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**INFLUENCE OF ORGANIZATION FACTORS ON EMPLOYEE PERFORMANCE
IN TIER-1 COMMERCIAL BANKS IN KENYA**

ANDREW AMUGUNE



**A MASTERS DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS
ADMINISTRATION OF STRATHMORE UNIVERSITY**

APRIL 2021

DECLARATION

I, the undersigned, declare that this dissertation is my original work and has not been submitted for examination in any other institution.

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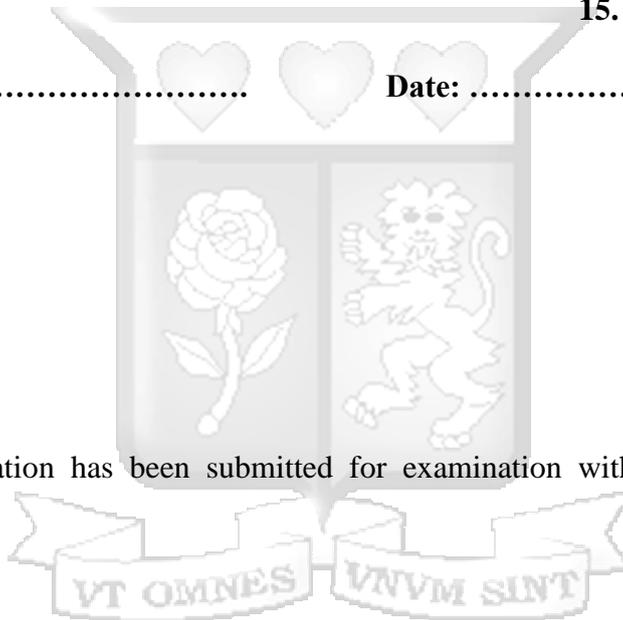


15. February. 2021

Sign: Date:

Approval

This research dissertation has been submitted for examination with my approval as the university supervisor



Dr. Ben Ngoye

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Strathmore University



15. February. 2021

Sign: Date:

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I would like to thank the Almighty for giving me strength to go through with the project. I would also like to recognize the efforts of my supervisor, Dr. Ben Ngoye for his guidance and support have been particularly helpful. I also thank my syndicate members for the encouragement, guidance and moral support.



DEDICATIONS

I dedicate this research work to my family.



ABSTRACT

The level of employee performance in terms of their input is key to the organization's outcomes. With the commercial banking industry witnessing an influx of structural changes and reforms, maintaining employee productivity has become a major issue for the management of commercial banks. This study examined the impact of internal organizational factors on employee performance in Kenyan banks. Specifically, the study examined the effect of organization environment, organization structure, management support and organization culture on employee performance. The study was grounded on the Contingency Theory. The research employed a positivist research philosophy with descriptive analysis. The population of this study was 29,081-employees selected across the Tier-1 commercial banks. The sample respondents were 396 respondents drawn from the 11 commercial banks. Questionnaires, together with google forms were the main data collection tools while analysis involved the use of quantitative statistical techniques. The study conducted collinearity tests and normality tests prior to regression analysis. The study established a positive and significant impact of organization environment, organization structure, management support and organization culture, on employee performance. The study concluded that internal organization factors have a significant impact on employee performance. As such the research concluded that effecting changes in the organization environment, organization structure, management support and organization culture will significantly lead to better employee performance. In regard to the organization structure and culture, the study recommends that banks should align their structure to the changing operating environment and ensure awareness of the corporate culture among employees. Further, managers are advised to instil a culture of involving employees in decision-making and extend the rewards and recognition systems which will be instrumental to fostering management support. Lastly, due to changing environment, the study recommends that banks should develop relevant infrastructure to support remote working and improve on the available facilities to employees at the workplace.



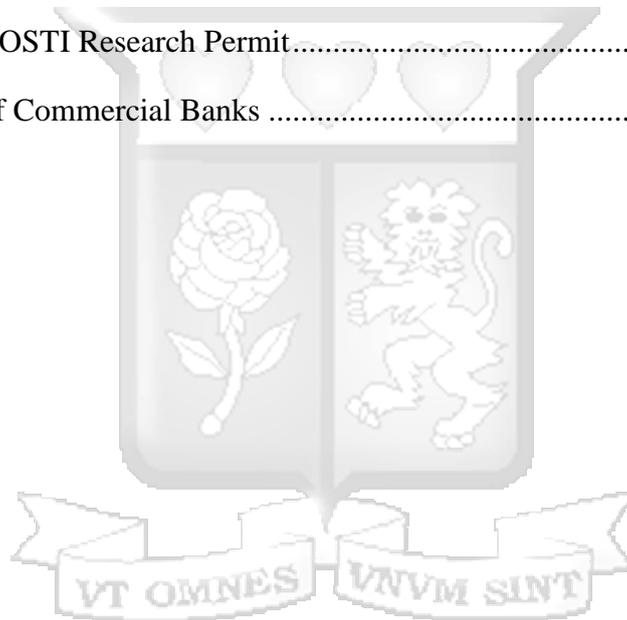
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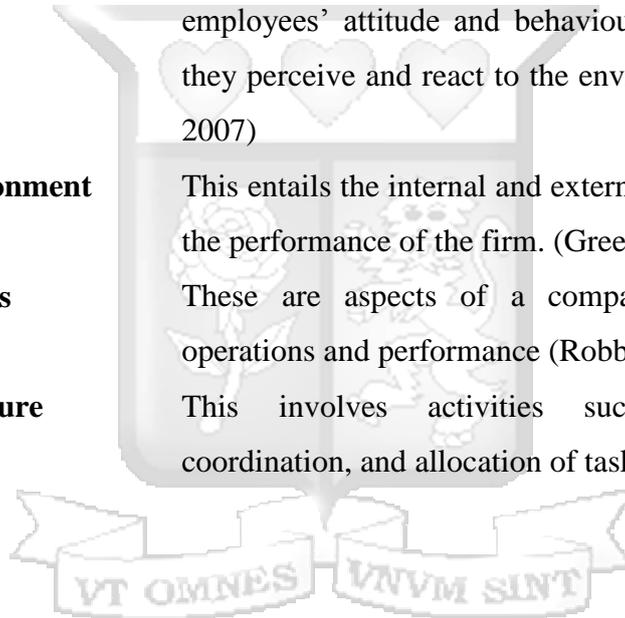
ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
CBK	Central Bank of Kenya
KBA	Kenya Bankers Association
NACOSTI	National Commission for Science, Technology, and Innovation
SPSS	Statistical Package for Social Sciences



OPERATIONAL DEFINITION OF TERMS

Employee performance	This is the successful completion of tasks by individuals as set by either an organization or a supervisor to standards that had been initially defined (Armstrong, 2009)
Management support	This refers to the various practices of executive management such as designing the roles and responsibility and decision making geared towards enhancing employee productivity (Eisenhardt, 2013)
Organization culture	This refers to the shared norms that give guidance to employees' attitude and behaviour and influence how they perceive and react to the environment (Greenberg, 2007)
Organization environment	This entails the internal and external factors influencing the performance of the firm. (Greenberg, 2007)
Organization factors	These are aspects of a company that control its operations and performance (Robbins, 2005)
Organization structure	This involves activities such as supervision, coordination, and allocation of tasks (Yukl, 2008)



CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Organizations are interested in bottom-line results (Eissa, Wyland, Lester, & Gupta, 2019). Guided by this need and compounded by the frequent changes in the economic climate, many organizations need strategies and initiatives that are meant to bring improvements in employee performance (Bafaneli & Setibi, 2015). This brings about the need for continuous investment in the development of an organization's greatest assets - its employees - in order to enhance organizational performance (Barzegar & Farjad, 2011). The combination and development of an employee's talents and motives in the pursuance of the organization's goals provide both personal satisfaction to the employee and ultimately results in increased performance of the organization (Broadhurst, 2012).

Firms in the global age operate in a vibrant environment, making it critical for them to focus on their strengths so as to attain and sustain competitive advantage (Afshan, Sobia, Kamran, & Nasir, 2012). Guided by the contingency theory, this study will explore the influence of various contingent factors on the strategies adopted by commercial banks to gain and sustain a desirable competitive positioning. According to Drabek, Lorincova and Jarorcokova (2017), human capital is among the key organizational strengths. Developing this resource is key to attaining organizational goals and as such, they have to develop the team's necessary skills, knowledge, and competencies (Mwanje, 2010). Globally the banking industry is under pressure to concurrently improve the customer experience, meet intense regulative requirements, and reduce costs of doing business (Njiru, 2014). The Kenyan banking industry has to compete in the global market, and one way is to compete by employing the best human resource practices (Oduol, 2015). The contingency theory will guide the research in determining how employee development impacts organizational performance.

In the past 10 years, from 2008 to 2018, there has been a dramatic loss in the banking industry and a sector that had previously been performing well announcing hefty losses due to various operational risks, poor employee retention and competition from other financial institutions (Mukhtarov, Yuksel, & Mammadov, 2018). Boland (2012) notes that commercial banks in India have been facing challenges in how best to enhance employee performance in an era where digitalization and technological advancements in the banking industry have led to increasing loss of human capital. Omar (2015), in his study, focussed on the National Bank of

Kenya when assessing productivity variables within a retained workforce. The study noted that retained employees' performance was impacted significantly after downsizing.

The Kenya Bankers Association (2018) also notes that commercial banks in Kenya have been increasing their investment towards employing emerging technologies in serving their customers. This has resulted in banks increasing employee layoffs as they sought to maintain their overall growth. Wee Tracker (2019) indicates that between 2017-2018 there was a marginal reduction in the number of staff within the banking sector by 2.4%. The report also indicates that ongoing restructuring activities within the commercial banks are expected to lead to further employee job losses.

While restructuring efforts have been designed to improve on the banks' bottom line, the preliminary evidence adduced above shows that these very efforts have had an impact on employee productivity, performance and retention. This presented a challenge to the commercial banks in retaining and maintaining performing employees within the banks as a result of job security concerns and an increase in the utilization of new technologies to the expense of traditional banking channels, while at the same time cutting down costs in order to increase its profit margins. Such restructuring has focused on various organizational factors including the organizational structure, its culture and the overall work environment. Gakuo and Rotich (2017) showed that Kenyan banks are lacking in adequate strategic knowledge management, resulting in low levels of customer satisfaction and high employee turnover rates. Rahman and Taniya (2017) revealed that human resource practices, management style and shared values are key to improving employee performance in Indian banks. Similarly, Rehman, Rahman, Zahid and Asif (2018) noted that employee performance is significantly influenced by internal organization factors such as leadership styles and organizational culture and work environment. This study looked into the organizational factors that affect employee performance in Tier-1 commercial banks in Kenya.

1.1.1 Internal Organization Factors

Organizational factors are aspects of a company that controls its operations and performance Gall, Gall and Borg (2007), and they can be unique to the organization or could be external factors. External factors are those factors that the firm has no direct control over and they play a key role in shaping an organization's internal policies. They could be political, economic, social or technological (Al-Tit, 2017). Internal factors are those factors that the company adopts in response to changes in its external environment and they include its mission, vision,

communication, leadership qualities, structure and culture (Mwanthi, 2018). This study will focus on internal organization factors and their impact on firm performance.

According to Maschke & Knyphausen, (2012), internal organizational factors may be defined as organizational policies, organizational culture, organizational training, organizational learning and organizational leadership that exist within institutions that creates an enabling environment for successful implementation of programmes. In a study done locally, Wainaina, Kabare, and Mukulu (2014) also determined that organisational environment, management support, training and development, leadership, and a rewarding system contributed greatly to the adaptability of an employee in a corporate and as a result had a direct effect on performance (see also Ndege, 2013). Among these factors, there are several which stand out and may be unique to the Kenyan environment (Anyango, 2015; Evaline & Bula, 2017; Langat & Lagat, 2017). These include the organization environment, structure, culture and management support (Mukhebi, Wanyama, & Mamuli, 2019). These factors, which vary by geography (organizational cultures have intimate relationships with societal and professional cultures), and by size and rank (Tier-1 banks are larger with more complex organizational and management structures), have however not been exhaustively studied within the Kenyan Tier-1 banking context. This study, therefore, focuses on organization environment, organization structure, management support and organization culture as the main independent variables. It sought to find out how these variables affect employee performance.

1.1.1.1 Organization Environment

According to McDowell (2006), the organizational environment entails the internal and external factors influencing its performance. Internal factors include those affecting the firm from within the organization such as work environment, job duties, job security, physical facilities while external are those influencing it from the outside. The external environmental factors influence performance companies through policies and regulations (Maschke & Knyphausen, 2012). Policies and regulations create guidelines through which organizations have to adhere, thus making them significantly influence a company's financial performance (Harash, Al-Tamimi, & Al-Timimi, 2014).

