ORGANIZATIONAL DOWNSIZING AND EMPLOYEES PERFORMANCE OF SELECTED COMMERCIAL BANKS IN NYERI COUNTY, KENYA.

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SEPTEMBER, 2018
DECLARATION

This research project is my original work and has not been presented for a degree in any other university or for any other award.

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I thank my supervisor Dr. Waithaka for his guidance in writing this project. I wish to thank my colleagues and friends for supporting me throughout the course. Lastly, my deep appreciation to my family for their genuine support, encouragement, understanding and patience throughout the long period of time spent on this course.
DEDICATION

This research work is dedicated to all my family members, who include my husband George Kamau and my son Jeremy Kamau, my colleagues and friends for their inspiration, support, encouragement and understanding throughout the research period.
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### ABBREVIATIONS AND ACRONYMS

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<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CBK</td>
<td>Central Bank of Kenya</td>
</tr>
<tr>
<td>KCB</td>
<td>Kenya Commercial Bank</td>
</tr>
<tr>
<td>MBA</td>
<td>Master of Business Administration</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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## OPERATIONAL DEFINITION OF TERMS

<table>
<thead>
<tr>
<th>Term</th>
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<tr>
<td><strong>Organizational Downsizing</strong></td>
<td>It is a thoughtful decision carried out by the organization to reduce the number of employees and in turn improve performance.</td>
</tr>
<tr>
<td><strong>Employee Commitment</strong></td>
<td>The measure of employee attachment to the organization in terms of dedication.</td>
</tr>
<tr>
<td><strong>Job Morale</strong></td>
<td>This is psychological feeling that an employee feels as a result of actions or behavior of the organization.</td>
</tr>
<tr>
<td><strong>Job Security</strong></td>
<td>It is an assurance of continued engagement of the employee by the employer.</td>
</tr>
<tr>
<td><strong>Career Advancement Plans</strong></td>
<td>It is the extent to which an employee continually advances in skills and responsibilities.</td>
</tr>
<tr>
<td><strong>Employee Performance</strong></td>
<td>The extent of employees effort in service efficiency and output per unit.</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Is a process of achieving the set targets such as increase in output and achieving individual targets.</td>
</tr>
<tr>
<td><strong>Commercial Banks</strong></td>
<td>Is a financial institution providing all financial services such as accepting deposits, issuing loans and facilitating transfer of funds in an economy.</td>
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ABSTRACT

Downsizing strategy has been implemented by many organizations as a way to deal with the economic pressures from the business environment. Despite the increase in downsizing in several banks, there is little empirical research on the impact of downsizing on employee performance. The objective of the research was to investigate the effect of organizational downsizing on employees’ performance in selected commercial banks in Nyeri County, Kenya. The specific objectives of the study were to investigate the effect of organizational commitment on employee performance, to determine the effect of job morale on employee performance, to assess the effect of job security on employee performance and to determine the effect of career advancement plans on employee’s performance. The study was guided by Maslow hierarchy of needs theory, job embeddedness theory and equity theory. The study used descriptive research design since it determines means and other statistical data of the population. The study targeted 168 employees from the selected commercial banks in Nyeri County and since the target population is of manageable size, a census was conducted to all the respondents. Semi-structured questionnaire were administered to the respondents to collect primary data. To ease analysis, the Statistical Package of Social Sciences (SPSS) computer software was applied. Descriptive, correlation and inferential analysis was used to show relationships amongst the variables. The study found that employees feel part of the bank family at all times and that they would like to work in the same bank for a longer time. The study established that employees are satisfied with the salary increments done every year though some opined that it was not enough compared to their daily inputs. The study found that employees feel safe in their current positions. The study established that banks have promotion opportunities available for best performing employees. It was however established that banks provides regular opportunities for job enrichment to increase performance. The study found that training needs assessment was carried out continuously within the organization to enhance performance and that the banks provided opportunity to do creative and challenging work. The study concluded that employee’s commitment, job morale, career advancement and job security have a strong positive correlation with the employee’s performance. The study recommends that banks should provide regular opportunities for job enrichment to increase performance and training needs assessment should be carried out continuously within the organization. The study recommends that downsizing should be done carefully not to affect the commitments of the retained workforce. The study recommends that the survivors of downsizing need to be managed and directed to positivity, explaining to them the need for downsizing. The study recommends that for the purposes of job security, the bank should improve trust between managers and employees by encouraging frequent and free employee and manager communication at all times.
CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

The organizational changes involves closing, downsizing and mergers has been on the increase in recent years (Okurame, 2014). A prominent rationale behind organizational change is to resort to some kind of organizational restructuring. Downsizing represents a conscious decision by management and has been described as a set of activities, undertaken on the part of management of an organization, designed to improve organizational efficiency, productivity and or competitiveness; it symbolizes an implemented strategy by executives that affects the work process used and the size of the firm’s workforce (Hussain, Nayyab, Fareed, Ahmad, & Shahzad, 2014).

