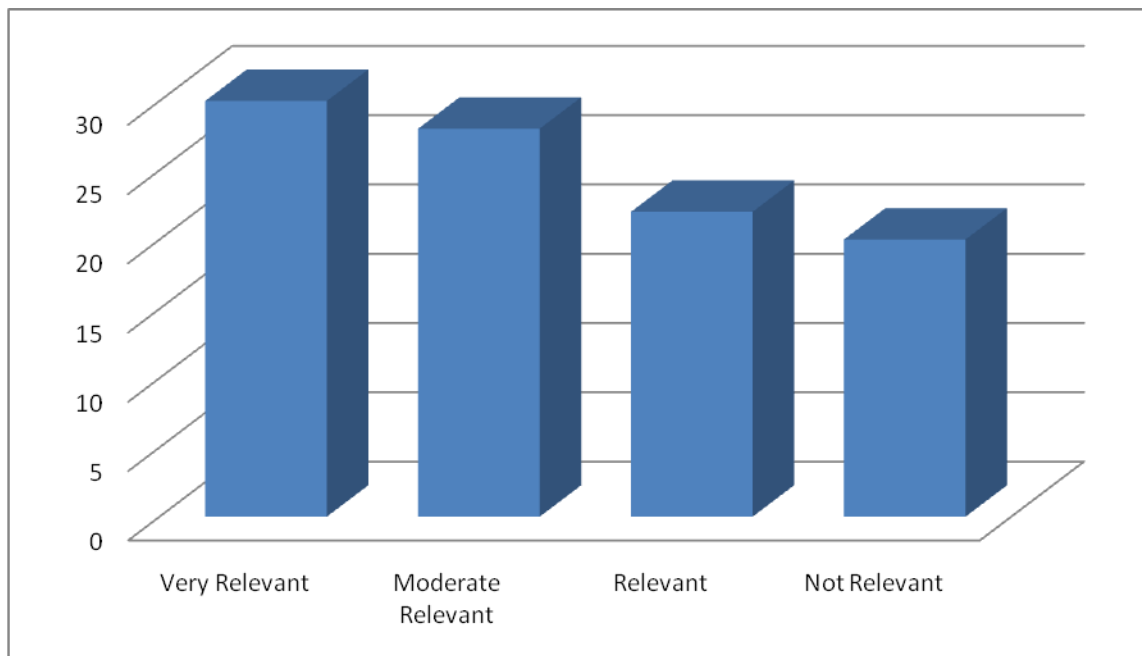
relevant to employees' performance at business banking. However, only 28 % (14) of the respondents said that organization structure is moderate relevant. Notably, hence, on interpreting this result is that; organization structure determining relationship between employees' performance and productivity at Stanbic Bank.

Table 4.5: Responses on Organization Structure

Responses	Frequencies	Percentages (%)
Very Relevant	15	30
Moderate Relevant	14	28
Relevant	11	22
Not Relevant	10	20
Total	50	100