Aliya, Maiya, Farah, and Hina (2015) found out that internal work conditions, job security, remuneration, and rewards system were key to improving employee performance within commercial banks. Anlesinya, Bukari, and Eshun (2014) note that managerial development programs have been instrumental in enhancing the performance of employees within public

organizations. Iqba, Ijaz, Latif, and Mushtaq (2015) found out that banking regulations, mentorship programs, capacity building, and team-building exercises have been central to improving productivity within the employees of commercial banks. The focus of the studies was not on local commercial banks. However, the results have shown that organizational environment is critical to employee performance. Locally, there is minimal knowledge on how the organization environment affects employee performance hence this research focussed on how employee performance within Tier-1 commercial banks in Kenya, is influence by the organization environment.

1.1.1.2 Organization Structure

An organization structure defines how operations are carried out in a firm. It involves activities such as supervision, coordination, and allocation of tasks (Oyewobi, Windapo, & Rotimi, 2013). The effectiveness of an organization's financial success is greatly influenced by the organizational structure. This is because the structure determines available strategies for the company to maximize the creation of wealth (Ogoro & Simiyu, 2015). The structure is also key to determining effective task allocation to ensure optimum performance of the employees thus promoting task realization. An organizational structure is also the foundation on which control over procedures, decision-making processes, authority, and governance is based to ensure that maximum productivity is achieved (Njiru, 2014).

Larvie (2009) in a research study concluded that organizational structure has a significant influence on the company's effectiveness and performance. This means that if an organizational structure is well aligned with the firm's mission and goals, it positively affects its operational and financial performance positively. Oyewobi, Windapo, and Rotimi (2013) indicate that task allocation, coordination, work arrangement, and centralization was key to improving organizational performance. Wainaina, Kabare, and Mukulu (2014) found out that having an elaborate work structure improved productivity within Kenyan banks. This study explored the impact of organizational structure on employee productivity in banks. The above studies have focussed mostly on the link between organizational structure and firm productivity but have not examined to detail how the structure impacts employee performance which was the focus of this study.

1.1.1.3 Management Support

The top management Support team represented the highest-ranked executives that are given the responsibility to overlook the company. The executives are some of the most influential

individuals in an organization since they are mostly the ultimate decision-makers (Brinkerhoff, 2010). The support team and top management have the authority to make the decision, manipulate and influence the rest of the body depending on whether their interests are aligned to that of the organization or their interest (Dhaouadi, 2014).

Eisenhardt (2013) states that a top management team that uses the strategic process of making a decision often influences a company's financial and non-financial performance. This means that top management is crucial in making decisions that are important in influencing the performance of a firm. Marschke and Knyphausen (2012), the size of the team management is one of the impacting elements that determine the impact that a team of top management will have on the performance and productivity of a firm. The above studies have shown that various top management practices can be crucial in supporting better employee and organization performance. The study context is not however on the local Tier-1 banks, a gap which this study explored by reviewing the link between management support and the employee performance of employees in Tier-1 banks in Kenya.

1.1.1.4 Organization Culture

Organizational culture encompasses the intricate set of a company's core values, its ideologies and its symbols. These are shared across the corporation and have an effect on how a firm carries out its business and operations (Ireland, Hoskisson, & Hitt, 2013). Phillips and Gully (2014) identified organisational culture as shared norms that gave guidance to employees' attitudes and behaviour and influenced how they perceived and reacted to the environment. It is, therefore, the personality of a corporation as it influences how staffs behave.

According to Ireland, Hoskisson and Hitt (2013), corporate culture affected how strategic leaders worked and consequently affected how the employees of a corporate performed. Ahmad (2012) notes that most literature points to the significant impact of organisational culture on performance. The study further indicates that the corporate cultural traits that included involvement, consistency, and adaptability were strongly and positively associated with performance. Oduol (2015) indicated that a good corporate culture instilled strong behaviour that was conducive for good policy and adhered to rules that, in turn, were good for business. From the above studies, it is evident that a good corporate culture is a key to the performance of employees within firms hence this research examined how the presence of a good organizational culture influences the performance of employees in Tier-1 Commercial banks.

1.1.2 Employee Performance

Employee performance refers to the value an organization expects from an employee in terms of discrete behaviour performed over time (Bakker, Tims, & Derks, 2012). Employee performance has been further defined as the art of completing a task within the defined boundaries (Aliya, Maiya, Farah, & Hina, 2015; Thao & Hwang, 2015). Employee performance is considered a crucial factor in determining an organization's performance; this is so because it assists the organization in achieving its strategic goals, leading to greater competitive advantage (Harrison, 2010).

Employees who perform well assist in the creation of outstanding organizations (Harrison, 2010; Kaliannana and Adjovub, 2014; Aliya et al., 2015; Tahir et al., 2014). Hafiza, Shah, Jamsheed, and Zaman (2011) indicate that various factors impact employee performance including opportunities for training and development, organizational communication, and job satisfaction (Iqbal et al., 2015). Thao and Hwang (2015) in a recent literature review present the effects of training and development on higher employee performance, and higher worker execution. Appiah (2010) found out that an elaborate organisational structure, management support, training, employee competencies, and behaviour change are essential to the improvement of employee performance. This is evidenced in the changes in the level of employee knowledge, competencies, skills, abilities, and behaviour.

Arnold and Feldman (2010) stressed the importance of tracking employee performance levels. Their study determined that talented employees ask for feedback since this helps in growth, however, keeping track of employee relations is also important to ensuring uniformity in the execution of operations. Huselid (2007) notes that one of the methods of assessing performance is employee attendance. Automated attendance checks are useful in recording time input by employees. The researcher further notes that employee productivity in terms of solving customer complaints and meeting their work targets was a key performance measure. Coens and Jenkins (2010) pinion that measuring employee efficiency is key in assessing performance. It is paramount that employees finish their allocated tasks on time. The growth of commercial banks has been attributed to, among other components, the productivity of their workforce, which is central to the service provision and customer service (Langat & Lagat, 2017). This study analyzed employee performance through tracking attendance, productivity, efficiency, task effectiveness, retention rate, and overall job satisfaction within commercial banks.

1.1.3 Banking Sector in Kenya

A bank is that undertakes any banking business (Kenyan Banking Act, Cap 488). The Central Bank of Kenya regulates the banking industry. At the end of 2019, the banking sector comprised 11 functional Tier-1 commercial banks, 9 Tier-2 banks and 22-Tier-3 commercial banks (CBK, 2020). Commercial banks are among the most important institutions in a country, and they are involved in promoting its economic and financial health. To this end, the banks are classified according to Tiers in relation to their size and impact on the financial well-being of the economy. Tier-1 banks are the highest ranked and control at least 60% of the market share (CBK, 2020). This means that they are also the industry trendsetters and have the most resources to transform their employee competency levels hence study findings was a representation of the industry as the institutions are assumed to have an elaborate culture, comprehensive organisational structure, a good organisational environment and management support.

Simiyu and Waithaka (2015) assert that commercial banks are moving from traditional measures such as asset base and firm size as sources of competitive advantage. Increased technological developments and the interconnectedness resulting from globalization has exposed many consumers to a quality customer experience. As noted by Osunsan, Florence, Augustine, Abiria and Innocent (2019), organizational change in terms of structural change, strategic change and technological change significantly impact employee performance. Shahid (2017) noted that bank managers are the most influential players in a bank's strategies to reduce employee turnover, attract new customers and act as a source of competitive advantage. Banks typically deal with services rather than goods and this makes it paramount that their service offering is of a quality that is higher than the competitor to increase customer satisfaction and strengthen customer loyalty Nguyen, Pham, Tran and Pham (2020). The industry has, in recent years been underperforming, with three banks closing down or being put under receivership (Omollo & Oloko, 2015). Since banking is in the service industry, the employees are the main players who interact directly with customers, hence the need to establish the impact of organisational factors on the performance of commercial banks' employees.

1.2 Statement of the Problem

Ansoff, Kipley, Lewis, Helm-Stevens and Ansoff (2018) noted that the business environment is constantly changing. With the constant change, an organization should be able to plan and come up with strategies to cope with the changing environment. An organization may undertake some adaptations such as product or market changes, process changes, structural

changes, leadership changes, technological changes, and policy and cultural changes (Aliya, Maiya, Farah, & Hina, 2015). These changes may emerge from the internal environment, which is within the organization which may have an effect on the human resource in the organization. Despite this trend, there is a limited recent examination of how various organizational changes are affecting employee performance within Tier-1 commercial banks in Kenya (Mukhebi, Wanyama, & Mamuli, 2019).

Multiple studies have been carried out on employee performance within commercial banks (Nnaji-Ihedinmah and Egbunike (2015), Pawirosumarto, Sarjana and Gunawan (2017) and Aktar, Sachu and Ali (2012), however, none of them clearly articulates the factors critical to productivity within bank workforce among Tier-1 commercial banks in Kenya (Omollo & Oloko, 2015). Shahrudin and Daud (2018) examined employee retention in Malaysian banks and found out that involvement in decision making, rewards and recognition, corporate culture, and effective internal structure predicted job performance among banking employees. Mukhebi, Wanyama and Mamuli (2019) note that uncertainty in the internal environment within commercial banks in Kenya has affected employee motivation as a result of the increase in downsizing efforts and restructuring. Ngui (2016) indicates that lack of staff simulation and poor support by the management has dampened employee performance within commercial banks in Kenya. Mwendwa (2017) indicates that organizational commitment, trust, age, and job satisfaction predicted intention to quit. Evaline and Bula (2017) examined employee performance within commercial banks in Nairobi and notes that an elaborate feedback system and fairness in the performance appraisal affected employee performance. Wambua (2016) found out that applying human resource management practices is critical to positive employee performance.

The above studies have noted that various factors are instrumental in predicting employee performance. However, while they have yielded interesting insights, they have been largely done in other jurisdictions e.g. the study by Shahrudin and Daud (2018) in Malaysia thus missing out on contextual and cultural differences; and they have tended to lump or aggregate commercial banks, whereas there are significant differences between the various tiers of banks. For example, Ngui (2016) and Wambua (2016) focussed on employee performance within all registered commercial banks which have varying sizes and complexities in operations which is different across tiers of the banks which will likely have an impact, and they have, in some instances, employed varied conceptions of the constructs, for example, management support and human resource practices in their study while the current study focuses on internal

organization factors. As a consequence, the studies have not exhaustively and in a more nuanced manner, examined the effect of organization factors on the level of employee performance within Tier-1 commercial banks in Kenya. Consequently, empirical evidence regarding the impact of these variables on performance at this Tier-1 level remains thin. This study tackled this empirical gap by examining the influence of internal organizational factors on employee performance within Tier-1 banks. This study sought to determine how the organization environment, organization structure, management support and organizational culture impact employee performance.

1.3 Objectives of the Study

The main objective of the study was to assess the effect of internal organization factors on employee performance within Tier-1 commercial banks in Kenya

1.3.1 Specific Objectives

- i. To determine the effect of the organization environment on employee performance within Kenyan Tier-1 banks
- ii. To determine the effect of organization structure on employee performance within Kenyan Tier-1 banks
- iii. To establish the effect of management support on employee performance within Kenyan Tier-1 banks
- iv. To establish the effect of organization culture on employee performance within Kenyan Tier-1 banks

1.4 Research Questions

- i. What is the effect of the organization environment on employee performance within Kenyan Tier-1 banks?
- ii. What is the effect of organization structure on employee performance within Kenyan Tier-1 banks?
- iii. What is the effect of management support on employee performance within Kenyan Tier-1 banks?
- iv. What is the effect of organisational culture on employee performance within Kenyan Tier-1 banks?

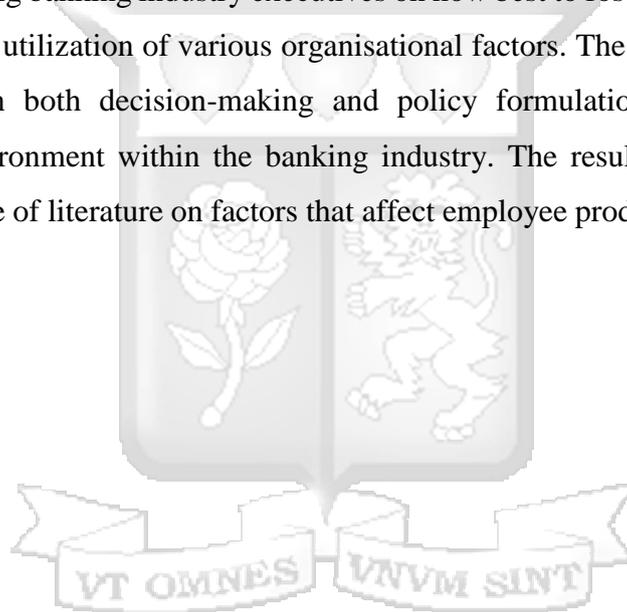
1.5 Scope of the Study

This study was geographically focused on the examination of Tier-1 commercial banks operating within Nairobi City County. The study focussed on Nairobi County since Nairobi is

the economic and commercial hub of the country, and it hosts most of the banks' headquarters from whence the respondents to our survey. The contextual scope of this study was the examination of specific internal organization factors: culture, structure, management support, and organization environment and how they influence employee performance. The study employed a quantitative approach. The sample scope of the study considered all employees drawn from the listed commercial banks in Kenya over the period of November 2020 and February 2021.