The elimination of jobs, tasks and stations has escalated to a common technique in management for organization restructuring (O’Neill & Lenn, 2005). It is posited to be an activity applied to both growing and declining institutions and is naturally depicted as a way to decrease overheads, bureaucracy simplification, improving decision making speed, facilitating communication, free enterprise enhancing and improving on productivity (Cascio, 2010). Firms reduce the number of workers and its overall size and scope with ultimate goal of increasing performance of the organization through downsizing (Okurame, 2014). To cut costs in the current global economic predicament many firms and institutions have opted to downsizing in an effort to increase performance of the organization. Many firms for instance, a lot of work and effort is directed towards packages separation and employees support who are opting to leave the institutions as a downsizing result with very little or even no attention given to the workers left.
The current leaning of downsizing by organizations has a great effects on everyone; to the society, terminated employees, government, organizations, and even the surviving employees. It seems to have become more the rule than the exception today and for the future since those who are left behind react in numerous ways to the change (Appelbaum & Donia, 2001). The market for human resources is more flexible, and companies are more easily responsive than in the past because of demand decrease on their products/services by workers lay off. This is true because downsizing reduces redundant workers and costs of employment (Vrooman, 2009), of which many managers believe that this exercise helps in improving profitability and helping the firms to compete efficiently.

Cascio (2003) argued that the downsizing objective is to improve the efficiency of the organizational, competitiveness and productivity. Espahbodi, John and Vasudevan (2007) argued that sales increase in the American firms increased successively because of the announcements of downsizing. Likewise, some of the scholars including Yu and Park (2006) argued the same and conclusion for the findings on Korean firms were that downsizing has a positive results on performance. Greenberg and Baron, (2000), argued that downsizing is more likely to cause workplace mayhems. The author argued that many organizations consider the profits of firm’s by down cutting costs with all the consideration fixed firmly on the change need, the managers are more often blinded to the effects of downsizing on employees and hence on the worker’s productivity (Freeman & Cameron, 2009).

Downsizing even though appears to create an impression that some positive actions are being taken to turn around companies, one prime casualty of the process seems to be the way in which employees impacted by the process are dealt with (Bujang & Sani, 2010). The survivors who are the retained workers play an important role in the success of
downsizing.

1.1.1 Employee Performance

According to Eccles (2009) employee performance is a reflection of the ability of an institution in trying to realize its objectives. It is a reflection of how an institution uses human and financial resources and how it exploits them to achieve its goals. Organizational downsizing can cause lowered morale, Labib and Applebaum (2011), preliminary expansion in performance of organization followed by depression and fatigue (Simpson & Shapiro, 2011). Brockne (2008) noted that lower commitment, increased absenteeism, turnover decreased loyalty to organization, fear of future cutbacks and stress result to unproductive employees.

Executives in many companies are practicing downsizing and corporate restructuring much more likely to violate their psychological contract by the organization (Burack & Singh, 2005). Alleged destruction of psychological contract might lead to a decline in the commitment of employee in the organization or may enhance their intention to quit their jobs and to look for alternative employment (Armstrong, 2006). Good diversity of workforce practices in the human resources area are believed to enhance employee and organizational performance. This is because diversity management involves leveraging and using the differences in culture, worker’s skills, creativity and concepts to contribute to a common unique goal. This entails doing it in a way that gives the organization a competitive edge. Mwania and Muganda (2011) posited that even recent studies have shown a strong correlation between good diversity practices and sales increase.

Downsizing strategy has been adopted by many organizations as a way of dealing with the economic pressures from the business environment. Given its widespread use in Commercial banks, workforce downsizing has potential disadvantages to the organization
on employee performance, for example, loss of organizational knowledge, job security, employee morale, productivity, efficiency and the workload (Rousseau & Tijoriwala, 2008). Stock prices and the mixed long term stock performance are negatively affected by employee downsizing in almost all the listed companies.

1.1.2 Organizational Downsizing

Organizational downsizing is a careful and thoughtful decision taken by the organization to reduce the number of employees and in turn improve performance. Organizational downsizing has lately become gradually important issue that needs to be addressed to ensure fair employment practices. Companies worldwide have used downsizing to improve employee competitiveness, profitability, organizational effectiveness, efficiency as well as to reduce the size of their workforce. It is safe to say that layoffs have serious effects on all the individuals involved, especially on the delete downsizing victims and survivors. According to Brockner (1998) after a period of painful and abrupt downsizing an employees’ morale and commitment to the organization is lowered and that the downsizing objective may not be fruitful in the long term.