Source: Study Findings, 2014

Figure 4.1: Bar Chart Shows Responses on Organization Structure



Source: Study Findings, 2014

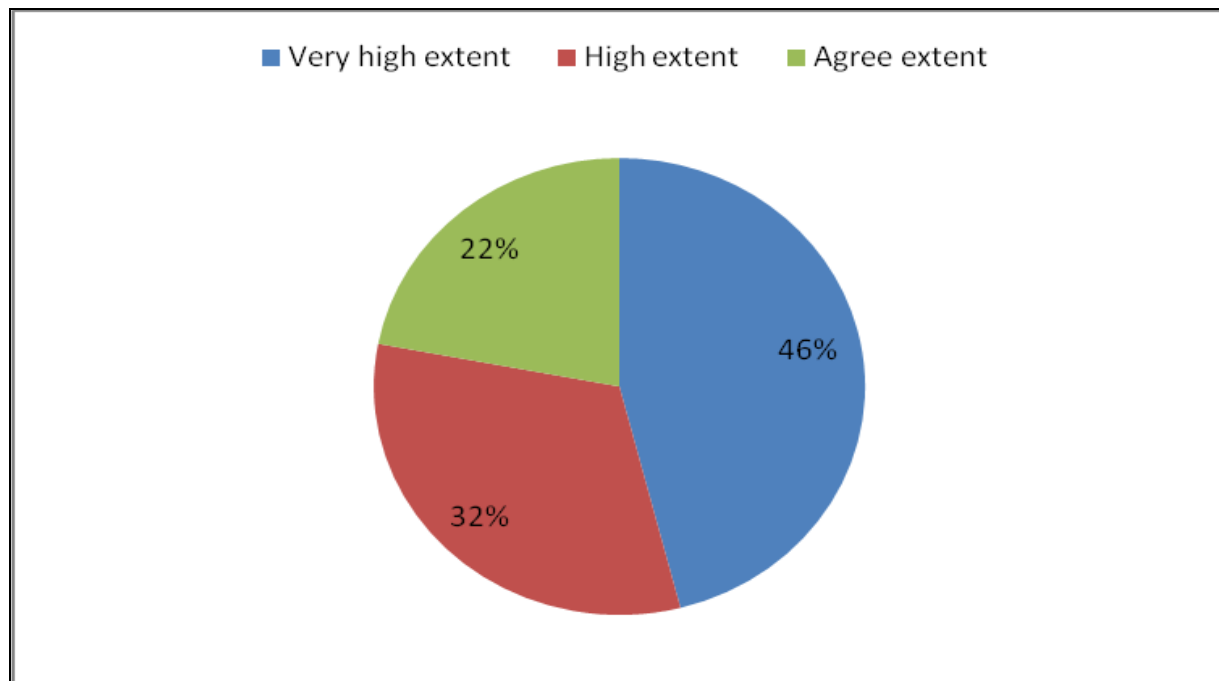
Notably, as noted the table 4.6 and figure 4.2, most of the respondents i.e. 15(46%) of the respondents argued, it is very high extent that reward influence employee's performance at business banking. However, only 32 %(14) of the respondents argued that, it is high extents reward disagree that influence employee's performance at business banking. Hence, on interpreting this result is that; reward determining relationship between employees' performance and productivity at Stanbic Bank. Linking to this result when reward will be linked with the employee's desire it will motivate him/her to a very high performance (Kalleberg, 1997). Notably, reward is consistently acknowledged by the bank as important elements in employees' performance. Moreover, reward is one of the key ingredients in employee performance and productivity. Even when people have clear work objectives, the right skills, and a supportive work environment, they would not get the job done without sufficient reward to achieve those work objectives (Mullins, 2006).

Moreover, Khan et al. (2010) analyzed the role reward plays in motivating employees of commercial banks. They specifically analyzed the variance explained by predictor variables (payment, promotion, benefits and recognition) in criterion variable (employee motivation). Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of banks to customers.

Table 4.6: Responses on Reward on employee's performance

Responses	Frequencies	Percentages (%)
Very high extent	23	46
High extent	16	32
Agree extent	11	22
Total	50	100

Source: Study Findings, 2014

Figure 4.2: Pie Chart shows Responses on Reward on employee's performance

Source: Study Findings, 2014

However, as noted by table 4.7 and figure 4.2, most of the respondent i.e. 76% argued that type of reward that influences employees performance at business banking are incentive pay plan. Hence, on interpreting this result is that; incentive pay plan determining relationship between employees' performance and productivity at Stanbic Bank. Linking to this result, incentive pay

