



## Factors Affecting Employee Job Performance: With Special Reference To Banking Sector

### KEYWORDS

employee job performance, stress, motivation, financial rewards, training and working environment.

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**ABSTRACT** No one can measure the level of satisfaction an individual get when he performs his work. But there are factors which directly or indirectly affect the satisfaction level and performance level of employees. Banking sector is one of the emerging sectors and is increasing its roots widely. There are many factors which affects the performance of employees working in banking sector. The factors which have direct impact on the performance of employees are stress, training, motivation, leadership, emotional intelligence and working environment. Employees working in banks face huge amount of stress specifically in private banks due to late working hours, superior-subordinate relationship, manager's attitude and financial rewards. The aim of the study is to investigate and understand the various factors that have impact on employee job performance. The study is also an attempt to determine the strategies adopted by different banks to improve the performance level of employees.

### INTRODUCTION

Human resources are the backbone of any industry. It is the duty of the organization to satisfy its employees through proper working conditions, motivation, financial rewards and cordial relationship between superior and subordinate. The performance of employees cannot be constant it gets affected through different factors. There are some factors which directly influence the performance level of employees. An individual working in an organization has some expectations and needs which are to be fulfilled by the management. The factors which contribute to the job performance of employees are training, leadership, stress, administrative practices, capacity building, motivation and financial rewards.

### JOB PERFORMANCE

An employee's performance is determined during job performance reviews, with an employer taking into account factors such as leadership skills, time management, organizational skills and productivity to analyze each employee on an individual basis.<sup>1</sup>

- According to the Commerce Dictionary.com, job performance is the degree to which a job is done well or badly.
- Employee job performance is the process of performing the task according to the set standards of the organization.
- Employee performance is completion of work effectively and efficiently with proper utilization of resources according to prescribed standards and is evaluated by supervisor.

### FACTORS AFFECTING EMPLOYEE JOB PERFORMANCE TRAINING

Training is process of increasing knowledge and skill in a specific field. Training helps in development of an individual whether its work related or not. Training helps to improve the performance level of employees through proper training where an individual lacks. Successful organizations and managers realize the importance of human resources; trained human resources are key to maintaining a competi-

tive advantage in today's constantly changing global environment.<sup>2</sup>



### COMPENSATION

Rewards is one of the important elements to motivate employees for contributing their best effort to generate innovation ideas that lead to better business functionality and further improve company performance both financial and non-financially.<sup>3</sup> Financial rewards are the motivating factor which satisfy the basic needs of an individual so, is an important factor in influencing the performance level of employees.

### MOTIVATION

Motivation is a drive that helps the employee to work effectively and committed to his work. Motivation can be positive or negative but it is the duty of the management to motivate its employees so that they perform to their

fullest potential. There are very few public sector organizations that keep their employees motivated and earn higher returns whereas banks are highly known for heavy work load, long working hours and least motivated employees.<sup>4</sup>

### WORKING ENVIRONMENT

The workplace environment plays a crucial role for the employees. Nowadays employees may have a large number working alternatives, and then the environment in workplace becomes a critical factor for accepting and/or keeping the jobs.<sup>5</sup> In this changing scenario retaining employees is a difficult task because changing work environment cause stress and burnout. Employees feel satisfied and like to work where they feel their worth and importance.

### STRESS

Bankers are under a great deal of stress and due to many antecedents of stress such as Overload, Role ambiguity, Role conflict, Responsibility for people, Participation, Lack of feedback, Keeping up with rapid technological change, Being in an innovative role, Career development, Organizational structure and climate, and recent episodic events.<sup>6</sup> The factors which is directly influenced through stress is the performance of employees due to high level of stress employees are neither satisfied nor able to concentrate on their performance.

### EMOTIONAL INTELLIGENCE AND CAPACITY BUILDING

Emotional intelligence can perform a positive role between understanding the emotional feeling of the employee and their stress level because EI can reduce the stress.<sup>7</sup>

### LEADERSHIP

To engage the employees in the organization, management should provide the skills to the employees through proper coaching, leadership, motivation, and give appraisals that the employees will perform efficiently and effectively and up to the mark of achieving the organizations goals and missions.<sup>8</sup>

### ADMINISTRATIVE PRACTICES

Administrative practices include decision making and reward management i.e. fair wage dimensions. Many Organizations have used performance measurement as a primary tool for communicating direction, establishing accountability, defining roles, allocating resources, monitoring and evaluating activities, linking organizational processes, establishing goals and benchmarks, and initiating changes to ensure continuous improvement.<sup>9</sup> Reward management deals with the factors related to the incentives given to employees both financial and non-financial incentives according to the work performed by employees. Decision making involves choosing the best alternative

### OBJECTIVES

- To study and understand the different factors affecting employee performance at work.
- To investigate the impact of various factors on employee job performance.
- To explore the measures to improve the performance level of employees.