The dimensions of downsizing in the organization on employees’ performance are Employee commitment, job morale, job security and career advancement plans. Employee commitment is a psychological state that symbolizes the organization’s relationship with employees, and has implication for the decision to continue or discontinue membership in the organization. employees who are survive in the organization may see that the organization is not totally committed to their desires, this results in low morale in the workforce and decreased inclination to remain for long with the organizations (Niehoff, Moorman, Blakely, & Fuller, 2008). Organizational attachment reduction is also a determinant which is powerful of a free and voluntary.
According to Vithessonthi (2005) job security is the extent of the assurance an employee gets from the employer of continuity of work and continuous involvement of the employee in the organization. There is a suggestion that downsizing in the organization affects ones job security and at times it is threatened and deeply affects the attachment of the survivors and their feeling towards the organization (Brockner Groover & Reed 1987). To cope with the current economic down turns and crisis many banks and financial institutions are carrying out downsizing which are causing a mixture of emotions from the members who are the employees in the employment.

The institutions try to retain their strong performers but executives and managers are amused later by the outbursts of temper, bad attitude, and reduced productivity. This is reflected in absenteeism and increased sick leave requests by the workers. Stress can be generated by the desire of organization to bring back security after downsizing and which later on may result to lack of job satisfaction, intention to leave the organization. Workers also waste time applying for positions in other competing companies. Others are increased absenteeism and increased employee turnover (Brockner, 1998).

Employee job morale importantly affects state e.g. psychologically affects state of mind which may be expressed as self-possession, enthusiasm and organization loyalty. Morale of an employee determines the behavior either positively or negatively in an organization. It is argued that morale is related directly to motivational level of an employee and a worker satisfaction in the task carried out. Morale eventually is reflected in the performance according to Spreitzer (2011). Morale or persons attitude towards a task reflects the satisfaction and sense of achievement that they get from being part of the group.

High morale is reflected in the interest of wanting to be part of the group and a possible desire to stay long, work late and helping others. Today each and every organization is
trying to maintain positive morale among its employees, because employees with positive morale performs better, reveal low rate of absenteeism, low wastages, high productivity and tend to behave in a loyal manner. Similarly the employees with negative morale tend to behave negatively (Greenberg & Baron, 2000).

According to Okurame (2014), career advancement plans is the probability and the likelihood of promotions and experiences in career development. Plans in advancement in career is argued as an essential source of motivation in the work place. In order to increase employee’s effort and motivates of a strong involvement in organizational and career activities, moving up an organization’s ladders through the means of promotion and career development experiences beneficial are crucial. Lieberman and Williams (2003) argued that when employees have positive perceptions of chances of career growth, they are more willing to go along with changes and work hard to stay hooked up on their job tasks even when the organization is struggling to meet their expectations particularly when it is not convenient for them.

1.1.3 Commercial Banks in Nyeri Town, Kenya

Nyeri County is one of the 47 counties that were agreed on after the promulgation of the Constitution of Kenya (2010). Nyeri County covers an area of 3336 sq. kms (Republic of Kenya statistical abstract, 2013). Majority of the county population engage in agribusiness activities and this has encouraged investors in the banking sector to invest in the County. Nyeri is home to several commercial banks that include Kenya Commercial Bank, Barclays Bank of Kenya, Family Bank, Cooperative Bank, Equity Bank, Eco Bank, Consolidated Bank, Standard chartered Bank, I&M Bank, National Bank and Sidian Bank. These commercial banks have shown growth in infrastructure, capital base, customer base and also growth in human capital. The commercial banks in Nyeri town in the recent past
have created employment opportunities for the big population to offer banking services to the fast growing number of customers in the banking hall. Despite this created employment opportunity, the effort seem to have been cut short by the development of new technology in banking systems. This has forced managers to consider downsizing as a strategy to ensure performance and the bank to remain competitive. The bank management believes that workers could be substituted just like any other asset such as machines, clips of paper or parts of tractor and that workers can be substituted easily or interchangeable without much cost incurred with another worker.

According to Guyo (2003), manager’s view cost of employees as one of the largest single components of cost and that during hard commercial turns, pruning the payroll may lead to increase or maintain performance and profit before tax in the financial institutions in the short run but in the long run it is unpredictable. The selected commercial banks have not increased its bottom-lines against an environment of massive losses of jobs. The study concentrated on the employee’s at all eleven commercial bank branches within Nyeri Town namely; Kenya Commercial Bank, Barclays Bank of Kenya, Family Bank, Cooperative Bank, Equity Bank, Eco Bank, Consolidated Bank, Standard chartered Bank, I&M Bank, National Bank and Sidian Bank.