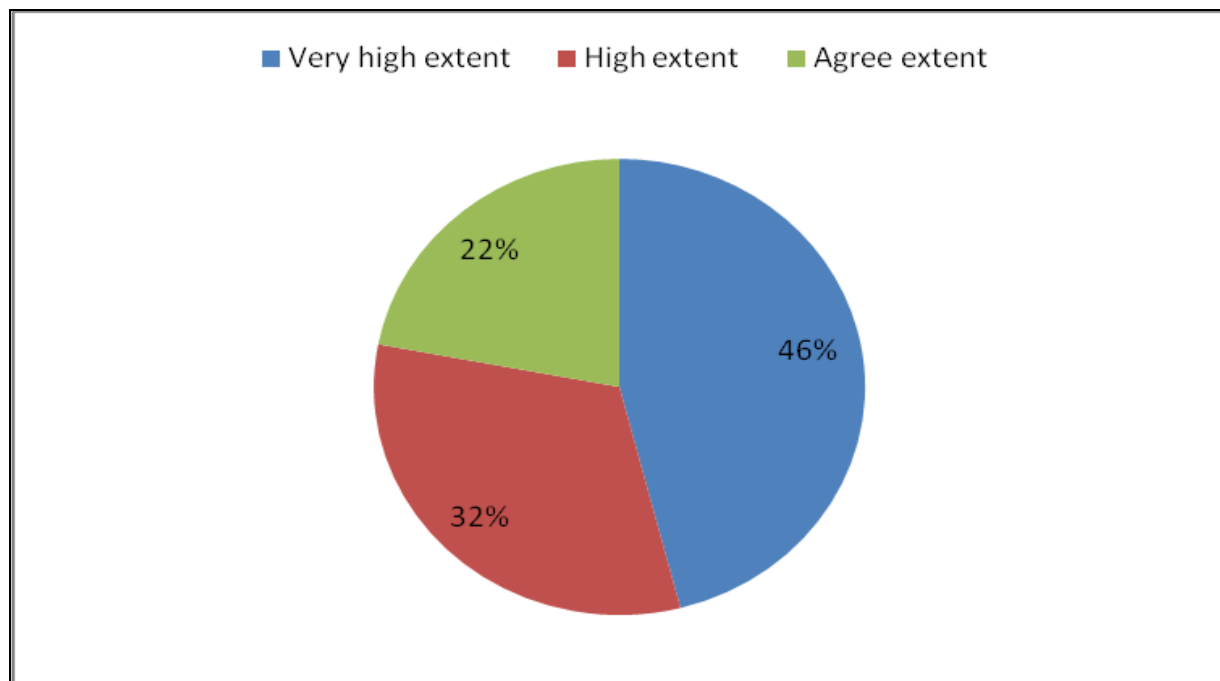
plan is one of the biggest factors that might affect employee employees' performance and productivity. Employees should believe they are being paid enough for the work they are doing. Generally, a employees with a difficult or time-consuming will usually be paid more like bankers.

Table 4.7: Responses on Types of Reward that influence employee's performance

Responses	Frequencies	Percentages (%)
Incentive pay plan	15	22
Job evaluation	18	32
Job analysis	10	46
Total	50	100

Source: Study Findings, 2014

Figure 4.2: Pie Chart shows Responses on Types of Reward that influence employee's performance



Source: Study Findings, 2014

In summary, linking to this objectives Hameed et al. (2009), argued that the performance of an employee is measured by the output that the individual produces and it is related to productivity.

4.5 Effect of HR practices on employees' performance at Stanbic Bank

In objectives threes of examine the effect of HR practices on employees' performance at Stanbic Bank. As noted on table 4.8, most of the respondents which are 68% agreed that, since HR deals with staff welfare overall, it direct affects ones performance in terms of remuneration, wellbeing and health care.

Linking to this result, HR practices on employees' performance are associated with both greater employee satisfactions. In view of the findings, Cummings (2001) suggested that employees should be more satisfied and productive if they prefer to work in a well healthier environment. Health environment help increase employee performance. However, HR practices may also be concerned with retirement benefits of employees.