### METHODOLOGY

The present study is descriptive in nature and only secondary sources of data collection have been used for collecting the data. The data has been generated from research papers, review papers and books.

### REVIEW OF LITERATURE.

Saeed et al (2013) in their study "Effect of Emotional Intelligence, and Stress on Employee Performance in Banking Sector: A Case Study of Okara Domestic, Pakistan." has showed that the employee's performance gets affected by different factors. The objective of the study is to determine the relationship between manager's attitude, personal problems, organizational culture, job contentment and financial rewards with employee job performance. The results of the study concluded that there is a positive relationship between all the factors and employee job performance in banking sector of Pakistan.

The study conducted in Pakistan by Hussain et al (2012) "Factors affecting the job performance: In case of Pakistani banking sector." described that employees are the important asset of the organization and each and every individual have different way of working some have high working capability, some are motivated by financial incentives and some are motivated by non-financial incentives. The objective of the study is to identify the impact of gender differences and job involvement on job performance of employees. The study concluded that job involvement has positive impact on job performance where as there is a slight difference between the performance of male and female.

Pangarso & Syafira (2014) "Dominant Factors Affecting the Performance of Bank Marketing Employees" in their research paper analyzed that there are factors which adversely affect the performance level of employees. The study aims to determine the impact of motivation, ability, job design and psychological factor on employee performance. The author concluded that psychological factor contributes more towards the employee's performance whereas motivation, ability and job design are dominant factors.

The study conducted in Jordan "Impacts of Employee Training on the Performance of Commercial Banks in Jordan" focused on Impacts of Employee Training on the Performance of Commercial Banks in Jordan. The study determined the relationship between employee training and employee performance. The author concluded that the training programs conducted by banks helps to increase motivation level of employees but banks needs to conduct more training programs as per needs and interest of employees. Training and development programs increase the knowledge and skills of employees which also helps them to adapt the technological advancement and provide right skill and competencies in performing their work. The study showed the impact of training on the development and increase in performance level of employees

Dhillon (2014) in his paper "Challenges of Organizational Behaviour: Leadership and its Impact on Performance of Employees (A Case Study of A Public sector Bank in Mohali)." analyzed the impact of leadership styles on performance level of employees. Leadership is not just being most powerful but it is actually leading the decision and employees to motivate them to perform better. The main objective of the study is to identify leadership factors affect employee performance. The author concluded that there is link between leadership styles and employee performance. Coaching, monitor, team centered and delegation have positive relation with performance whereas manager's team and employee performance has weak correlation.

The study conducted by Ahmad et al (2014) on "Capacity Building Boost Employee Performance in Banking Sec-

tor of Pakistan." described that capacity building helps in skill development of the employee performance and productivity. (Hargreaves, 2011) has defined "Capacity building is an ongoing process, which encompasses Intellectual Capital, social capital and organizational capital for value addition in the gaining of maximum output from factors of production" The purpose of the study is to investigate the factors that enhance employee performance at workplace. The study revealed that capacity building has major impact on employee performance but the employees were less aware about career development opportunities.

Ahmad & Ramzan (2013) in their article titled "Effects of Job Stress on Employees Job Performance A Study on Banking Sector of Pakistan" discussed that stress is emerging as an serious issue nowadays among the employees working in banking sector due to huge amount of pressure, role ambiguity and role clarity. The HSE (Health Safety Executive UK) defines "stress is an undesirable response people have to tremendous pressures or other types of demands placed upon them". The purpose of the study is to examine relationship between stress and employee performance. The author concluded that job stress has a negative impact on job performance of employees. The author stated that stress is necessary but up to certain extent but after that it adversely affects the performance of employees. The results also revealed that employees working in banking sector have workloads and long working hours which also cause work pressure and job burnout.

The study conducted by Akhtar et al (2014) on "Factors Affecting Employees Motivation in Banking Sector of Pakistan." has focused on the impact of motivation on employee performance. Motivation is a desire or will to do something. Motivation can be a drive which force an individual to do his/her best. The aim of the study is to define the relationship between different factors of motivation i.e. financial rewards, high salary and job design with employee performance. The study showed that there is a positive link or association between different factors of motivation and employee performance but there is still scope for further research.