1.2 Statement of the Problem

The introduction of globalization is resulting in organizations consistently required to adapt their organization operations in order to remain effective and efficient (Chew & Horwitz, 2012). Thus changes in the manner in which organization do business with the view to remain competitive thus avoiding becoming obsolete (Taylor, 2008). With the introduction of Banks base lending rate, banks have started announcing for the voluntary packages in order to reduce on cost of operations. Sustainability is not yet tested
in the ever increasing downsizing strategies, the salaries for top management is going higher than what the market demands (Weekland, 2014). Barclays bank started then KCB and other banks followed in the recent past.

Omar (2015) on the study of productivity variables on the productivity of retained workforce in the National Bank of Kenya found out that productivity had an impact on the level of performance of employees after downsizing took place in the commercial banks. De Meuse, (2004) and Yu and Park (2006) studied the effects of employee downsizing on profitability and found that it may not result in improved firms’ profitability. According to the reviewed studies, it was found that downsizing does not significantly influence the worker’s performance. The study also found that though the worker reduction can cut down a firm payroll, it doesn’t certainly make organizations healthier and profitable.

Munoz-Bullon and Sanchez-Bueno (2013) on the study of downsizing of organization on performance of employees established that reduction of employee does not necessarily have a significant positive effects on the performance of organization. Most studies have tried to select only a small subset of the various factors thought to be affecting downsizing and have also limited their determination to the effects of downsizing on performance of organization in a single firm/industry (Jalajas & Bommer, 2007).

The studies mentioned above mostly emphasized on the performance of the organization as whole which may not be recognized in one specific year since many of the employees work towards achieving the organizational goals for promotion purposes or individual growth. The effects of downsizing on employee’s performance have not been fully researched especially in East African region (Omar, 2015).

Despite the increasing cases of downsizing on several banks in Kenya including; Barclays Bank in 2014 and 2016, National bank in 2015 and 2016, Family Bank in 2016 and KCB
in 2013 and 2014 CBK report (2016), research on effects of downsizing on employee’s performance in Kenyan banks have received little attention. The primary focus of the researcher will be employee performance in commercial banks in Nyeri County since many past studies focused on organization performance in various sector which may not be generalized to employee performance in commercial banks. Therefore this study sought to establish the effects of downsizing on employee’s performance in selected commercial banks in Nyeri town, Kenya.

1.3 Objectives of the Study

The objectives of this study were;

1.3.1 General Objectives

The general objective of the study is to investigate organizational downsizing on employee’s performance in selected commercial banks in Nyeri town, Kenya.

1.3.2 Specific Objectives

The study is guided by the following specific objectives;

i) To determine the extent to which organizational commitment affects employee’s performance in selected commercial banks in Nyeri town, Kenya.

ii) To explore the effects of job morale on employee’s performance in selected commercial banks in Nyeri town, Kenya.

iii) To evaluate the effects of career advancement plans on employee’s performance in selected commercial banks in Nyeri town, Kenya.

iv) To determine the effects of job security on employee’s performance in selected commercial banks in Nyeri town, Kenya.
1.4 Research Questions

In order to achieve its objectives the study sought to answer the following research questions;

i) To what extent does organizational commitment affects employee’s performance in selected commercial banks in Nyeri town, Kenya?

ii) What are the effects of job morale on employee’s performance in selected commercial banks in Nyeri town, Kenya?

iii) To what extent does career advancement plans affects employee’s performance in selected commercial banks in Nyeri town, Kenya?

iv) What is the impact of job security on employee’s performance in selected commercial banks in Nyeri town, Kenya?

1.5 Significance of the Study

The study will be of great significance to various stakeholders. The directors of various banks will understand the implication of downsizing and come up with various measures to reduce the impact of downsizing to the employees. Those commercial banks which are seeking for improved employee and organization productivity will find the study important in finding the balance between the number of employees and productivity. This study will enable managers to gauge their involvement in setting their goals based on the employees present and help in understanding the impact it may cause to the survivor employees, thereby measuring their performance so that they can make the best use of their abilities, realize their potential and maximize their inputs to enable organizational improved performance hence success. The study would form a basis for further research by scholars interested in furthering the body of knowledge on organizational downsizing with regard to employee’s performance in commercial banks in Kenya.
1.6 **Scope of the Study**

The study investigated the effect of organizational downsizing on employee performance in selected commercial banks in Nyeri town, Kenya. The following are the variables of the study; organizational commitment, job morale, job security and career advancement on employee’s performance. The study considered data for a period of five years that is from 2012 to 2016, this is because the mentioned banks under consideration did downsizing during that specific period and the impact can be determined by specifically concentrating on that period.

