



## Factors that affecting employees' job performance: The case of NIB bank S.C Hossana branches, Ethiopia

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### Abstract

This study's goal was to investigate the variables that determine how well workers perform at their jobs in the context of Nib Bank S.C. The bank encountered issues with formal follow-up after training, unequal pay and promotions, and restrictions on employee participation in decision-making while implementing these internal processes. Information was received from the Hossana branch of Nib Bank. The study is quantitative in nature and employs the cross-sectional survey method. To determine the sample size, a sample size determination table and the stratified sampling technique were both utilized. Descriptive and inferential statistics from correlation and regression analysis were used to analyze the empirical data. The dependent variable is employees' jobs, while the independent variables are training, motivation, leadership, organizational culture, and working environment. Correlation using Pearson's each independent variable's link to the dependent variable was examined using a coefficient. The findings showed that there were limitations in adopting this practice at Nib Bank since the mean values for motivation (mean = 2.86), leadership (mean = 2.94), organizational culture (mean = 2.99), and working environment (mean = 2.87) were below average. All null hypotheses were rejected by the correlation finding, which showed a positive link existed between each independent variable and the dependent variable. This suggests that any change in the independent variable, whether positive or negative, will have an equal and opposite effect on the productivity of the workforce. The dependent variable is shown to be impacted by the independent variables by 30.1 percent, while the remaining 69.9 percent is influenced by factors not addressed in this study. As a result, the Nib Bank should assess its motivational practices, leadership styles, organizational cultures, and work environments on a regular basis in order to discover any gaps and determine how well they affect workers' ability to execute their jobs.

**Keywords:** job performance, factors, nib bank, Hossana, Ethiopia

### Introduction

Human resources can be defined as the most important resource to affect performance in organizations. Effectiveness and efficiency of an organization cannot be achieved without effective management of human resource. Performance analysis is an examination of the knowledge, skills, abilities, and attitudes of employees. Employees are the most valuable assets of any organization. The success of an organization largely depends on the quality of its employees. Organizational performance has a significant effect on employee performance. Identifying factors that affect employees' performance can help improve recruitment, retention, and organizational results.

HRM practices aim to achieve two sets of objectives: improve employee performance and enhance organizational effectiveness. According to (Böckerman and Ilmakunnas 2006) [2], human resource activities are designed to match individuals to organizational tasks, to motivate the workforce, and to deal with conflicts and tensions at work. All organizations need employee's job performance in order to achieve pre-stated objectives. There are different factors that determine the performance of employees (Saks 2022) [6]. They include clear goals and job expectations, suitable repertoire, immediate feedback, skills to perform and knowledge of organizational structure (Hayati and Caniogo 2012, Stirpe, Profili *et al.* 2022, Zhang and Huang 2022) [3,7,9].

In the case of Ethiopia, research has been done on issues of employees' job performance. One of the studies was conducted by (MURALI KRISHNA and KISHORE 2021, Tadesse and Bakala 2021, Mekonen, Workneh *et al.* 2022) [5, 8, 4]. Another comparative study on private and public banks by Haile, (2013) concluded that training, empowerment, compensation, performance appraisal, and promotion had a positive relationship with employees' performance (Bayiley 2022) [1].

### Research Methodology

#### 1. Target Population

Out of the whole population, the Nib Bank's clerical and professional staff at the Hossana branches were the study's target audience (Nib Bank S.C Human Resource Database, November 2021).

#### 2. Sampling Techniques

The researcher selected 150 purposefully chosen samples (n=150) from each department of the whole population to carry out this study. She then distributed questionnaires and collected the necessary data from the chosen samples.

#### 3. Data Analysis Method

We used descriptive statistics and inferential statistics using STATA version 14.2. Specifically, inferential statistics (correlation and regression analysis) was employed in this study.

**Results and Discussion**

The data collected from Hossana Nib banks using questionnaires are presented and analyzed in this chapter. This section of the study deals with the statistical testing of hypothesis and interpretation of the result using STATA version 14.2.