1.6 Significance of the Study

This research was expected to generate recommendations that were key to both practice and managerial policy within the banking industry. The findings are expected to enhance the decision-making among banking industry executives on how best to foster performance among their staff through the utilization of various organisational factors. The results are expected to be of significance in both decision-making and policy formulation towards creating a productive work environment within the banking industry. The results will also be key to researchers as a source of literature on factors that affect employee productivity in the banking industry.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on reviewing the literature related to the study constructs. The chapter presents a review of theories that guided the examination of the study variables, an empirical review of previous research studies, and a summary of the research gaps. This chapter further presents a conceptual framework as well as the operationalization of the research variables.

2.2 Theoretical Review

A theory refers to a logical statement or group of statements supported by evidence with the view of explaining an occurrence (Blumberg, Cooper, & Schindler, 2014). A theoretical framework is composed of concepts that are held together by definitions and references in scholarly literature and provide a structure that supports the theory guiding the research study (Creswell, 2014). This study was premised on the contingency theory.

2.2.1 The Contingency Theory

This theory was introduced by Fred Fielder (1967) as the contingency modelling of leadership and was successful in addressing concerns about the trait and behavioural theories and in modelling a way for understanding various elements of leadership in an organization. Advanced by Pike (1986), this theory asserts that the environment within which an organization resides is the main determinant of its actions, policies and objectives. The environment dictates how the firm will organize itself and there is no single best way to manage a firm (Fiedler, 2015). This theory also proposes that all firms have different strategies since no single optimal strategy can work for all companies. Additionally, the theory proposes that leadership behaviour is engrained in an individual's nature and, therefore, fixed. The most desirable strategy to be adopted is determined by a set of factors known as contingency factors (Donaldson, 1996). Further, the theory notes that efficient resource allocation is more than instituting proper techniques, technologies and good procedures. It also involves putting great consideration to the context, design and operationalization of the capital budgeting system (Munjuri, 2011). According to Fielder, the effectiveness of a group in accomplishing a particular task is dependent on the leadership style adopted and the demands of the situation.

Many established authors consider this theory relevant when discussing management and organizational studies (Okello, Kirori, & Ndiao, 2019). The contingency factors that determine an organization's strategies can all be categorized into four main classes including

environmental factors, user characteristics, organization attributes and societal variables. These variables determine the organization's reporting system. Proponents of this theory such as Schweikart (1985) note that this theory is valid since all organizations have different performance measuring variables that operate with different rules characterized by the different environments in which they operate. The above factors make this theory important when considering factors such as environmental, societal, user characteristics and their internal attributes during the resource allocation process. This theory is also relevant in that it is instrumental in guiding commercial banks in the development of strategies that are key to ensuring that the banks create and sustain a competitive advantage over their competitors.

This theory is instrumental in this research as it allows for a critical review of key organization determinants that can be of value in determining the level of satisfaction and productivity among employees. This study sought to establish how various organisational factors can act as value aspects and to what degree they can impact the level of employee productivity within the Kenyan banking sector. The theory thus guided the examination of the effect of organization environment, structure, culture and management support as components of the internal environment/the context, that may affect employee performance.

2.3 Empirical Review

This study focussed on how organisational factors influence employee performance within commercial banks. The review of various empirical studies helped in identifying the various research gaps that have motivated this study.

2.3.1 Organization Environment and Employee Performance

Fu and Deshpande (2014) explored the effect of working climate on job satisfaction and performance of employees at a Chinese insurance company. The study collected research data from 476 employees using structured research questionnaires. The findings indicate that a caring climate within the company positively and significantly influences commitment among employees within the firm. The results reveal that a caring climate positively influenced job performance among employees within the insurance firms. The study focuses on the performance of insurance firms while this study examines employee performance in Tier-1 commercial banks.

Shyu, Lieu, and Chang (2015) explored how the environment influences banking efficiency in Taiwan, Hong Kong, and Mainland China. The study utilized a data envelopment analysis and relied on structured research data. The findings indicate that environmental conditions

significantly impact efficiency within the banks. The study revealed that reliance on labour laws, industry regulations, and linkages with strategic partners positively impacts bank efficiency. This study, however, sought to examine employee performance in Tier-1 Kenyan banks.

Agbozo, Owusu, Hoedoafia, and Atakorah (2017) research focussed on Ghanaian banks to determine how the work environment impacts job satisfaction. A mix of questionnaires and secondary data were used in the analysis. The study reveals that the work environment and physical ambiances positively influenced employee satisfaction. The study also notes that access to social support, mental health services, and having cordial communication with colleagues improved employee satisfaction. The study is limited to the examination of employee satisfaction and fails to consider how organizational structure and culture influence employee performance.

In a research paper, Eruemegbe (2015) assessed how the business environment impacts firm outcomes in Nigeria's Union Bank. A survey research design was adopted and 39 questionnaires were used to collect data. Both descriptive and inferential techniques were applied in the analysis. The study reveals that teamwork within the firm, provision of relevant equipment, supervision, and communication improved firm performance. This study notes that improving employee welfare, government policies, and educating employees improved bank performance. However, employee performance, the main focus of this study was not explored.

Nanzushi (2015) assessed mobile telecommunication firms to determine how the workplace environment impacts employee performance. A descriptive research design was used and the targeted employees worked for the two large telecommunication firms in Kenya. The study indicates that physical environment factors, leadership styles, work-life balance, and rewards management influenced employee performance. The study notes that promoting working conditions and having requisite infrastructure within the firm is key to improving employee performance. The study, however, concentrates on telecommunication firms while this research is limited to employee performance in Tier-1 Kenyan banks.

Samson, Waiganjo, and Koima (2015) conducted research on Nakuru firms to determine how workplace environment impacts bank performance. The study utilized descriptive research, with 736 non-managerial staff being considered in the research. The study applied both descriptive and multiple regression analysis. The research revealed that work-life balance practices were critical to improved employee performance. The study also notes that the

physical environment and psychological environment moderately influences employee performance. The study only considered the workplace environment while current research took into consideration management factors and organizational structure influence on employee performance.

2.3.2 Organization Structure and Employee Performance

Akhter, Rafique, Rafiq, Bano, and Usman (2016) examine how organizational structure relates to firm outcomes in the financial development sector of Pakistan. The study collected research data using convenience sampling from 100 participants by utilizing structured questionnaires. The study employed correlation and regression analysis. Findings reveal that management satisfaction enhanced performance within the firm. The results reveal that organizational structure has a strong influence on firm outcomes. The study indicates that coordination and control are critical to improved firm performance. The study fails to examine employee performance, which is the aim of this study.

Malik (2017) examined the association between organizational structure and employee performance, focusing on Nigeria's breweries. A descriptive survey design was used and questionnaires were the main data collection tools. The findings indicate that the adoption of hierarchical structure positively influenced employee performance. The study notes that internal and external boundaries, as well as formalization, positively influenced employee performance. The study indicates that designing appropriate structures are key to improving productivity among employees. The study focuses on brewing firms while this study examines Tier-1 banks' employee performance.

Chege (2016) examined the association between firm structure and strategy within Kenya's banking sector. The study utilized a mixed research methodology with questionnaires and interview schedules being utilized in the study. The findings reveal that strategy and structure are interrelated and are key components of instituting change within commercial banks. The study notes that banks which lack adequate adaptive mechanisms to cope with changes in their environment are likely to underperform and fail to realize their main objectives. Further, the study determined that employee retention was also low for such firms. However, how organizational structure impacts employee performance was not explored. This study will explore this gap.

Omondi, Rotich, Katuse, and Senaji (2017) assessed how organizational structure impacts outcomes at Kenyan banks. A social survey methodology was used, and questionnaires were

the main data collection tools. The study notes that most commercial banks have implemented centralization, formalization, and flexibility within the firm. The study did not find a significant relationship between organizational structure and bank outcomes. The study notes that continuous training, growing internal capability, and knowledge sharing and utilization within the firm enhances the performance of banks. The study fails to examine how organizational factors such as culture and managerial support influence employee performance.

Thumbi and Ragui (2019) analysed the association between environmental factors and bank results, employing a descriptive research design that assessed all registered banks in the country. The research utilized questionnaires to collect research data. Organizational structure was determined to significantly influence bank results. The study notes locus of decision making, internal and external boundaries, nature of formalization, and hierarchical layers were key to improved performance within banks. The study only considered the overall results as opposed to focussing on employee performance within Tier-1 commercial banks.

2.3.3. Management Support and Employee Performance

Athar and Shah (2015) investigated how training impacts employee performance in Karachi's banking sector. The study employed a mix of literature review and primary research data in the examination. The results of the analysis indicate that employee training influenced teamwork and integrity within commercial banks. The study indicates that employee training significantly improved performance among staff in commercial banks. The research notes that technical knowledge and worker responsibility was fostered through undertaking employee training. The study only focused on training among employees, while this research sought to examine how organizational factors influence employee productivity in Tier-1 banks.

Afroz (2018) research examined how training impacts employee output among banks in Tangail Bangladesh. The study employed a descriptive survey design and collected data using questionnaires. The study utilized t-tests and correlation analysis. The findings show that training among employees, employee engagement practices, and adoption of motivation factors influenced employee performance positively. The study notes that improving employee satisfaction by involving them decision making and professional development programs enhanced their performance. The study focuses only on training while this study examined how other management practices, such as performance management, affected employee performance.

Falola, Osibanjo, and Ojo (2014) assessed how training and development impacts employee attitude and output within Nigerian banks. Employing a descriptive research methodology, data was collected with the use of questionnaires. Findings showed that training and development strategies were integral in enhancing employee outcomes. The study indicates that developing new ideas among the staff by the management is critical to improving productivity and retaining employees within the firm. The study, however, does not take into consideration how other organizational factors, such as structure and culture, influence employee performance.

In a study in Uganda, Arinanye (2015) examined how organizational factors affect employee performance at Makerere University. The study relied on a descriptive survey design targeting 109 staff members within the university. Descriptive and inferential analysis techniques were adopted. Findings showed that organizational culture, organization communication positively influenced employee performance. The study notes that commitment to the organization does not significantly influence employee performance. The study was limited to Universities, while the current study analyses employee performance in Tier-1 Kenyan commercial banks.

Anyango (2015) analysed the impact of leadership characteristics on employee output at the Bank of Africa, Kenya. A survey research design was applied, with questionnaires and interview schedules being adopted to collect data. Descriptive statistics and inferential analysis methods revealed that transformation and transactional styles were highly utilized within commercial banks. The study notes both styles improved employee performance. The research indicates that intellectual stimulation and contingent rewards had an insignificant relationship to employee performance. The study notes that improved supervision and delegation of duty are critical to enhancing employee performance. The study, however, does not examine how culture and structure influence employee performance.

Wambua (2016) assessed the impact of human resource management practices on employee performance in Nairobi banks. A descriptive research design was applied and questionnaires used to collect data. The results indicate that rewards management, training, and development practices, as well as employee involvement, influence employee performance. The study notes that it is paramount that banks design better performance appraisal schemes and offer timely and relevant information since these are key to improving employee performance. The study fails to examine if the organization's environment and structure influences employee performance in Tier-1 Kenyan banks.

2.3.4 Organization Culture and Employee Performance

Hafiz (2017) analysed how organizational commitment relates to employee outcomes using evidence from banks in Lahore. A survey research design was used, with data being collected using questionnaires from public and private commercial banks. The findings show that affective, normative, and continual commitment among the employees was critical to the performance of commercial bank staff. This study only considered commercial banks in Pakistan, while the current study examines how organizational factors influence employee performance in Kenya.

Belias, Koustelios, Vairaktarakis, and Sdrolias (2015) research focused on the link between organizational culture and satisfaction within Greek banks. The research utilized a survey research design with hierarchical regression utilized in the analysis. The findings of the study indicate that organizational culture positively predicts employee's job satisfaction. The results reveal that adhocracy and hierarchy culture influences job satisfaction. The study notes that teamwork, shared values, and communication improved job satisfaction. The study focuses on satisfaction among bank employees while this study analyses employee performance.

Madueke and Emerole (2017) investigated the impact of organizational culture on employee retention in banks operating in Anambra State. A descriptive survey design was used, with the Pearson Moment correlation coefficient. The study collected research data from 35 commercial banks in Nigeria. The findings indicate that generational capability, innovative culture, and risk-taking were integral in enhancing employee commitment. The research notes that maintaining a collaborative environment and building key competencies within the organization support better retention levels in commercial banks. The study, however, fails to examine employee performance in Kenya.