1.7 **Limitations of the Study**

The study encountered the following limitations; some of the participants were reluctant to give confidential information as they may fear that competitors may use the information for their own gains. To mitigate this, the researcher had together with the questionnaire a letter of transmittal assuring the organization that the information collected was treated as confidential and used for academic purposes only. There caused delays in data collection where the employees of the various banks in Nyeri (the respondents) were busy and did not have good time for filling in research questionnaires. To mitigate this, the researcher dropped the questionnaires very early in the morning and picked them later during the day.

1.8 **Organization of the Study**

The project is structured as follows: chapter one presents the research background, problem statement, research objectives, significance of the study, scope, and the limitations encountered in the course of the study. Chapter two presents literature review of existing research on the effect of downsizing on employee’s performance and a conceptual framework. Chapter three presents the methodology employed in the study in collecting data. It provides explanation and description of the method and procedures to be used in
conducting the study, analysis and interpretation of data. Chapter four presents the data analysis, findings of the research, interpretation and discussions. Chapter five includes; the findings summary, conclusions and recommendations for further study.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This section discusses literature on organizational downsizing and employee’s performance in commercial banks in Nyeri. It presents literature on relevant theories on organizational downsizing. The chapter is an overview on the various studies undertaken and their results. Finally, the independent variables and dependent variable relationship is shown using the conceptual framework.

2.2 Theoretical Literature Review

Theoretical review provides a description, summary and critical evaluation of works in relation to the research problem being investigated. The study was guided by Maslow hierarchy, Job Embeddedness theory, and Equity theory.

2.2.1 Maslow Hierarchy of Needs Theory

This theory in Psychology was proposed by Abraham Maslow in his 1943 paper “A theory of human Motivation”. The theory postulates that people are motivated to achieve certain needs and that some needs take precedence over others. Maslow's hierarchy of needs theory states that people have a pyramid hierarchy of needs that they will satisfy from bottom to top. Starting from mere physiological subsistence the Maslow hierarchy of needs covers belonging to a social circle to pursuing your talent through self-actualization (Faiola, 2009). Important to the hierarchy of needs theory is that Maslow felt that unfulfilled needs lower on the ladder would inhibit the person from climbing to the next step (Cascio, 2007).
The pyramid of needs is divided into two categories: deficiency needs (physiological and safety) and growth needs (belonging, self-esteem and self-actualization). If the deficiency needs aren't satisfied, the person will feel the deficit and this will stifle his or her development. When Maslow's hierarchy of needs is applied to work situations, it implies that managers have the responsibility, firstly, to make sure the deficiency needs are met. This means, in broad terms, a safe environment and proper wages. Secondly, it implies creating a proper climate in which employees can develop their fullest potential; failure to do so would theoretically increase employee frustration and could result in poorer performance, lower job satisfaction, and increased withdrawal from the organization (Brockne, 2008).

Maslow ultimate need, "self-actualization", is described in terms of one's desire to reach their potential and achieve personal fulfillment and growth as a person. In other words, people seek to become all they are capable of becoming. People want to realize their potential, growth, fulfillment, and to feel a sense of accomplishment. This theory is applicable in this study as it supports career advancement, security of job in the workplace and layoff threat which may prevent an employee from achieving improved growth desires in the long term. Workers may try to achieve security by working hard but this may result to unfulfilment of other important needs. When security is not maintained in the organization they will endeavor to fulfil their needs in other companies or they may burn out elsewhere or burn out, this theory is relevant to our study because it affirms that job security affect performance of employees and the reason for job insecurity here is downsizing (Osborne, 2010).
2.2.2 Job Embeddedness Theory

Mitchell (2001) noted that job Embeddedness theorizes that employees remain in the organization as long as the inducements to stay there match or exceed their expectations. Job Embeddedness influences employees’ decision to whether remain in the company or leave. By being embedded in a job, the individual will be less likely to leave the organization thus having a positive impact on their performance. Employees develop a sense of connectness as they carry out their day to day activities and tries to develop a sense of connectness and a web of relationship in and out of employment. Organizations should ensure that their employees are job embedded as this will keep the individual from leaving the company hence resulting to employee retention (Cascio, 1993).