As stated in the previous chapters of this paper, questionnaire were designed and distributed to a total of 150 employees of the Nib Bank located Hossana town. Accordingly, 150 questionnaires were appropriately filled and returned which gives 100% return rate. Even though, some variation is showed between expected and actual sample size. So, the response rate is enough to carry out the analysis. The detail is summarized in table 4.1 below.

**Table1:** Response Rate

Tier	No. Branches	Expected Sample Size	Actual Responded	Percentage
Branch-1	8	40	40	100%
Branch-2	5	45	45	100%
Branch-3	41	65	65	100 %
Total		150	150	100%

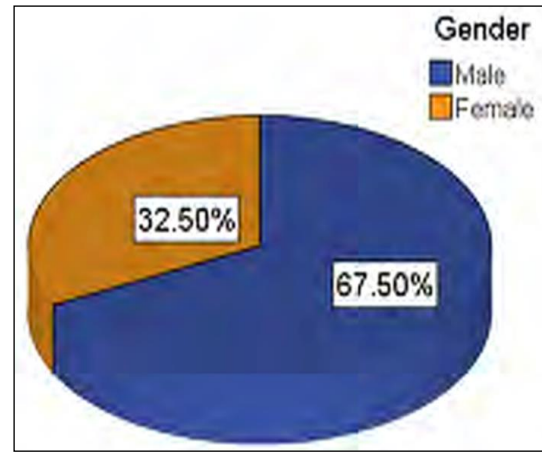
Source: Own Calculation, 2022

**1. Demographic Characteristics of Respondents**

The first part of the questionnaire consists of six items about the demographic information of the respondents. It covers the personal data of respondents, such as gender, age, educational qualification, marital status, year of service and current job position. The following tables, graphs and figures depicted the each demographic characteristic of the respondents.

**Gender of Respondents**

Figure -1: shows that the male respondents formed majority of the target population with a percentage of 67.5%, while female respondents were representing 32.5%.



Source: Own Calculations, 2022

**Fig 1:** Gender response

**Correlation Analysis**

The Pearson Product-Moment Correlation Coefficient is a statistic that indicates the degree to which two variables are related to one another. The sign of a correlation coefficient (+ or -) indicates the direction of the relationship between -1 and +1. Variables may be positively or negatively correlated. A positive correlation indicates a direct positive relationship between two variables. A negative correlation, on the other hand, indicates an inverse, negative relationship between two variables (Ruud et. al. 2012).

Table 2 below clearly shows that the relationship between two variables will be negligible, low, moderate, substantial, or very strong. Determining the degree of association between the selected internal factors (training, motivation, leadership, organizational culture and working environment) and employees' job performance is the main purpose of conducting an analysis using Pearson correlation. So, in this section the first five hypotheses were tested based on the correlation result summarized in table 2 below.

**Table 2:** Correlation Analysis between Independent variables and Dependent Variable

		Correlation					
		Training	Motivation	Leadership	Organizational Culture	Working environment	Employee's Job Performance
Training	Pearson Correlation	1	.365**	.352**	.373**	.358**	.359**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000
	N	150	150	150	150	150	150
Motivation	Pearson Correlation	.365**	1	.504**	.565**	.436**	.403**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	150	150	150	150	150	150
Leadership	Pearson Correlation	.352**	.504**	1	.481**	.402**	.434**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000
	N	150	150	150	150	150	150
Organizational Culture	Pearson Correlation	.373**	.565**	.481**	1	.506**	.436**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000
	N	150	150	150	150	150	150
Working environment	Pearson Correlation	.358**	.436**	.402**	.506**	1	.379**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000
	N	150	150	150	150	150	150
Employee's Job Performance	Pearson Correlation	.359**	.403**	.434**	.436**	.379**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.000
	N	150	150	150	150	150	150