Odhiambo, Ruto, Mutunga, and Kundu (2016) assessed how organizational culture impacts employee output at NCBA Bank Limited, Kenya. The study adopted a descriptive survey design focusing on 1,164 bank staff in NCBA Bank. The research relied on descriptive and inferential analysis. The findings show that beliefs and values, rules and policies, and management behaviour influenced employee performance. The study notes that employees attend to their duties and are more committed to the organization if the shared beliefs support their ideal notions. The study fails to take into consideration other factors such as structure and the environmental influence on employee performance. The study also takes into consideration only one bank which may not represent the performance in Tier-1 banks.

Langat and Lagat (2017) focused on a review of how organizational ownership and culture influence the performance of employees in Kenya's banks. This study employed an explanatory research design, with 12 commercial banks being considered in the research. Descriptive and inferential analysis techniques were used in the analysis. It was revealed that involvement culture, consistency culture had a positive effect on employee performance within commercial banks. Delegation of authority, increased involvement, shared values, ethical codes, and management practices were integral in expanding employee performance. This study in extension, examine how organisational structure and factors influence employee performance.

Mwashighadi and Kising'u (2017) assessed the impact of organizational culture on the performance of Kenyan banks. The study utilized both quantitative and qualitative research data. The study concludes that the organization should be supportive and compatible are key to fostering performance. The study also notes that implementing an elaborate market culture, clan culture, and hierarchical culture significantly improves bank performance. The study focuses on bank performance, while this examination is limited to employee performance in banks.

2.4 Summary of Literature and Research Gaps

The review of empirical studies indicates a number of research gaps that have motivated this study. Agbozo, et.al. (2017) failed to consider the impact of organisational culture and structure on employee performance. Malik (2017) focussed on breweries, Mwashighadi and Kising'u (2017) assessed overall bank performance, Omondi, et.al. (2017) only assessed the impact of organization structure on performance while Samson, Waiganjo, and Koima (2015) failed to assess the impact of management support. In Wambua's research, organization environment and structure were not explored.

The summary of the literature gaps is shown in the table below.

Table 2.1 Research Gaps

Author	Title	Findings	Research Gap
Agbozo, et.al.	Effect of work environment on job satisfaction in the banking sector of Ghana	The study reveals that the work environment and the physical ambiances positively influenced	The study did not consider how organizational structure and culture influence employee performance.

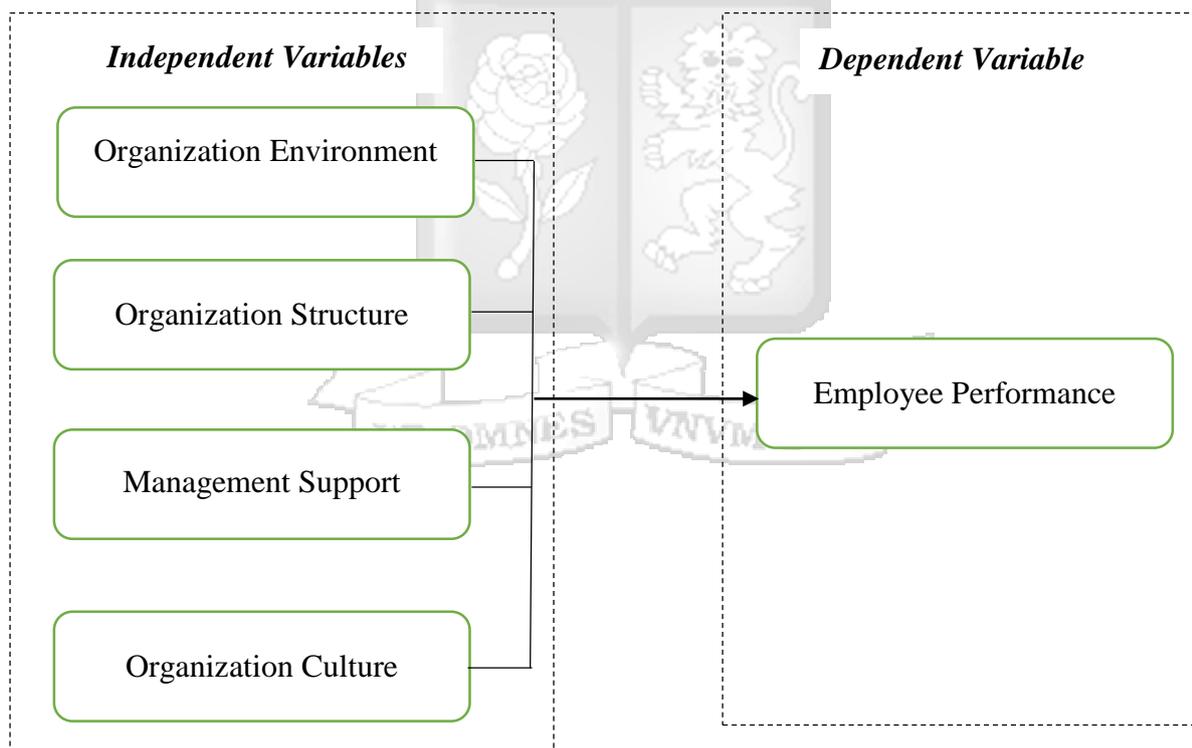
		employee satisfaction	
Malik (2017)	Organizational structure and employee's performance in Nigeria	The findings indicate that the adoption of hierarchical structure in positively influenced employee performance.	The study focused on brewing firms while this study examined bank performance.
Mwashighadi and Kising'u (2017)	Role of organizational culture on organizational performance of commercial banks in Kenya	The study concludes that the organization on should be supportive and compatible are key to fostering performance.	The study focused on bank performance while this examination was limited to employee performance in banks
Omondi (2017)	et.al. Relationship between organization structure and performance in commercial banks in Kenya	The study reveals that there is no significant relationship between organizational structure and the performance of commercial banks.	The study does not examine how organisational factor such as culture and managerial support influence employee performance
Samson, Waiganjo, and Koima (2015)	Effect of the workplace environment on the performance of commercial banks employees	The research revealed that work-life balance practices were critical to improved employee performance	The study only considered the workplace environment while current research took into consideration management factors and organisational structure
Wambua (2016)	Effect of human resource management	The study indicates that rewards management,	The study did not examine if the organization

practices on training, and environment and employee development structure influences performance in practices as well as employee performance in commercial banks employee Kenyan banks involvement influences employee performance

Source: Author (2020)

2.5 Conceptual Framework

The purpose of the conceptual framework is to help the reader visualize quickly the relationship proposal amongst the variables of a study. It links the various aspects listed as independent variables that may influence employee performance (Swanson & Chermack, 2013). The conceptual framework identifies the relationship between the study variables.



Source: Author (2020)

Figure 2.1 Conceptual Framework

The main aim of this research is to establish the association between organizational factors and employee performance. The study conceptualizes organization factors into the organization environment, structure, culture, and management support influence on the employee

performance of commercial banks in Kenya. Below, Table 2.2 shows the operationalization of the variables.

Table 2.2 Operationalization of Variables

Variable	Indicators	Measurement	Data analysis	Supporting Literature
Organization environment	<ul style="list-style-type: none"> • Job security • Physical environment • Physiological environment • Regulations • Work conditions 	<ul style="list-style-type: none"> Ordinal Scale 5-point Likert scale 	<ul style="list-style-type: none"> Descriptive analysis and inferential analysis 	<ul style="list-style-type: none"> Shyu, Lieu, and Chang (2015); Agbozo, et.al. (2017); Samson, Waiganjo, and Koima (2015)
Organization structure	<ul style="list-style-type: none"> • Coordination • Control • Task allocation • Decision making • Work arrangement • Formalization 	<ul style="list-style-type: none"> Ordinal Scale 5-point Likert scale 	<ul style="list-style-type: none"> Descriptive analysis and inferential analysis 	<ul style="list-style-type: none"> Akhter, et.al. (2016); Malik (2017); Omondi et.al. (2017); Thumbi and Ragui (2019)
Management support	<ul style="list-style-type: none"> • Capacity building • Rewards system • Employee involvement • Professional development • Performance management 	<ul style="list-style-type: none"> Ordinal Scale 5-point Likert scale 	<ul style="list-style-type: none"> Descriptive analysis and inferential analysis 	<ul style="list-style-type: none"> Athar and Shah (2015); Afroz (2018); Arinanye (2015); Wambua (2016)
Organization culture	<ul style="list-style-type: none"> • Shared values and beliefs • Norms and policies 	<ul style="list-style-type: none"> Ordinal Scale 5-point Likert scale 	<ul style="list-style-type: none"> Descriptive analysis and inferential analysis 	<ul style="list-style-type: none"> Belias, Koustelios, Vairaktarakis, and Sdrolias

	<ul style="list-style-type: none"> • Communication processes • Vision • Adaptive culture 			(2015); Madueke and Emerole (2017); Odhiambo, Ruto, Mutunga, and Kundu (2016); Mwashighadi and Kising'u (2017)
Employee performance	<ul style="list-style-type: none"> • Productivity • Retention rate • Job satisfaction • Efficiency • Task effectiveness • Job attendance 	Ordinal Scale 5-point Likert scale	Descriptive analysis and inferential analysis	Coens and Jenkins (2010); Thao and Hwang (2015); Harrison (2010); Appiah (2010)

Source: Author (2020)

2.6 Chapter summary

This chapter consists of the literature and empirical review. It presented the theoretical literature review of the contingency theory, and the empirical review of studies on organization environment, organization structure, management support, organization structure and employee performance. The chapter then presented the summary of literature and research gaps, the conceptual framework and operationalization of variables.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the various components of the research methodology that was applied to solving the research problem. The chapter specifically presented a review of the philosophical paradigm, research design, study population, sampling design, data collection instruments, and procedures. This study also presented the research quality and the data analysis and presentation techniques, concluding with the followed ethical guidelines.

3.2 Research Philosophy

Research philosophy refers to the adopted strategy for data collection, analysis and consumption (Sekaran & Bougie, 2013). It is key when contextualizing how to carry out a study, detailing how the researcher will conduct themselves during the duration of the study (Pat, 2006). Creswell (2014) notes that there are four key philosophies that are useful when researching contemporary research on business subjects. They include positivism, critical realism, constructionism, and pragmatism.

This research employed a positivism approach. Creswell (2014) notes that in this approach, the researcher is independent, external, and objective of the subject under research. Blumberg, Cooper, and Schindler (2014) posit that positivism is dependent on observations that can be measured to allow for statistical analysis. Positivism philosophy was chosen because the study was scientific in nature by attempting to establish how organisational factors influence employee performance within Tier-1 commercial banks in Kenya. Positivism is associated with a self-understanding of scientific activity in which social science is independent of the reality it describes (Riley, 2007). The positivist paradigm asserts that observations are key to drawing useful and logical analyses (Kaboub, 2008). This philosophy was key in guiding this study which employed a quantitative approach in determining the association between internal organization factors and employee performance.

3.2.1 Research Design

This is the structure adopted to ensure effective collection, measurement, and analysis of information and further incorporating a framework of what the researcher does throughout the research (Cooper & Schindler, 2008). Research design entails exploratory designs, descriptive designs, quasi-and experimental designs (Ogula, 2005). This study employed a descriptive research design that helps describe the phenomenon in research answering questions such as

how, when, and why the characteristics occurred (Gall, Gall, & Borg, 2007). The adoption of the descriptive analysis helped the researchers in establishing the association between the organizational factors and employee performance using a quantitative research approach. The analysed data was presented in the form of quantitative approaches.

3.3 Population and Sampling

3.3.1 Target Population

According to Blumberg, Cooper, and Schindler (2014), a population refers to the sum of all elements which we shall make some inferences (see also Cooper & Schindler, 2008). This study's population was all the staff members attached to operational Tier-1 banks listed by the Central Bank of Kenya (2019). The study considered participants drawn from all the areas of operation within Tier-1 commercial banks as represented in the Central Bank report on employees within the commercial banks. The study considered Tier-1 commercial banks as they account for over 60% of the operations within the banking industry. Furthermore, majority of the banking personnel in the country are employed by the Tier-1 banks. The selection of the unit of observations across different categories offers knowledge on how the various internal organization factors impact employee performance across different categories. These were selected for their knowledge of internal factors and how they impact employee performance.