Table 4.8: Responses on Effect of HR practices on employees' performance

Responses	Frequencies	Percentage (%)
Agreed	34	68
Not Agreed	15	32
Total	50	100

Source: Study Findings, 2013

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.0 Introduction

This chapter presents summary of the major findings, conclusion, and recommendations of the study, based on the analysis of the research data, the discussion, and the interpretation of the findings in the previous chapter

5.1 Summary

Finding of this study revealed that, 72% of the respondents agreed that there are challenges of employees performance at Stanbic bank which are low salary increment and lack of training i.e. training make employees to know the bank and be familiarize with banking activities, training simplify communication among employees, training enable employees know the goal of the bank. And, high salary avoid employees feeling uncomfortable and know the bases of their job and makes employees to be loyal to the bank by making them integrated into culture of the bank. Salary increments by employees raise some basic concerns on the bankers needs. The respondents said salary increment is necessary so as to enable them finance their physiological needs which are fundamental in humans as identified by Maslow in his hierarchy of needs model.

However, organization structure and organization culture are examined in assessing relationship between employees' performance and productivity at Stanbic Bank. Most of the respondents i.e. 15(30%) argued that organization structure is very relevant to employees' performance at business banking. And only 28 %(14) of the respondents said that organization structure is

moderate relevant. Hence, organization structure determining relationship between employees' performance and productivity at Stanbic Bank.

Notably, 15(46%) of the respondents argued, it is very high extent that reward influence employee's performance at business banking. And only 32 %(14) of the respondents argued that, it is high extents reward disagree that influence employee's performance at business banking. Thus, reward determining relationship between employees' performance and productivity at Stanbic Bank. This is that, employees believe that, being paid enough for the work they are doing well. Generally, Hameed et al. (2009) argued that, the performance of an employee is measured by the output that the individual produces and it is related to productivity.

Moreover, in examine the effect of HR practices on employees' performance at Stanbic Bank, 68% of the respondents agreed that, since HR deals with staff welfare overall, it direct affects ones performance in terms of remuneration, wellbeing and health care i.e. employees should be more satisfied and productive if they prefer to work in a well healthier environment. Health environment help increase employee performance. However, HR practices may also be concerned with retirement benefits of employees.

5.2 Conclusion

It could therefore be concluded that, "Every employee would be comfortable at conducive environment that makes employees to serve for customers". The inner satisfaction produces by banks makes high moral for the core employees to give out their best in terms of service

delivery. The service delivery time would be fast for the branch to make more profit since the turnover rate for servicing customers is high.

We deduce in the findings that; employees reward and increment salaries had influenced some employees to come to work early, stay longer to work, serve customers cheerfully with great joy. This reduced absenteeism and ensures that the daily activities of the bank are discharged with ease.

As on finding of this study employees reward and increment salaries is strongly correlated with employee performance which is an indication that how important employees perceive rewards at Stanbic bank.

Moreover, it is obviously that, improving performance of employees can significantly improve the quality and efficiency of bank particularly Stanbic Bank.

5.3 Recommendations

Recommendations here is based on the statement of this problem; that is,

5.3.1 Contribution to knowledge

It is agreed that the joy of employees in serving customers is very vital in the banking industry. The office premises must be conducive for both the customers and the employees to enhance smooth business and build a good image in the eyes of the public. Management must ensure that most employees' needs must be identified and satisfied to enhance performance. Besides that, every needed resource must be provided to the manager and ideas from employees objectively

evaluated and if relevant, used to assist operations and push the branch to achieve its performance target and overall the bank goals

5.3.2 Implication to Policy Makers

The main purpose of this study was to help policy makers in searching the new dimensions to enhance performance of the employees who considered being the main actors in delivering quality services in banking sector. Therefore, the effects of HR practices in the study findings should be used by police makers in banking sectors for better understanding of HR practices and employees performance to manage banks Human Resource more effectively and to understand how effective HR practices will lead to employee's performance and hence the organizational productivity.