Where \*\* is indicates statistically significant at 1% level

Source: Own Calculations, 2022

**Correlation Analysis between Training and Employee Job performance**

The result on the above table 2 shows that the existing training practice of the bank ( $r = .505, p < 0.05$ ) is moderate positive relation and statistical significantly. This means an increase in training activities will bring an increment in employees' job performance. Therefore, the null hypothesis is rejected. As indicated in the above table 2 the correlation coefficient result of motivational practice in Nib bank is ( $r = .403, p < 0.05$ ). This implies the presence of moderate relationship between motivational practice and employees' job performance in the Bank which is statistically significant. Therefore, the null hypothesis is rejected. From the above table-2 it can be seen that leadership practice ( $r = 0.434, p < 0.05$ ) is positively correlated with employee performance. This implies the presence of moderate relationship between leadership practice and employees' job performance in the Bank which is statistically significant. And change in leadership given to employees has a corresponding effect on job performance of employees. The above table-2 it can be shown that organizational Culture ( $r = 0.436, p < 0.05$ ) is positively correlated with employee performance. This implies the presence of moderate relationship between organizational culture and employees' job performance in the Bank which is statistically 5 % significant. And change in organizational culture has a corresponding effect on job performance of employees. From the above table 2 it can be infer that working condition ( $r = 0.379, p < 0.05$ ) is positively correlated with

employee performance. This implies the presence of moderate relationship between working condition and employees' job performance in the Bank which is statistically significant at 5%. And change in working condition given to employees has a corresponding effect on job performance of employees.

Thus, we can conclude from the correlation results any corresponding change in the independent variables such as increase relevant training, increase on financial and non-financial motivational practice, improved leadership practice, improvement in organizational culture, and improvement in the working environment will have a positive and moderate relative impact on the dependent variable of employees' job performance. However, if the changes in the individual independent constructs are not in a positive manner, then its effect on the dependent variable will be negative.

**Multiple Linear Regression Analysis**

Regression analysis is a systematic method that can be used to investigate the effect of one or more predictor variables on dependent variable. That is, it allows us to make statements about how well one or more independent variables will predict the value of a dependent variable. Specifically this multiple regression was conducted in order to investigate the effect overall bundle of selected factors that affecting on employees' job performance which is clearly stated at hypothesis

**Table 3: Multiple Regression Coefficient**

	Unstandardized Coefficients		Standardized Coefficients	t	p-values
	B	Std. Error	Beta		
Constant	17.411	2.17		8.28	0.000
Motivation	0.140	0.066	0.163	2.10	0.041
Training	0.120	0.056	0.135	2.11	0.039**
Organizational Culture	0.210	0.073	0.207	2.80	0.007*
Leadership	0.220	0.102	0.173	2.11	0.038**
Working Environment	0.150	0.075	0.117	2.00	0.060***

Where \*, \*\* and \*\*\* indicates statistical significant at 1%, 5% and 10%  
Source: Own Calculations, 2022

From the above table 3, we can easily compare the relative contribution of each of the different variables by taking the beta value under the unstandardized coefficients. The higher the beta value, the strongest its contribution becomes. Accordingly, Organizational Culture (Beta=.210) makes the strongest unique contribution to explaining the dependent variable in which the results revealed that, a one unit increase or positive change in "organizational culture" would lead to a 0.210 unit increase the level of employees' job performance and followed by Leadership (B=0.220), then working environment (B=0.15). On the other hand, motivation and training are contributors to explaining the dependent variable with beta values of 0.140 and 0.120 respectively.

When we see the statistical significance of each variable from the above coefficients table 4.19, training (Sig. = 0.039), motivation (Sig. = 0.041), Leadership (Sig. = .038), and Organizational Culture (Sig. = .038) have a statistically significant contribution (Sig<.05) for the prediction of the dependent variable while working environment (Sig. = .060) which refer that statistically less effect to make any significant prediction.