Table 3.1 Tier-1 Commercial banks in Kenya

Commercial Bank	Population of Study	Percentage (%)
DTB	2269	8%
KCB	6220	21%
ABSA Commercial bank	2128	8%
Co-operative Bank of Kenya Limited	4422	15%
Equity Bank Kenya Limited	6580	23%
I&M Bank	1229	4%
National Bank of Kenya	1356	5%
NCBA Bank Kenya PLC	1987	6%
Stanbic Bank Kenya Limited	1024	3%
Standard Chartered Bank Kenya Limited	1397	5%
HFC Commercial Bank	469	2%
Target population	29081	100%

Source: CBK (2019)

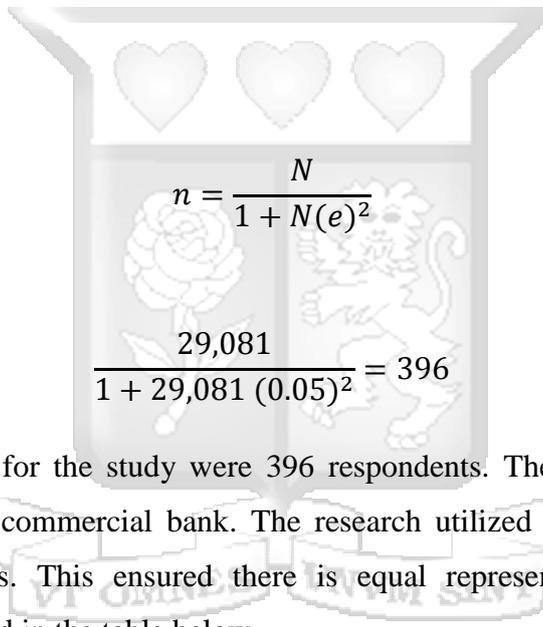
3.3.2 Sampling Design and Sample Size

Sampling involves the selection of a smaller number of individuals from the main population as a representative of the larger population (Cooper & Schindler, 2008). It involves the research securing a representative group that enables the gathering of information about the population. The selection of a sample is important to all studies (Ogula, 2005). The sampling frame consists of the members of the population that will be accessed (Gall, Gall, & Borg, 2007). Blumberg, Cooper, and Schindler (2014) note that a sample is a subsection of the population that has been selected to represent the population's characteristics. The following Yamane formula was used in the determination of the sample size.

n =sample size,

N = population size

e =level of precision.



$$n = \frac{N}{1 + N(e)^2}$$

$$\frac{29,081}{1 + 29,081 (0.05)^2} = 396$$

The sample respondents for the study were 396 respondents. The study participants were apportioned across each commercial bank. The research utilized convenience sampling in selecting the participants. This ensured there is equal representation across the study participants as apportioned in the table below.

Table 3.2 Sample Size Distribution

Commercial Bank	Percentage of Study	Sample Respondents
DTB	8%	32
KCB	21%	83
ABSA Commercial bank	8%	32
Co-operative Bank of Kenya Limited	15%	59
Equity Bank Kenya Limited	23%	91
I&M Bank	4%	16
National Bank of Kenya	5%	20

NCBA Bank Kenya PLC	6%	24
Stanbic Bank Kenya Limited	3%	11
Standard Chartered Bank Kenya Limited	5%	20
HFC Commercial Bank	2%	8
Target population	100%	396

Source: Author (2020)

3.4 Data Collection Instruments

Primary data was collected using structured questionnaires. They were developed in line with the empirical literature. The researcher employed the drop and pick method when collecting this data since it is the most favoured method of data collection in studies involving business and social studies (Field, 2009). The questionnaire was presented in two parts, with the first section consisting of demographic data, and the second collecting data according to the research questions. A five-point Likert scale was in measuring the respondents' sentiments. The study developed the questionnaire through revision of previous empirical studies which informed on the set-up of questions on each of the study variable.

3.5 Data Collection Procedures

Development of the questionnaire adhered to the study objectives. The collection of data was done using the drop and pick method of administering a structured questionnaire to the research participants. The research ensured that all the research assistants involved in the data collection process are briefed on the main study objectives. The researcher made certain that all the ethical guidelines were observed in the course of the study. Google forms were used as an additional platform for respondents who could not respond to the hardcopy questionnaires.

3.6 Research Quality

Research quality was assured through pilot testing. Pilot testing is a study done prior to embarking on the main study to enhance the validity and reliability of the data collection tools (Field, 2009). The pilot test involved 10% (n=39) of the study population. These were excluded from the main research.

3.6.1 Reliability Tests of Research Instrument

Reliability is the consistency of a set of measurement items (Wilcox, Gallagher, Boden-Albala, & Bakken, 2012). Reliability refers to the degree to which a research instrument will produce consistent results after repeated trials in different environments (Lee & Lings, 2008). The

researcher conducted a Cronbach Alpha test with all indicators with a Cronbach of 0.7 and above being selected for the research. The study also conducted a pre-test of the instrument among 39 bank employees who were selected randomly from branches of Tier-1 banks. The data from the pilot was used to tests for the reliability scores. The findings indicated the following Cronbach scores; organization structure ($\alpha = .778$), management support ($\alpha = .810$), organization culture ($\alpha = .910$), organization environment ($\alpha = .735$) and employee performance ($\alpha = .880$). The results showed that the variables met the standard threshold of internal consistency hence were adopted in the study.

3.6.2 Validity Tests of Research Instrument

Field (2009) asserts that validity measures the accuracy and meaningfulness of inferences depending on the findings. It is the degree to which the results refer to the research questions. It is the degree to which the research instrument measures what it was constituted to measure. Validity testing involved the help of an expert on the field. The supervisor was also key when analysing the contents of the questionnaires. This was aimed at addressing the face and content validity concerns relating to the questionnaire.

3.7 Data Analysis and Presentation

Data analysis is an exploration method for the goal, efficient, and subjective portrayal of the show substance of a correspondence (Cooper & Schindler, 2008). The collected data was input into SPSS 23 for coding and analysis. SPSS provided frequencies, descriptive, and ordinary least squares regressions which were used to derive conclusions and generalizations about the study population. Prior to conducting regression analysis, the study conducted the diagnostic tests based on collinearity tests, heteroscedasticity and normality tests.

The descriptive statistics was frequencies, mean scores, and standard deviation. The inferential statistics was the ANOVA analysis, correlation analysis, and regression analysis. The calculated F statistic was compared with the tabulated f statistic. A critical p-value of 0.05 was employed in the determination of the significance of the overall model. The individual regression coefficients were checked to see whether the independent variables significantly affected employee performance. The study employed the below regression model.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y = Dependent variable (employee performance)

α = the model intercept

β_{1-4} = Coefficient of independent variables

X_1 – organization environment

X_2 – organization structure

X_3 – management support

X_4 – organization culture

ε = Error Term

3.8 Ethical Considerations

The research employed high standards of ethics, observing confidentiality, anonymity, and privacy. Consent was sought before approaching the respondents and they were informed that their participation in the research was optional and that they were allowed to withdraw from answering questions if they felt uncomfortable. Personalized information like name and respondent's telephone and email contacts were not required in the questionnaires to promote anonymity. In addition, the researcher sought permission from the Strathmore University Ethics Review Committee and the National Commission for Science, Technology, and Innovation (NACOSTI). The respondents were also assured that the study would only be used for academic purposes.



CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

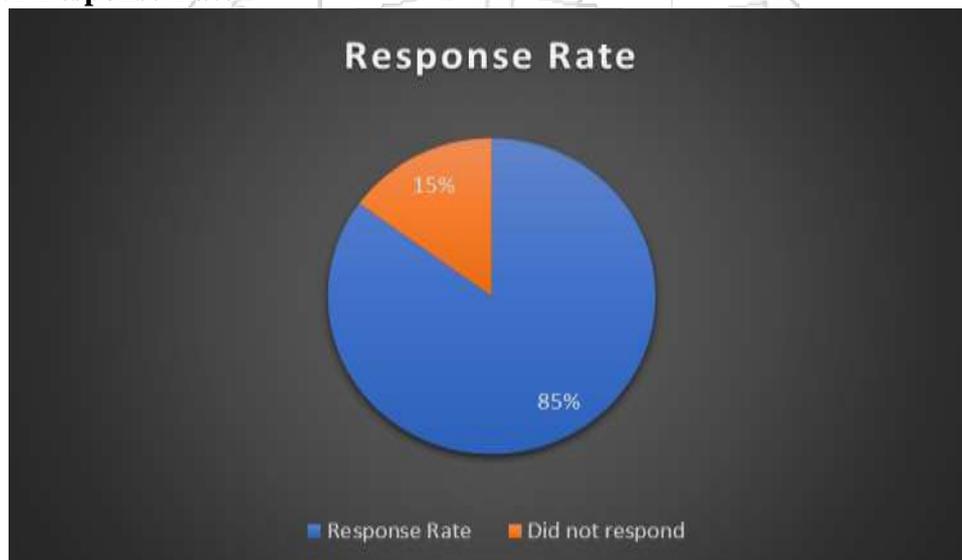
This chapter presents the study results and findings of the data analysis of the collected research data on the effect of internal organization factors on employee performance within Tier-1 commercial banks in Kenya. This chapter was classified into three sections namely; demographic background analysis of the respondents and the descriptive statistical analysis. The inferential analysis and interpretation of the study findings were done according to the research objectives.

4.2 Demographic Information

4.2.1 Response Rate

The study analyzed the response rate to show the representative questionnaires that were received from the sample participants. The study distributed questionnaires to 357 employees drawn from the Tier-1 commercial banks since 39 participants had been considered for the pilot. Figure 4.1 showed that the study was able to obtain an 85% response rate (n=304) with 53 questionnaires not being responded to. The response rate was considered satisfactory and sufficient to make a generalization of the study findings, notwithstanding the difficulties in collecting data due to the global Covid-19 pandemic and the extensive time it took participants to respond to our Google survey and physical questionnaires (October 2020- February 2021).

Figure 4.1 Response Rate



Source: Author (2020)

4.2.2 Age of Respondent

Table 4.1 represents the analysis of the age distribution among the respondents, results indicated that most of the respondents 44% were between 31-34 ages, 28% were between 35-40 years and 9% were of the age 45-50 years. The age diversity of the respondents indicated that all age group would be represented and there was minimal age biasness in responses.

Table 4.1 Age Distribution

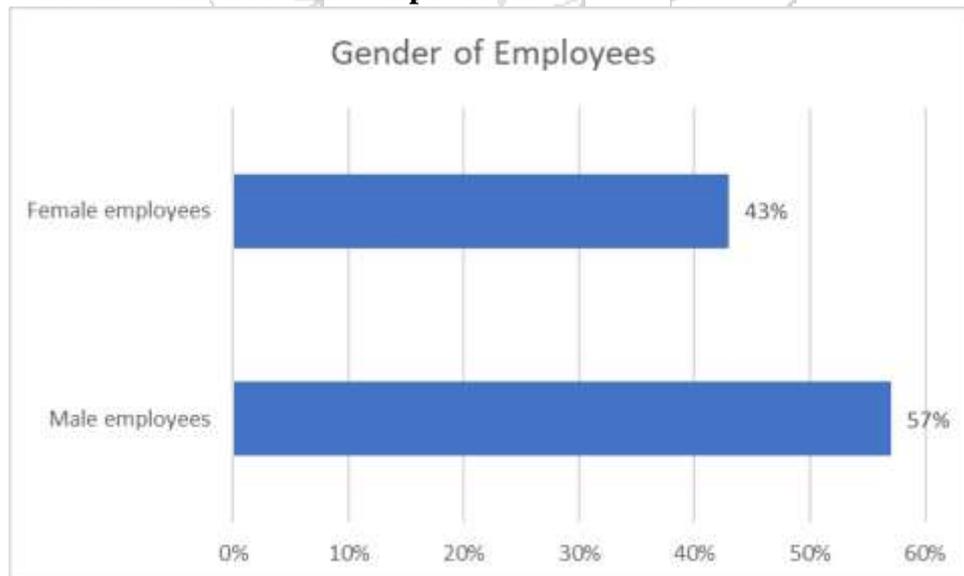
	Frequency	Per cent
31-34 years	135	44.4
35 – 40 years	85	28.0
41– 44 years	58	19.1
45 – 50 years	26	8.5
Total	304	100.0

Source: Author (2020)

4.2.3 Gender of Respondent

The findings in figure 4.2 indicated that the majority of the respondents 57% (n=173) and 43% were female employees within the banking industry. The varied composition of the employee workforce was an indication of how far gender diversity has grown in the banking industry staff members.

Figure 4.2 Gender Distribution of Respondents



Source: Author (2020)

4.2.4 Work Experience of Respondent

The respondents were asked to indicate their years of service within the organization and the results indicated that most of them 45% had worked for at least 1-5 years, 29% had worked for 6-10 years and at least 3% had worked for over 10 years in the banking firms. The findings indicate that the respondents were knowledgeable enough on the effect's internal organization factors on employee performance.