Human resource practitioners should try and ensure that employees are embedded to their jobs through the three dimensions of job Embeddedness; links, fit and sacrifice (Jalajas & Bommer, 1996). The links dimension describes the relationship the employee has with other people in the organization. Organizations can manage links by providing employees with mentors within, design work in teams, foster team cohesiveness. Examples include co-workers, work groups, mentors friends relatives a and so forth. Employees with numerous links to other in their organization and community are more embedded and would find it more difficult to leave. By having good relations in the workplace will act as a way of embedding the employee to their jobs and this can be accomplished by having a member working in teams (Patel, 2008).

The second dimension fit is described as the compatibility that an employee has with their work and in the work place. Organization can employ realistic job preview, incorporate organization fit into employee selection as well as provide clear socialization and communication about the enterprises values and culture to realize employee
fitness into their new environment. Example is an employee whose product knowledge is in that organization and any other organization has been a competitor, this employee will fit into this organization exiting to counter the competitor (Mwangi, 2002).

Therefore, the human resource department should ensure that the individuals needs such as career goals, personal values and plans for the future fit with the organizations goals and plans. This will ensure that the employee feels tied to the organization thus ensuring the employee is retained and have an increase in performance. Sacrifice is the third dimensions in the job Embeddedness theory. Sacrifice is the loss that an employee will feel and bear when he/she decides to leave the organization. When the individual leaves the organization he/she will have to lose interesting projects, attractive benefits and compensation, working with colleagues who have grown close to as well as promotional chances (Datta & pandey, 2010).

The relevance of the theory is that job embeddedness touches on the major part of employee involvement, employee attachment and employee reason of choosing to remain with the organization in the case of voluntary early retirement or where the work environment is not conducive but the employee decide to work for the organization. Therefore, job embeddedness is beneficial to organizations when it comes to retaining employees as it enables the firm to know why people decide to stay thus creating appropriate retention strategies that suit the commercial banks (Mitchell, 2001).

This theory is applicable in the study for it supports employee’s attachment and commitment to be loyal to the commercial banks in Nyeri.

2.2.3 Equity Theory

Equity theory was proposed by John Stacey Adams’ in 1963 which helps to explain why pay and conditions in the workplace alone do not determine motivation or morale of
employees. It also tries to explain why giving one person a promotion/pay rise can have a demotivating effect on other employees. Hence, treatment of one employee differently has a detrimental effect on another or the rest of the members in the organization. When workers feel fairly treated or appreciated or well treated they are more likely to be motivated. But if they feel unfairly treated they are prone to high feelings of demotivation and disaffection (Osborne, 2010).

Most of the employees try to maintain a balance between the inputs that they bring to the workplace and the outcomes that they receive from it which they eventually compare against the perceived inputs and outcomes of other employees. The belief in equity theory is that workers value fair treatment which may cause them motivation which keeps the fairness (Faiola, 2009).

Equity theory is applicable in the study since the outputs are everything employees get in return from the employees inputs. It is applicable since it covers the quantity and quality of the contribution of employees to his/her task (Sutcliffe, 2013). Krasz (2004) argued that inputs which includes time spent, effort given, loyalty portrayed, hard work, commitment in the organization, ability to perform better, adaptability to work, flexibility in the work place, tolerance to hard times and determination to achieve the goals may derail performance. The author further posited that enthusiasm in the work place, sacrifice, superiors trust, co-workers and colleagues support, skill and unless the firm matches the inputs with good conditions and pay for the retained workforce then the performance will be derailed. Thus, when employees are laid off, the theory affirms that the retained members will be demoralized and thus their performance will decline.

2.3 Empirical Review

The study was guided by reviewed empirical research works from various authors which
are presented below in the next section.

2.3.1 Organization Commitment and Employee Performance

Tang and Ibrahim (2012) studied on organizational downsizing on employees in Korean firms between 2007 and 2011. The study found that there is a lot of potential for downsizing to cause stress to the remaining work force and may result to reduced productivity. The study found that the remaining workforce may see the irrevocable loss of downsizing and opt to save their valued skills and even that of the co-workers. The study also found that employees may experience an increase in workload since fewer employees are available to share a lot of tasks in the organization. Moreover, The study found that downsizing in the organization may result to the perception that uncertainty is on the corner and surrounding the particular organization (Hui & Lee, 2010). The study established that downsizing may be viewed as a source of long term harm since the survivors or remaining workforce may be afraid of losing their job and even the loved ones (Mishra & Spreitzer, 2008). These downsizing-induced stresses can lead to a reduction in employees’ affective commitment to the organization (Brockner, 2008).