**Conclusions and Recommendation**

**Conclusion**

The study, after doing different analyses that the research objectives need, arrived and based on the major findings, the following conclusions were made: Determinant internal factors examined in this study, especially motivation, leadership, work environment and organizational culture in the Nib bank are not being implemented properly as they have to be put into effect. That means there are still limitations in implementing these practice. Regardless of, moderately well implementation of the banks' practices, the job performance of employees is not bad. But the bank still not get utilize the full potentials of its human recourses due to the above limitations in implementing the human resource management practices properly.

As we shown from correlation and regression results that training has significant positive relation and positive significant effect on employees' job performance in Nib bank S.C. This is consistent with the result of Le Tran in his respective study found out organization without viable training programs would fail to provide employees with frequent opportunities to practice and enhance their

capabilities, which ultimately affect the performance of employees.

From the statistical analysis the researcher found that motivation has a significant positive relationship with and as well as significant positive effect on employees' job performance in the bank. Thus, we can conclude that a positive change in motivational practice can bring positive improvement on employees' job performance.

On the other hand, leadership has also a positive relationship with performance as well as significant effect on employees' job performance in bank. In this regard the bank has opportunity to get high level of employees' job performance since it has better contribution than other internal factors in this study.

Additionally, organizational culture has a positive relationship and significant effect on employees' job performance. Based on the result we can infer that there is promising chance to alleviate the current employees' job performance because it has greater contribution than other internal factors in this study.

Still, working environment has also a positive significant relationship with employees' job performance. So, a positive change in the working environment has a corresponding positive change in performance of employees' job which was statistically acceptable and validated.

Moreover, the overall bundles of determinant factors incorporated in this study have positive effect on employees' job performance. For that reason, some extent of the employees' job performance is explained by training, motivation, leadership, organizational culture and working environment in the study bank.

### Recommendation

The study investigated that the bank has limitations in properly implementing of the internal factors assessed. The management of the bank should review their Human resource management implementations. In doing so ensuring the participation of employees from every level in the organization is indispensable. This will help in developing smart policies that could inspire employees for enhanced job performance.

The management of Nib Bank should work to improve the training program's content and scope in order to boost workers' productivity. The HR manager should determine the training requirements, which must be determined based on the gap between the performance as it is now and the ideal performance. The training goals should be established by them. This is a good way to motivate employees: management should raise pay in an equitable way across the bank and in line with job experience. Recognition and promotion programs should be periodically taken into consideration in addition to reasonable compensation payments. Additionally, new and regular usage of alternate types of rewards should be encouraged. In order to lessen the influence of dictatorial leadership, unless absolutely required, the Nib Bank should encourage democratic leadership approaches. The bank should also create policies that encourage managers to give staff ownership opportunities. The bank should also reduce its use of dictatorial leadership.

One of the most crucial factors for a bank's ability to compete in the banking sector is the work performance of its employees. The bank's management should avoid

encouraging culture to have a favorable impact on employees' job performance. Every person has a distinct culture, set of values, and set of beliefs.

The working environment has a positive and significant relationship with employees' job performance. The bank should make the layout and seating arrangement consistent in a consistent way with clear procedure through all branches. In addition, the management should arrange flexible work hours through shifting for employees to fulfill their personal affairs.

If the bank is successful in reviewing and identifying its weak points in the use of internal factors practices, it may even achieve higher employee job performance than it already enjoys. Because improper usage of the aforementioned five criteria may undoubtedly deter people from realizing their full potential, this has a detrimental impact on both their job performance and the performance of the business as a whole. Therefore, Nib Bank should increase employee satisfaction to improve job performance and organizational performance overall. This may be done by following the suggestions listed above.

### Policy implications

The cross-sectional study design placed restrictions on the study. Future studies should look at this association over a longer time span because these interactions may need a longitudinal examination. The researcher was only able to examine five variables or practices that have an impact on an employee's work performance. However, future researchers may concentrate on other variables or combinations of the variables examined in this study. The study's limited breadth was a result of its focus on the service industry. Future studies may look at the elements that influence how well individuals perform on the job in other industries and compare them with other industries.

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