Table 4.2 Work Experience

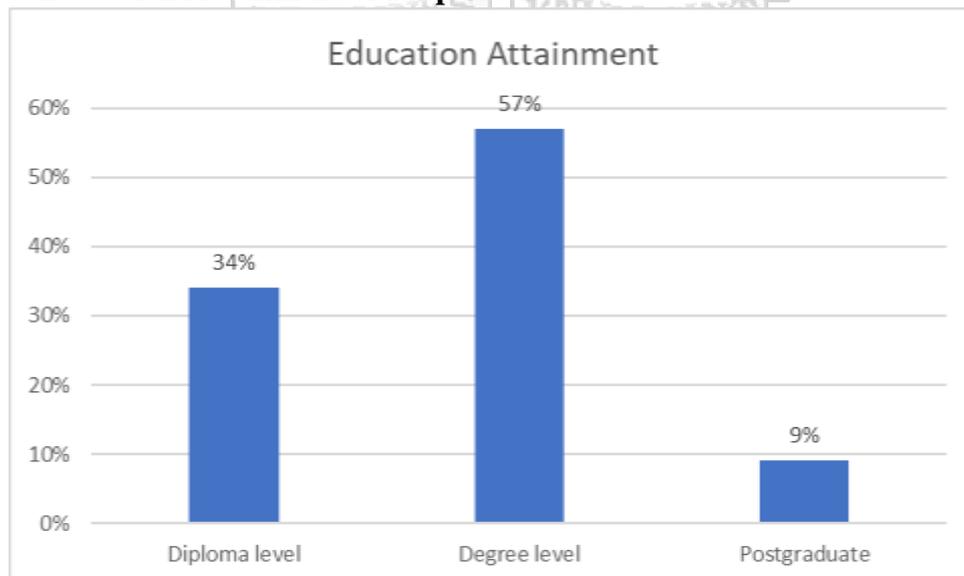
	Frequency	Per cent
Less than 1 year	67	22.0
1-5 years	138	45.4
6-10 years	88	28.9
Over 10 years	11	3.6
Total	304	100.0

Source: Author (2020)

4.2.5 Education Attainment of Respondent

Findings in figure 4.3, showed that most of the respondents 57% had achieved a graduate-level degree, 34% had a diploma level education and only 9% had postgraduate degree attainment. This was an indication of educational expertise and ability to comprehend the aims of this research among the participants included in the study.

Figure 4.3 Education Attainment of Respondents



Source: Author (2020)

4.2.6 Job Department

The study sought to determine the organizational departments that the various participants worked within and results demonstrated that 34% (n=103) were in the sales and marketing department, 32% (n=98) were in the operations and customer service department, 17% (n=49) were in business development and 17% (n=54) were in other organizational departments. The results indicated that all the organizational categories were represented and therefore, the findings would not be skewed to only a particular organizational level.

Table 4.3 Job Department Distribution

	Frequency	Per cent
Operations & Customer service Department	98	32.2
Sales & Marketing Department	103	33.9
Business Development	49	16.1
Others	54	17.8
Total	304	100.0

Source: Author (2020)

4.3 Descriptive Analysis

The section presents the descriptive statistics on employee training. To accomplish this, the respondents were asked to rate their opinions on the statements on employee training according to their level of knowledge on a scale of 1 to 5. Where, 5= *strongly Agree* 4= *Agree* 3= *Disagree* 2= *Strongly Disagree* 1= *Neither Agree nor Disagree*. The results were presented using means, mode and standard deviation.

4.3.1 Organization Environment of Tier-1 Banks

The section presents the descriptive statistics on the organisational environment within Tier-1 commercial banks. The standard deviation showed that the variations of the responses by the participants was too close, which demonstrated that organisational environment was a major consideration on the employee performance.

Table 4.4 Analysis of Organization Environment

	N	Mode	Mean	Std. Deviation
I am comfortable with the sense of job security accorded by the company	304	4.00	3.6184	.93296
The organization has availed adequate physical facilities to support the execution of my job duties	304	4.00	4.0033	.89553
I am comfortable with the physiological environment within the organization	304	4.00	3.7204	.82701
I feel the guidelines and workplace rules put in place the organization are adequate and not invasive	304	4.00	3.7566	.92631
I am comfortable working within the current conditions accorded by the organization	304	4.00	4.0099	.79804

Source: Author (2020)

The results indicated agreement among respondents that the organization has availed adequate physical facilities to support the execution of my job duties (mean = 4.00) with moderate deviation (.8955). Findings showed agreement that employees are comfortable working within the current conditions accorded by the organization as noted by mean of 4.0099 and deviation of .7980. The results also noted agreement employees are comfortable with the sense of job security accorded by the company as showed by mean of 3.6184.

4.3.2 Organization Structure of Tier-1 Banks

The section presents the descriptive statistics on the organisational environment within Tier-1 commercial banks. The results showed divergent views among the respondents as indicated by the high standard deviations in Table 4.5 below.

Table 4.5 Analysis of Organization Structure

	N	Mode	Mean	Std. Deviation
I am comfortable with the task allocation given by my supervisors within the workplace	304	4.00	3.7533	.90561
I am comfortable with the work arrangements conducted by the organization in the execution of my duties	304	4.00	3.7336	.87770
I am regularly involved in the decision making within the organization	304	3.00	3.1546	1.08657
The organization has put in place a clear chain of command to ensure my voice is heard	304	3.00	3.4178	1.08689

I find the formalization put in place within the organization pleasant for the execution of duties	304	3.00	3.7237	1.41748
The coordination mechanisms put in place within the organization are supportive of employee efforts	304	3.00	3.4408	.95602
I am regularly involved in setting the goals of the organization	304	3.00	3.2928	1.07927

Source: Author (2020)

The findings indicated that respondents agreed that they are comfortable with the task allocation given by my supervisors within the workplace (mean = 3.7533). The analysis also showed agreement that employees are comfortable with the work arrangements conducted by the organization in the execution of my duties (mean = 3.7336). The results showed disagreement (mean = 3.29) among employees they are regularly involved in setting the goals of the organization. The respondents also disagreed with the statement that there are coordination mechanisms put in place within the organization are supportive of employee efforts (mean = 3.44).

4.3.3 Management Support in Tier-1 Banks

The third variable sought employees' opinions on the management support influence on employee performance. The findings indicated that most of the respondents who participated in this study agreed to most of the statements included on the variable showing how key management support was to employees.

Table 4.6 Analysis of Management Support

	N	Mode	Mean	Std. Deviation
I feel appreciated by the management in the execution of my duties	304	4.00	3.7697	.90813
I have been accorded career progression opportunities within the organization	304	3.00	3.4572	.83931
The management within the organization regularly delegates duties to junior staff members	304	3.00	3.2796	1.07359
I am comfortable with the performance management systems put in place within the firms	304	4.00	3.5789	.80038
I enjoy the fringe benefits put in place by the organization	304	4.00	3.5691	.88729

The organization has put in place a rewards and recognition system in place to appreciate the employees	304	4.00	3.6118	.82494
The organization regularly conducts seminars and training workshops within the workplace	304	4.00	3.7434	.87877
The bank provides regular opportunities for job enrichment	304	4.00	3.5592	.88801

Source: Author (2020)

The findings indicated that the respondents disagreed strongly that the management within the organization regularly delegates duties to junior staff members as shown by a mean = 3.28 and a high deviation of 1.07359. The respondents also disagreed that the organization has accorded them career progression opportunities (mean = 3.46). The employees also agreed that the organization regularly conducts seminars and training workshops within the workplace (mean =3.74, dev = .88).

4.3.4 Organization Culture in Tier-1 Banks

The study also presented respondents on statements on the organization culture within the banks and descriptive results as shown by the mean and mode illustrated agreement across participants on the various statements.

Table 4.7 Analysis of Organization Culture

	N	Mode	Mean	Std. Deviation
I am aware of the vision being pursued by the organization	304	4.00	3.8684	.81394
The organization has put in place an elaborate communication system	304	4.00	4.0461	.77790
The organization has detailed policies in place to guide workplace behaviour among employees	304	4.00	3.6086	.91633
The employees are aware of the shared values and beliefs within the organization	304	4.00	3.8586	.86539
There are elaborate systems in place to ensure dynamism and adaptability in the firm	304	4.00	3.7829	.87818

Source: Author (2020)

The respondents indicated agreement that the organization has put in place an elaborate communication system (mean = 4.05, dev =.78). The results showed agreement that the employees are aware of the shared values and beliefs within the organization (mean = 3.86, dev =.87). The findings also noted agreement there are elaborate systems in place to ensure dynamism and adaptability in the firm (mean = 3.78, dev = .88). The results showed that Tier-1 banks have put in place a very effective culture that resonates with their employees.

4.3.5 Employee Performance in Tier-1 Banks

The study asked the employees of the commercial banks to respond to various statements on their performance levels within the institutions.

Table 4.8 Analysis of Employee Performance

	N	Mode	Mean	Std. Deviation
I am satisfied with my job position and the responsibilities that I perform	304	4.00	3.8618	.91232
Employees in this firm provide efficient services to their customers	304	4.00	3.8026	.78383
I have a positive attitude towards my work duties	304	4.00	4.0263	.86705
I enjoy performing my duties on a day-to-day basis within the firm	304	4.00	3.5954	.91780
I am comfortable working within the organization for the unforeseeable future	304	4.00	3.7697	.89716
I am able to finish the task assigned within the organization efficiently and on time	304	4.00	3.9145	.82008
I make sure I am at my workplace on time every day	304	4.00	3.8355	.82409

Source: Author (2020)

The findings indicated that employees within the banks are satisfied with their job position and the responsibilities they perform (mean = 3.86). The result also showed agreement that employees have a positive attitude towards my work duties and are make sure they are at their workplace every day (mean = 4.03). The analysis also indicated agreement that employees are

comfortable working within the organization for the unforeseeable future (mean = 3.77). Generally, the findings were an indication that Tier-1 bank employees have a positive attitude on their job performance and make an effort towards improving their productivity at the workplace.

4.4 Correlation Analysis

It was necessary to carry out a correlation analysis to determine how the independent variables impact the dependent variable. The Pearson correlation coefficient was used and it measures the statistical relationship, or association, between two variables. The correlation matrix also showed the interaction between the independent variables and the coefficients yielded were moderately low which is an indication of linear independence of the variables.

Table 4.9 Correlation Matrix

		Organization Environment	Organization Structure	Management Support	Organization Culture	Employee Performance
Organization Environment	Pearson Correlation	1				
	Sig. (1-tailed)					
	N	304				
Organization Structure	Pearson Correlation	.497**	1			
	Sig. (1-tailed)	.000				
	N	304	304			
Management Support	Pearson Correlation	.535**	.477**	1		
	Sig. (1-tailed)	.000	.000			
	N	304	304	304		
Organization Culture	Pearson Correlation	.473**	.473**	.569**	1	
	Sig. (1-tailed)	.000	.000	.000		
	N	304	304	304	304	
Employee Performance	Pearson Correlation	.306**	.348**	.389**	.442**	1
	Sig. (1-tailed)	.000	.000	.000	.000	
	N	304	304	304	304	304

** . Correlation is significant at the 0.01 level (1-tailed).

Source: Author (2020)

The findings showed that there was a weak positive and significant relationship between organization environment and employee performance as shown by a coefficient of .306 and a sig = .000<.05. This indicated that an organisational environment positive improves employee performance. The study further showed a significant and weak positive effect of organization structure on the employee performance in Tier-1 banks (Pc = .348, Sig = .000<.05) which is an indication that organization structure is essential for better employee performance.

The correlation analysis also established there is a weak positive and significant effect of management support on employee performance within the banks as illustrated by a correlation coefficient of 0.389 at 0.05 significant level. The findings lastly indicated that organisational culture had a moderate positive and significant influence on the employee performance within the commercial banks as shown by Pc = .442, Sig = .000<.05.

4.5 Diagnostic Analysis

4.5.1 Collinearity Analysis

The test result for multicollinearity was done using both the VIF and tolerance. With VIF values being less than 5, it was concluded that there was no presence of multicollinearity in this study.

Table 4.10 Collinearity Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Organization Environment	.620	1.612
	Organization Structure	.658	1.520
	Management Support	.566	1.766
	Organization Culture	.606	1.650

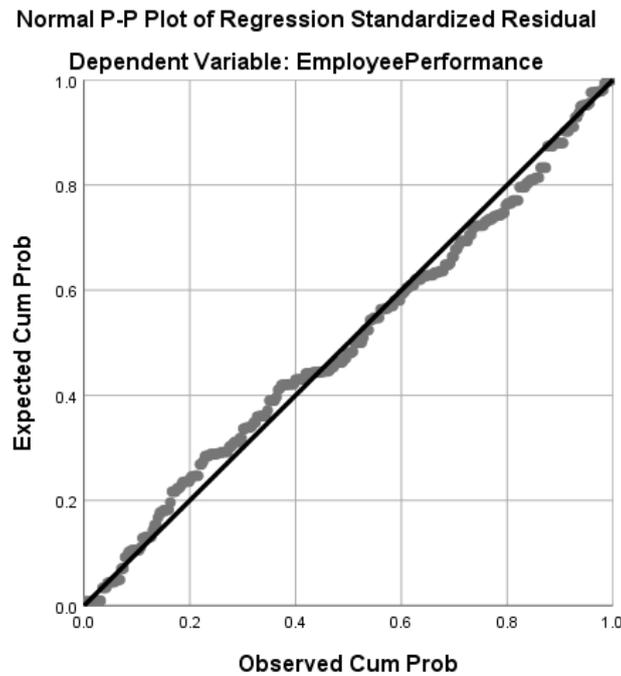
a. Dependent Variable: Employee Performance

Source: Author (2020)

4.5.2 Normality Analysis

The normality data distribution was assessed by examining the normal Q-Q plot which checks if the residuals of the regression model fit in the normality curve. Figure 4.4 showed that the normal curve was fitted along the normality line which was an indication that the data adopted in the study was from a normal distribution.