5.3.3 Implication to banking decision Makers

Board of Directors and management at the banks should approve of new motivational packages which influence performance at the bank. The new employee on clerical schedule can be given car loan and enhanced salaries to motivate him/her to stay longer. The supervisors and managers can be given housing loan and recognition, such as best loan recovery/deposit mobilizing officer for the year, etc to continuously seek and work for higher achievements. Management can do well by increasing the value of the motivational packages which is already in existence to enhance performance. Furthermore, the innovations of employees must be accepted and articulated in order to enhance motivation and for that matter performance. Besides this, the few Branches which are not in conducive environment must be put into best modern standard and

managers must ensure that employees take delight in serving customers all the time with improved strategies.

Moreover, at Stanbic bank, the management should arrange seminars and workshops for employees to improve employees' performance.

5.4 Areas for Further Study

The key issue in this study is for in assessing employees' performance in commercial banks in Tanzania. Following the findings of this study, could bring relative different motivational packages that could be implemented by banks management. That apart, most private commercial bank can also investigate levels of motivation that can enhance their employees' performance. The finding would help the banks to determine which packages their employees' desire most for the bank to grow in this dynamics banking environment.

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APPENDICES

APPENDIX I-DATA GATHERING QUESTIONNAIRES

A: Introduction

The questionnaire intends to capture data concerning the factors offering employee empowerment in public organization with a focus on the Open University of Tanzania. The study assures you that data collected will be used only for academic purpose and will be treated in strict confidence. Your discretion and authenticity in answering these questions will be highly appreciated.

Instructions

1. Kindly tick in the appropriate box for the answer you consider to be logical.
2. Please comment or explain in the space provided.

B: Personal Information

1. Designation/position/title.....
2. Duration in position.....
3. What is the level of your education?
 - i. PHD ()
 - ii. Masters ()
 - iii. Undergraduate ()
 - iv. Diploma ()
 - v. Certificate ()

4. What is your age?

- i. 18-25 years ()
- ii. 26-33 years ()
- iii. 34 -41 years ()
- iv. More than 41 years

C: Objective 1-To identify the challenges facing employees' performance at your Bank

5. What are the challenges facing employees performance at your bank? State

.....

.....

.....

D: Objective 2-To assess the relationship between employees' performance and productivity of your bank

6. At which extent organization structure is relevant to employees' performance at business banking?

- i. Very relevant ()
- ii. Moderate relevant ()
- iii. Relevant ()
- iv. Not relevant ()

7. Organization culture influence employees' performance of business banking?

- i. Disagree ()
- ii. Agree ()
- iii. Strongly agree ()

8. At which extent organization culture is relevant to employees' performance of business banking

- i. Agree ()
- ii. Disagree ()
- iii. Strongly agree ()

9. At which extent reward influence employee's performance at business banking

- i. Very high extent ()
- ii. High extent ()
- iii. Agree extent ()

10. Which type of reward, influences employees performance at business banking?

- i. Incentive pay plan ()
- ii. Job evaluation ()
- iii. Job analysis ()

11. Do organization structure influence employees' performance at business banking?

- i. Strongly disagree ()
- ii. Disagree ()
- iii. Agree ()
- iv. Strongly agree ()

E: Objective 3-To examine the effect of human resource practices on employees' performance at your Bank.

12. What is the effect of human resource practices on employees' performance at your bank?

State

.....

.....

.....

13. How long, have you been employed of this bank?

- i. Less than one year ()
- ii. 1-2 years ()
- iii. 3-4 years ()
- iv. 5-6 years ()
- v. Above six years ()

14. Do training influence employee's performance at business banking?

- i. Strongly agree ()
- ii. Agree ()
- iii. Strongly disagree ()
- iv. disagree ()

15. What is the relationship between employees' performance and productivity of commercial bank at your bank? State

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.....

.....

Thanks for your patience!!

Appendix II-Interview Guide

1. What are the challenges facing employees performance at your bank?
2. What is the relationship between employees' performance and productivity of commercial bank at your bank?
3. What is the effect of human resource practices on employees' performance at your bank?

Appendix III-Documentary Analysis

Activity	2014					
	Feb	March	April	May	June	July
Review articles	→					
Review journals			→			
Review books				→		
Review pamphlets and other documents					→	