Saleem (2011) in his study on " The Impact of Financial Incentives on Employees Commitment" described "A committed employee is one who works with enthusiasm, puts forth high level of effort, and believes in the objectives of the organization" (Meyer, 1997).The author in his study defined that retaining talented employees and maintaining them is important for the organization. The study revealed that increase in financial rewards like bonus and salary also increases the employee performance and reduces employee turnover. The organization should focus on making employees satisfied which will help to in achievement of organization goals and objectives.

The study conducted by Awan & Tahir (2015) on "Impact of working environment on employee's productivity: A case study of Banks and Insurance Companies in Pakistan" identify the different factors of employee job performance. The aim of the study is to understand the importance of work environment and factors that develop workplace environment and their positive impact on employees. The author concluded in his study that workplace environment plays an important role for the employee performance and productivity. The author also suggested that financial institution needs to take care of the work environment to main and retain its talented employees.

#### LIMITATIONS OF THE STUDY

1. The paper is confined to the study of factors affecting employee job performance.
2. The study has been done on banking sector.
3. The secondary data collected might not represent the actual situation.

#### FINDINGS

An employee wants to work where he/she feels satisfied on the basis of management, goodwill, pay structure and working conditions. It is very important that workplace is safe yet comfortable for employees to work because employees spend half of their day in an organization. There are factors which directly or indirectly affect the performance level of employees the banks needs to focus on them so that they have a positive impact on employee's performance.

Motivation is a drive or force that motivates an individual to work. Motivation has a positive impact on employees' performance when employees feel low or dissatisfied it's the role of the supervisor to motivate them. Training is an important aspect in banking industry. Employees are trained according to their job but regular training helps in overall development of employees. Training also has a positive impact on employee's performance. It is found from the study that banks needs to make necessary steps to increase the performance of employees.

Private banking sector is focusing more on the working environment conditions in comparison to public sector banks. Proper performance evaluation programs are initiated by private banks and necessary training is given to employees. Another factor which affects employee performance is stress. Due to high workload, work pressure and late working hours employees get stressed which directly affects their performance. It can be said that there is less initiative made by banks to overcome stress related issues.

Financial incentives or rewards also motivated and have positive impact on employee job performance thus it can be seen from the paper reviewed that some employees are dissatisfied with rewards given to them. From the research paper it can be said that if proper training, motivation, leadership and financial rewards are given to employees can increase performance of employees and productivity.

#### SUGGESTIONS

Employees are major part of the organization and contribute in the achievement of goals and objective through better productivity. It is very important that employees are satisfied with the workplace where they work.

- Flexible working hours according to the suitability of the employees should be provided.
- Employee performance should be evaluated and proper training according to the requirement and need should be given.
- Better cordial relations between superior and subordinate helps to motivate and bring harmony in the organization.
- Sessions related to deal with work stress should be initiated by banks.

#### SCOPE OF THE STUDY

Banking sector is a growing sector thus it is very important that employees who are committed to their work should be maintained with the organization. The management should be focused on motivating and satisfying the

best employees which involves better working conditions, harmonious relations, administrative practices, leadership, capacity building and training. This study is just an overview of the factors that affect employee performance at workplace. The study related to each factors i.e. stress and emotional intelligence needs to be done in both private and public sector banks to know the reason behind high attrition rate. The study focusing on comparison between public and private banking sector can also be done to know the employee performance strategies adopted by different banks.

## CONCLUSION

The study was conducted to know the factors affecting employee job performance in banking sector. Employee job performance is doing the task in an efficient and effective manner. An individual reacts different in different situation it depends on his skill and ability to understand the situation. Thus, employees in the organization need to be treated as asset of the organization. It is the responsibility of the management to make a healthy environment in the organization. It can be concluded after reviewing the papers that factors like motivation, financial rewards, administrative practices, leadership, training, work environment and capacity building and emotional intelligence plays an important role in overall performance level of employees. Motivation and financial rewards satisfy the employee in fulfilling the basic needs thus is important that supervisor time to time guides his employees as the need persist. Training, leadership and administrative practices are associated with the decision of management but the banks needs to evaluate the performance of employees on regular basis and the necessary training programs should be initiated. Different banks follow different strategies and policies to satisfy its employees through its workplace which tends to increase the performance level of employees.

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