Figure 4.4 Normality Analysis



Source: Author (2020)

4.6 Regression Analysis

The regression analysis revealed the relationship between the dependent variable, employee performance in Kenyan Tier-1 banks and the independent variable which is internal organization factors.

Table 4.11 Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.487 ^a	.237	.227	2.86622

a. Predictors: (Constant), Organization Culture, Organization Structure, Organization Environment, Management Support

Source: Author (2020)

The R^2 value indicates how much of the dependent variable, "employee performance", can be explained by the independent 'internal organization factors. it was determined that 23.7% of changes in employee performance can be explained by organization culture, organization structure, organization environment, management support. Therefore, employee performance is moderately influenced by internal organization factors. The implication is that Tier-1 bank need to review their internal factors and implement robust changes that can yield better outcomes in employee performance.

The study also conducted the analysis of variance (ANOVA) between internal organization factors and employee performance in Kenya. The aim of the analysis was to determine the regression model's statistical significance.

Table 4.12 ANOVA Analysis

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	763.202	4	190.800	23.225	.000 ^b
	Residual	2456.347	299	8.215		
	Total	3219.549	303			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Organization Culture, Organization Structure, Organization Environment, Management Support

Source: Author (2020)

An F statistic of 23.225 showed a significant model. A probability (p) value of 0.000 ($p < 0.05$), supported this, showing that overall, the model used is the capacity to statistically significantly predict the outcome variable. Hence the relationship between internal organizational factors and employee performance was positive and significant in Tier-1 Banks.

Lastly, the study presented the regression coefficients which as an output of the regression analysis can be able to show the individual magnitude of influence of each variable based on their coefficients on the employee performance within commercial banks.

Table 4.13 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	13.975	1.414		9.885	.000
Organization Environment	.129	.048	.228	2.688	.001
Organization Structure	.175	.037	.128	4.797	.000
Management Support	.128	.056	.153	2.280	.023
Organization Culture	.353	.081	.282	4.340	.000

a. Dependent Variable: Employee Performance

Source: Author (2020)

The estimated multiple regression model to estimate employee performance is as follows; β_2

$$Y = 13.975 + .129X_1 + .175X_2 + .128X_3 + .353X_4 + 1.414$$

The findings showed that organisational culture has the highest magnitude of influence on employee performance ($\beta_4 = .353$, Sig = .000) which implied that changing organizational culture will have an effect of .353 on employee performance. The results established that organization structure has a positive and significant influence on employee performance ($\beta_2 = .175$, Sig = .000). Also, results noted a positive and significant influence of the organization environment on the employee performance within Tier-1 banks in Kenya ($\beta_1 = .129$, Sig = .001). The study also showed that management support had the least effect on employee performance within Tier-1 banks ($\beta_3 = .128$, Sig = .023) which is an indication that management support changes can only yield a .128 change in the employee performance.

4.7 Chapter Summary

The research was conducted to establish how various internal organization factors influence employee performance within Tier-1 commercial banks in Kenya. The survey was conducted between October 2020 and February 2021 through two main channels of data collection (physical questionnaires and Google forms). The pre-test of the study instruments was conducted prior to undertaking the main survey. The research achieved an 85% response rate which was deemed suitable for the analysis. The findings of the correlation analysis pointed to a positive and significant relationship between the independent variables namely; organization culture, organization structure, organization environment, management support and employee performance.

The regression analysis was employed with an aim of determining; the magnitude and significance of the relationship and findings established that 23.7% of changes in employee performance can be statistically be achieved through internal organization factors (F statistic of 23.225, Sig = .000). The results showed that organisational culture was the most significant factor of improving employee performance within commercial banks. The findings also pointed out that organization structure, organization environment and management support also had a positive and significant influence on employee performance albeit varying strengths in the coefficients. The implications of these findings are that Tier-1 bank managers can look at their internal organization factors as a source of stimulating better employee performance.



CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This last chapter particularly presented a discussion of the study findings in relation to previous empirical evidence. The chapter also contained the conclusions of this study, the recommendations, limitations faced and the areas for further examination.

5.2 Discussion

Pike (1986) argued that the environment in which an organization operates is a key determinant of achieving the best outcome. This main principle of contingency theory also holds that the main contingent variables in the organization are the environmental factors that determine the performance of the firm. These assertions are supported by the study findings which have shown that internal organization factors are essential to achieving better performance. Thus, as indicated by Schweikart (1985) utilization of contingent factors can be instrumental to creating a competitive business and achieving better performance.

5.2.1 Effect of Organization Environment on Employee Performance

The study established that the organisational environment has a significant and positive influence on employee performance within banks. The findings demonstrated that employees within the Tier-1 banking industry are comfortable with the sense of job security and the physiological environment. The above outcomes are consistent with Fu and Deshpande (2014) who conducted a study in Chinese firms and revealed that promoting a caring climate for employees results in better job performance. Similarly, Shyu, Lieu, and Chang (2015) noted that improving the environmental conditions within the workplace and promoting a sense of job security is essential for bank efficiency and employees productivity. Same assertions were revealed by Agbozo, et.al. (2017) who opined that having social support systems, improving communication and mental health programmes were vital to employee satisfaction.

The analysis affirmed that most employees are in agreement that the banks have availed adequate physical facilities to support the execution of job duties. The results are consistent with a study of Nigerian banks by Eruemegbe (2015) who established that provision of necessary equipment, improving teamwork, better supervision and welfare were vital to the performance of the institutions. The study showed that the employees agreed that the banks' guidelines and workplace rules are adequate and not invasive. The participants also agreed that they are comfortable working within the current conditions accorded by the bank. Nanzushi (2015) study also established that vital to employee performance were improving work

conditions, enhancing infrastructure and the physical environment at the workplace. Samson, Waiganjo, and Koima (2015) in a study in commercial banks also noted that physical environment and psychological environment moderately influences employee performance.

5.2.2 Effect of Organization Structure on Employee Performance

It was determined by the study findings that organization structure positively influence employee performance within Tier-1 banks. These results are in agreement that established Akhter, et.al. (2016) structure as a key determinant of performance. The authors indicated that coordination and control were vital to strengthening efficiency and effectiveness. The findings showed that employees were in agreement with task allocation by supervisors and the work arrangements within the bank. The analysis corroborated the suggestions advanced by Malik (2017) that improving hierarchical structure positively influenced employee performance through better formalization and creating boundaries within the firm structures. Thumbi and Ragui (2019) also concluded that organizational structure positively improves the performance of commercial banks.

The result showed that some employees were not comfortable with the level of involvement in decision making and the chain of command in place within the banks. The study also established employees disagreed that formalization in place within the bank and the coordination mechanisms were supportive of employee efforts. The analysis also indicated that employees disagreed that they are regularly involved in setting the goals of the organization. The outcomes are in line with the study by Chege (2016) who noted that lack of adaptive mechanisms and instituting structure within the firm limit the implementation of change processes within commercial banks. Omondi et.al (2017) also established that various aspects of organization structure within commercial banks were not able to significantly support performance.

5.2.3 Effect of Management Support on Employee Performance

The regression results indicated that management support has a positive and significant influence on employee performance in commercial banks. The findings are in line with Anyango (2015) who revealed that leadership styles are vital to better employee performance within the firm. The research also showed that supervision and delegation of duty are critical to enhancing employee performance. The outcome of the descriptive analysis indicated employee agreed they feel appreciated by the management in the execution of my duties. Similar assertions are held by Afroz (2018) who is a study of Bangladesh banks indicated that

employees productivity can improve based on the level of involvement in decision making and professional development programs.

The study analysis also showed that employees are comfortable with performance management systems and the fringe benefits offered by the bank. The descriptive results also indicated employees agreed that the banks have good rewards and recognition systems and provide opportunities for job enrichment. Wambua (2016) in their research on employee performance across commercial banks also revealed that better rewards management, training and development and involvement in performance appraisal strengthen employee performance. Results showed that employees agreed that the bank regularly conducts seminars and training workshops within the workplace. Athar and Shah (2015) also suggested that improving teamwork and training are vital to strengthening bank staff performance. The study indicated that improved technical knowledge and worker responsibility significantly led to better employees' performance. The outcomes noted disagreement among employees that the management within the bank regularly delegates duties to junior staff members.

5.2.4 Effect of Organization Culture on Employee Performance

The research showed that organisational culture was a positive and significant determinant of employee performance in commercial banks. Consistent with these results, Hafiz (2017) surveyed Pakistan banks and established that supportive culture within commercial banks fostered employee commitment and performance. The same argument is advanced by Belias, Koustelios, Vairaktarakis, and Sdrolias (2015) who revealed that adhocracy and hierarchy culture led to better employee satisfaction in Greek banks. Madueke and Emerole (2017) showed that a supportive organisational culture was key to inducing commitment to the bank and retention levels.

The research outcome indicated that employees recognized the vision put in place by the bank and they were aware of shared values and beliefs within the organization. Belias, Koustelios, Vairaktarakis, and Sdrolias (2015) similarly opined that teamwork, shared values, and communication were key to better satisfaction among employees. The results established that employees agreed that the banks have put in place an elaborate communication system and they have detailed policies in place to guide workplace behaviour among employees. The findings aver with Odhiambo, Ruto, Mutunga, and Kundu (2016) who held that organisational culture adoption through shared values, rules, policies and management behaviour is key to inducing better employee performance. Further, employees agreed that the banks' elaborate

systems in place ensure dynamism and adaptability in the firm. Langat and Lagat (2017) affirmed in their study on commercial banks that shared values, ethical codes, and management practices positively led to better employee performance. Generally, Mwashighadi and Kising'u (2017) also established that market culture, clan culture, and hierarchical culture significantly improve bank performance.

5.3 Conclusions

The findings showed there is a significant and positive relationship between internal organizational factors and employee performance. Thus, the research concludes that to achieve better employee performance Tier-1 banks should consider improving on the organization environment, organization structure, culture and management support. The study concludes that the organisational environment has a significant influence on bank employee performance. Thus, for the purposes of expanding employee outcomes, commercial banks should strive to foster job security among the staff, improve the physical and physiological environment and enhance the work conditions. The study concludes that organization structure has a significant influence on employee performance in Tier-1 commercial banks. Hence, commercial banks should align their coordination and control mechanisms to be supportive of their employees. Further, ensuring there is fair task allocation, involvement in decision-making and formalization in work structure will significantly influence employee performance.

The research concluded that management support significantly influences employee performance within the banks. A conclusion is thus reached that the management team within Tier-1 banks should enhance capacity building, rewards systems, professional development and performance management can improve employee performance. The study also concluded that organisational culture significantly influences employee performance. Based on this it was concluded that the commercial banks should ensure that employees are conversant with the shared values and beliefs and abide by the norms and policies at the workplace. Further, improving the communication process will be vital to better employee performance.

5.4 Recommendations

5.4.1 Practical Implications

The study recommends that commercial banks should strive to have fewer chains of commands as this will be key to fostering decision making and improving communication within the organization. Further, the management should ensure the organisational structure adopted within the firm can empower the management in assigning roles and responsibilities effectively and improve accountability. The culture within banks should be reviewed to incorporate

among other elements innovative elements and cooperative efforts within the employees. Through an innovative culture, the bank will be able to create a highly dynamic environment that will have a clear link to organization competitiveness and survival as well as strengthen employee performance.

The study also recommends that commercial banks should develop a better organisational environment through promoting flexi-work arrangements that can help in improving the physiological environment at the workplace. Especially, with the current environment where the pandemic has disrupted the traditional jobs environment, the banks should provide the necessary infrastructure to support remote working and other telecommuting practices. Further, commercial banks should improve on the facilities available within the workplace such as medical centres and recreational facilities which will help in improving the physical work conditions.

Commercial banks are implored to improve the management support mechanism through more involvement of employees in decision-making and goal setting within the firm. This will be ideal in creating a high-performing work environment as employees will have a sense of duty and strive to achieve the firm's objectives which will lead to better productivity. Further recommendations were for banks to carry out a review of their systems in regards to the evaluation of employees to determine who deserves to be promoted or given particular rewards to enhance motivation. This system also has to be able to determine employees who require coaching to improve their service output. Further, the management should develop clear performance appraisal systems that will ensure that the bank can identify the areas of weakness among employees at different levels and look for ways of stimulating better performance.