A study by Cameron (2014) on direct impact of downsizing on employees’ effective commitment to the organization found that downsizing wittingly or unwittingly has an impact on work processes, that is, it affects what work gets done and how it gets done, because fewer employees are available to do the same amount of work. In addiction Jick (2015) propounds that survivors are considerably more stressed when there is severe downsizing than when there is only mild downsizing. Brockneret (2008) research confirms that surviving employees have much less affective commitment to the organization in the face of severe rather than mild downsizing.

Brockneret (2012) study on organizational downsizing on commitment of employee found
that survivors experience increased work overload as a result of downsizing, but also
greater autonomy and more variety and that their jobs became more intrinsically enjoyable.
Employees are bound to the organization by affective commitment when they are satisfied
with the content and context of the job. An employee high in affective commitment feels
emotionally attached to the organization, is proud to work for it, and feels a strong sense of
belonging (Allen & Meyer 2012).

When employees in an organization score high on affective commitment, it means that
even after a major downsizing they remain loyal to the organization, like the content and
context of the job, and are emotionally attached to it according to a study by (Oluoch,
2011). The study also found that by administering an organizational survey, employees are
given an opportunity to be involved in the company at a different level than is typically
defined in their job descriptions. Research has shown that employees who are more
involved in the company also may be more satisfied with their job, miss fewer days of
work, stay with a company longer, and perform better on the job (Ugboro, 2012).

2.3.2 Job Morale and Employee Performance

Neely's (2009) research explored the relationship between employee morale and
productivity, as well as possible measures that a supervisor can take to improve employee
morale after a downsizing exercise. His results revealed a pattern that links the productivity
of employees with their level of morale. Morale is also regarded to be the fuel that drives
an organization forward or the fuel that feeds the fires of employee discontent and poor
performance (Ewton, 2007). As noted by Kozlowski (2013) downsizing leads to low
morale and poor job satisfaction in employees and thereby poor performance of employees
is experienced.

Dayo Akintayo (2012) found that conducive environment of work and workers’ morale
have significantly resulted to workers’ improved performance in the organizational industries in South-West Nigeria. The study also found that working environment influence the morale of the workers as compared to their productivity at changing degrees which is dependent on the organization types. It also indicated that morale of employee in an organization has a direct effect on the customer’s satisfaction level and the ultimate success of the company.

According to Ndung’u and Kwasira (2010) compensation is a factor that contributes to low and high morale which affects employee individual performance in an organization. The study also noted that rewards helped to boost the morale of employees during downsizing period in the organization. Kalimullah (2010) suggested that rewards should be used to help employees have a sense of satisfaction and on the other hand to influences their performance. According to Zial (2011) teambuilding has long term positive relationship between employee morale and employee retention. Team performance, individual contribution, team evaluation and coordination have long term positive relationship between employee morale and employee retention.

2.3.3Career Advancement Plans and Employee’s Performance

Bratton and Gold (2013) on career growth and development on employees performance found out that the integral part of every individuals career affects performance. The research found out that employees cannot foresee their path of career development in their current organization, there are chances that they will leave the organization as soon as they get an opportunity. The important factors in employee growth that an employee looks for himself are work profile, personal growth and dreams, training and development. Career development is vital for both the employees and employers. Career development is mutual beneficial process because it gives imperative outcomes to employer and
employees. To gain and maintain competitive advantage organizations require talent and productive employees and these employees need career development to enhance and cultivate their competencies (Prince, 2015).

A study by Okurame, (2014) on employees career advancement on performance found that planned effort to attain the equity between requirement of organization workforce and individual career advancement needs is vital. The study found that a challenge for today human resource managers is the identification of the developmental strategies of the organization which contributes to the commitment of the workers to the organization values and vision thus contributing to their motivation and helping the organization to gain and maintain competitive advantage. These strategies can be applied to variety adding and reducing challenge to a task while also employees improvement in learning new skills and to further refining and developing existing skills for better preparedness in advancing opportunities when they occur.

Greller (2012) on a study of downsizing on performance found that workers always work for a purpose and the reason should be provided by the organization, co-workers or from within. The study established that when jobs are enlarged but not enriched motivation benefits are reduced. The distinction between job enlargement and enrichment is straightforward in that employees may not correctly perceive the changes as enrichment or as enlargement. Patrick and Kumar, (2011) found that when employees want to advance in their careers it does not matter how experienced one is, a lot of the employees stay in the organization as a way to grow.

### 2.3.4 Job Security and Employee Performance

Adebayo and Lucky (2012) on a study of job security and organizations performance found that job security is indispensable in preference list of employee and organization
particularly due to economic down turns. The study found that job security is crucial and important factor among the employee preference list. The study also found that about 75% of the workers preferred to remain in the same organization compared to other reasons in their list of preference. According to the study job security is an important factor as compared to employees’ healthcare and salary.