5.4.2 Policy Implications

The results findings can be applied by the banking association in creating guidelines that can be adopted across the industry to stimulate high-performance work systems. This system can be ideal in stimulating performance among medium-tier and smaller banks. The findings of this research should also help in developing new internal regulations within commercial banks that will guide the division of work, create policies for employee involvement and designing of an effective structure that can be applied to improve employee performance. Therefore, recommendations were for industry players to review the various structures, cultures and organization policies and evaluate their capacity to support better employee outcomes.

The research further recommends that the banking association can rely on the study results in formulation of new employee training manuals. This will help commercial banks in creating awareness among bank personnel on the key organization factors that are critical to their productivity. Further, the study results can inform the commercial banks in developing new performance appraisal and management systems. These will be vital in assessing their employee performance and gauging it against standardized industry measures.

5.5 Limitations of the Study

The study was conducted at a period where access to employees was highly limited by changes in the workplace routines across most commercial banks. This change in work-structures due to Covid-19 largely hampered the data collection process. As a result, the study convenience of data collection was largely hampered; however, the study overcame this by employing electronic data collection. The study was further limited to a review of employee performance only in Tier-1 institutions hence more should be done in future research to involve the entire industry.

5.6 Areas for Further Research

The findings showed that only 23.7% of employee performance changes are due to internal factors hence more studies should be conducted taking into consideration factors not considered in this study. In addition, further studies should incorporate external environmental factors and assess their impact on employee performance. The study further suggests that more research work should be conducted reviewing the determinants of employee performance across the banking industry in Kenya. This will help in expanding the available evidence on the factors influencing employee performance. The research further suggests that more research work can be conducted to evaluate how the dynamic changes in the workplace structures due to Covid-19 have impacted the operational performance of commercial banks in Kenya.

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APPENDICES

Appendix I: Informed Consent Form

Participant Information and Consent Form

Title of the Proposed Study:

Influence of organization factors on employee performance in Tier-1 Commercial banks in Kenya

SECTION I:

Investigator:

ANDREW AMUGUNE

MBA/93099/2018

Institutional Affiliation: **Strathmore Business School (SBS)**

Section II: Information Sheet–The Study

2.1: Why is this study being carried out?

The research is being undertaken as a partial requirement for the academic award of Masters of Business Administration Degree. The intent of the research will be purely for academic purposes and no research data sought will be utilized beyond that parameter.

2.2: Do I have to take part?

No. Your participation in the study will be voluntary. Even upon consent to take part in the study, you may decline to take part in the study at any point within the course of the exercise. The study will ensure that all participants are aware of their rights to cease their participation at any point.

2.3: Who is eligible to take part in this study?

The unit of analysis will be the 11 Tier-1 commercial banks as defined by the Banking Supervision Report 2020. The population of this study will be the employees of the Tier 1 Banks operating within the Kenya banking industry. The unit of observation will be the employees working within the 11 Tier 1 banks.

2.4: Who is not eligible to take part in this study?

The research will not consider employees not in Tier 1 Banks.

2.5: What will taking part in this study involve for me?

The researcher will only seek your opinion in filling up selected items on the **Influence of organization factors on employee performance in Tier-1 Commercial banks in Kenya**. The researcher will require you to go through the items in the questionnaire and respond to them to the best of your knowledge and without bias. The responses obtained will be for the previously mentioned purposes only.

If you are satisfied that you fully understand the goals behind this study, you will be asked to sign the informed consent form (this form) and then taken through a questionnaire to complete.

2.6: Are there any risks or dangers in taking part in this study?

There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.

2.7: Are there any benefits of taking part in this study?

The findings of the research are expected to be of importance to multiple stakeholders within the banking industry. The study will be beneficial to the top managers in the banking industry, to the regulatory authority as well as to future researchers and academicians.

2.8: What will happen to me if I refuse to take part in this study?

Participation in the study is entirely voluntary. Even if you decide to take part at first but later change your mind, you are free to withdraw at any time without explanation.

2.9: Who will have access to my information during this research?

Only the people who are closely concerned with this study will have access to your information. Any information you provide will be treated with utmost confidentiality.

2.10: Who can I contact in case I have further questions?

Any query can be directed to me Andrew Amugune +254721364501.

You can also contact my supervisor Dr. Ben Ngoye, at the Strathmore University, Strathmore Business School via *bngoye@strathmore.edu* or +254715395882

If you want to ask someone independent anything about this research please contact:

The Secretary–Strathmore University Institutional Ethics Review Board, **P. O. BOX 59857, 00200**, Nairobi, email *ethicsreview@strathmore.edu* Tel number: +254703034375

I, _____, have had the study explained to me. I have understood all that I have read and have had explained to me and had my questions answered satisfactorily. I understand that I can change my mind at any stage.

Please tick the boxes that apply to you;

Participation in the research study

I AGREE to be part of the research ()

I DO NOT AGREE to be part of the research ()

Storage of information on the completed questionnaire

I AGREE to have my completed questionnaire stored for future data analysis ()

I DON'T AGREE to have my completed questionnaire stored for future data analysis ()

Participants Name:

Participants Signature: Date:

I, _____ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study.

Signature: Date:

Name: **Andrew Amugune**

Appendix II: Questionnaire

This questionnaire consists of two parts; kindly answer all the questions by ticking in the appropriate box provided. Please do not write your name anywhere on the form. Your views was treated with utmost confidentiality, purely for academic purposes only.

SECTION A: GENERAL INFORMATION

1. What is your age bracket? (Tick as appropriate)

- | | | | |
|----------------|--------------------------|---------------|--------------------------|
| Below 30 years | <input type="checkbox"/> | | |
| 31 - 34 years | <input type="checkbox"/> | 35 – 40 years | <input type="checkbox"/> |
| 41 – 44 years | <input type="checkbox"/> | 45 – 50 years | <input type="checkbox"/> |
| Over 50 years | <input type="checkbox"/> | | |

2. What is your gender? (Tick as applicable)

- Male
- Female

3. What is your working experience in the company? (Tick as applicable)

- | | | | |
|------------------|--------------------------|---------------|--------------------------|
| Less than 1 year | <input type="checkbox"/> | 6-10 years | <input type="checkbox"/> |
| 1-5 years | <input type="checkbox"/> | Over 10 years | <input type="checkbox"/> |

4. What is your education qualification? (Tick as applicable)

- | | | | |
|---------------|--------------------------|-------------------|--------------------------|
| Diploma level | <input type="checkbox"/> | University Degree | <input type="checkbox"/> |
| Postgraduate | <input type="checkbox"/> | | |

5. What is department do you operate within in the bank? (Tick as applicable)

- Operations & Customer service Department
- Sales & Marketing Department
- Business Development
- Others _____

PART B: EFFECT OF INTERNAL ORGANIZATION FACTORS ON EMPLOYEE PERFORMANCE WITHIN COMMERCIAL BANKS IN KENYA

Please indicate in the table with a tick (√) your level of agreement based on the below scale:

5= *strongly Agree* 4= *Agree* 3= *Disagree* 2= *Strongly Disagree* 1= *Neither Agree nor Disagree*

No	Organization Environment	1	2	3	4	5
6.	I am comfortable with the sense of job security accorded by the company					
7.	The organization has availed adequate physical facilities to support execution of my job duties					
8.	I am comfortable with the physiological environment within the organization					
9.	I feel the guidelines and workplace rules put in place the organization are adequate and not invasive					
10.	I am comfortable working within the current conditions accorded by the organization					

Please indicate in the table with a tick (√) your level of agreement based on the below scale:

5= *strongly Agree* 4= *Agree* 3= *Disagree* 2= *Strongly Disagree* 1= *Neither Agree nor Disagree*

No	Organization Structure	1	2	3	4	5
11.	I am comfortable with the task allocation given by my supervisors within the workplace					

12.	I am comfortable with the work arrangements conducted by the organization in execution of my duties					
13.	I am regularly involved in the decision making within the organization					
14.	The organization has put in place a clear chain of command to ensure my voice is heard					
15.	I find the formalization put in place within the organization pleasant for execution of duties					
16.	The coordination mechanisms put in place within the organization are supportive of employee efforts					
17.	I am regularly involved in setting the goals of the organization					

Please indicate in the table with a tick (✓) your level of agreement based on the below scale:

5= *strongly Agree* 4= *Agree* 3= *Disagree* 2= *Strongly Disagree* 1= *Neither Agree nor Disagree*

No	Management Support	1	2	3	4	5
18.	I feel appreciated by the management in the execution of my duties					
19.	I have been accorded career progression opportunities within the organization					
20.	The management within the organization regularly delegates duties to junior staff members					
21.	I am comfortable with the performance management systems put in place within the firms					

22.	I enjoy the fringe benefits put in place by the organization					
23.	The organization has put in place a rewards and recognition system in place to appreciate the employees					
24.	The organization regularly conducts seminars and training workshops within the workplace					
25.	The bank provides regular opportunities for job enrichment					

Please indicate in the table with a tick (√) your level of agreement based on the below scale:

5= strongly Agree 4= Agree 3= Disagree 2= Strongly Disagree 1= Neither Agree nor Disagree

No	Organization Culture	1	2	3	4	5
26.	I am aware of the vision being pursued by the organization					
27.	The organization has put in place an elaborate communication system					
28.	The organization has detailed policies in place to guide workplace behaviour among employees					
29.	The employees are aware of the shared values and beliefs within the organization					
30.	There are elaborate systems in place to ensure dynamism and adaptability in the firm					

PART C: EMPLOYEE PERFORMANCE

Please indicate in the table with a tick (√) your level of agreement based on the below scale:

5= *strongly Agree* 4= *Agree* 3= *Disagree* 2= *Strongly Disagree* 1= *Neither Agree nor Disagree*

No	Employee Performance	1	2	3	4	5
31.	I am satisfied with my job position and the responsibilities that I perform					
32.	Employees in this firm provide efficient services to their customers					
33.	I have a positive attitude towards my work duties					
34.	I enjoy performing my duties on a day to day basis within the firm					
35.	I am comfortable working within the organization for the unforeseeable future					
36.	I am able to finish the task assigned within the organization efficiently and on time					
37.	I make sure I am at my workplace on time everyday					

38. In your opinion which other factors affect employee performance in your firm?

39. Any other comment relevant to the study?

Thank you for your Time

Appendix III: Ethical Review Committee Approval



Strathmore
UNIVERSITY

16th November 2020

Mr Amugune, Andrew
andrew.amugune@strathmore.edu

Dear Mr Amugune,

RE: Influence of Organization Factors on Employee Performance in Tier-I Commercial Banks in Kenya

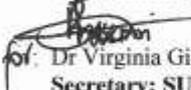
This is to inform you that SU-IERC has reviewed and **approved** your above research proposal. Your application reference number is **SU-IERC0911/20**. The approval period is **16th November 2020 to 15th November 2021**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,


of: Dr Virginia Gichuru,
Secretary; SU-IERC

Cc: Prof Fred Were,
Chairperson; SU-IERC



Ole Sangale Rd, Madaraka Estate, PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email info@strathmore.edu www.strathmore.edu

Appendix IV: NACOSTI Research Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 600443	Date of Issue: 18/June/2020
RESEARCH LICENSE	
	
This is to Certify that Mr.. Andrew Amugune of Strathmore University, has been licensed to conduct research in Nairobi on the topic: INFLUENCE OF INTERNAL ORGANIZATION FACTORS ON EMPLOYEE PERFORMANCE IN COMMERCIAL BANKS IN KENYA for the period ending : 18/June/2021.	
License No: NACOSTI/P/20/5263	
600443 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

The Grant of Research Licenses is Guided by the Science, Technology and Innovation (Research Licensing) Regulations, 2014

CONDITIONS

1. The License is valid for the proposed research, location and specified period
2. The License any rights thereunder are non-transferable
3. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research
4. Excavation, filming and collection of specimens are subject to further necessary clearance from relevant Government Agencies
5. The License does not give authority to transfer research materials
6. NACOSTI may monitor and evaluate the licensed research project
7. The Licensee shall submit one hard copy and upload a soft copy of their final report (thesis) within one of completion of the research
8. NACOSTI reserves the right to modify the conditions of the License including cancellation without prior notice

National Commission for Science, Technology and Innovation
off Waiyaki Way, Upper Kabete,
P. O. Box 30623, 00100 Nairobi, KENYA
Land line: 020 4007000, 020 2241349, 020 3310571, 020 8001077
Mobile: 0713 788 787 / 0735 404 245
E-mail: dg@nacosti.go.ke / registry@nacosti.go.ke
Website: www.nacosti.go.ke

Appendix V: List of Commercial Banks

1. ABSA Bank Kenya Plc
2. Co-operative Bank of Kenya Limited
3. Diamond Trust Bank Kenya Limited
4. Equity Bank Kenya Limited
5. I & M Bank Limited
6. KCB Bank Kenya Limited
7. National Bank of Kenya Limited
8. NCBA Bank Kenya PLC
9. Stanbic Bank Kenya Limited
10. Standard Chartered Bank Kenya Limited
11. HFC Commercial Bank