A recent survey conducted by KPMG (2010) on job security found that more than 75% of participants reflected job security their high priority when searching for a job as a result of the uncertain economic environment. While the result also showed that 67% of the participants were likely to work in a public or non-profit organization than a corporate business due to the recession. Accordingly, the study conducted by the University of Michigan's Center for the Center for the Education of Women (2010) found that teachers such as professors desire greater job security. The study noted that job security will help them to balance work and their personal lives and reduce their level of stress, adding that freedoms in their jobs are worth sacrificing job security.

Similarly, the information provided by the University of Wisconsin-Madison in 2000 on staff job security showed that about 22% of the academic staff only enjoy a high level of job security which defined as a multiple-year, more than 40% of experienced staff (employees) with above seven years of service at the university have little job security beyond renewable appointments while only 4% of the academic staff are sure of their job security.

There are some inconsistencies in the empirical evidence for how job security level and performance are related. Some studies have empirically confirmed the expectation that lower levels of job security would be associated with decreases in self-rated performance (Armstrong-Stassen, 2013; Ojedokun, 2008). There is, however, another view on
performance in relation to job security level, which suggests that employees who perceive risk of layoffs may increase their work efforts in order to be more valuable to the organization, and therefore not be made redundant (Brockner, Tyler, & Cooper-Schneider, 2012; Sverke & Hellgren, 2011). However, the relationships between job security level and employee reactions may not be as clear-cut as implied by this brief review. Several issues need further research attention before any valid conclusions as to the implications or consequences of job security level can be drawn.

2.4 Summary of Literature Review and Research Gap

Despite the common attention and continuing stream of studies on job security for individual workers, there have been essentially few researches directed at the causes of downsizing and its effect on employee’s performance. From the studies mentioned above, there is contradiction on the effects of downsizing on employees performance with some studies showing strong negative correlation and others strong positive correlation i.e. Goesaerty and Heinzz (2012) studied early retirements and firm performance in Barclays Bank Kenya, considering the banking industry in early 2005, the bank reported highest profits for years after the early retirement was done.

Levine (2014) found out that employee transfers may lead to fiscal stress and human resources shrinkage which may pose problems to managers. Moreover, many studies mentioned in the above were done in more developed nations and literature focused on the performance of the organization in general but this study seeks to establish the effect of downsizing on employee’s performance.
2.5 Conceptual Framework

This figure below shows the interrelationship between dependent variable and independent variables.

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Downsizing</td>
<td>Employee Performance</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td></td>
</tr>
<tr>
<td>• Organizational Attachment</td>
<td></td>
</tr>
<tr>
<td>• Employee Engagement</td>
<td></td>
</tr>
<tr>
<td>• Employee Loyalty</td>
<td></td>
</tr>
<tr>
<td>Job Morale</td>
<td></td>
</tr>
<tr>
<td>• Recognition</td>
<td></td>
</tr>
<tr>
<td>• Compensation</td>
<td></td>
</tr>
<tr>
<td>• Involvement</td>
<td></td>
</tr>
<tr>
<td>Job Security</td>
<td></td>
</tr>
<tr>
<td>• Staff Turnover</td>
<td></td>
</tr>
<tr>
<td>• Absenteeism</td>
<td></td>
</tr>
<tr>
<td>• Dissatisfaction</td>
<td></td>
</tr>
<tr>
<td>Career Advancement Plans</td>
<td></td>
</tr>
<tr>
<td>• Job Enrichment</td>
<td></td>
</tr>
<tr>
<td>• Promotion</td>
<td></td>
</tr>
<tr>
<td>• Job Training</td>
<td></td>
</tr>
<tr>
<td>Employee Performance</td>
<td></td>
</tr>
<tr>
<td>• Individual targets</td>
<td></td>
</tr>
<tr>
<td>• Level of output</td>
<td></td>
</tr>
</tbody>
</table>

Fig 2.1 Conceptual Framework

Source: Researcher (2018)
The independent variables as shown in the conceptual framework each has its measure. Each variable has its own degree of interrelationship with the dependent variable. Employee commitment is measured in terms of organizational attachment, employee engagement and employee loyalty. According to past studies employee commitment has an influence on employee performance. Employee job morale is a psychological feeling of motivation towards work. Employee job morale can be achieved through recognition, involvement and compensation, and it has an effect on employee performance. Job security is the assurance of continued engagement. When employees are insecure the organization will experience absenteeism, staff turnover and dissatisfaction at work and therefore employee performance decreases. When employees are job secured the absenteeism, staff turnover and dissatisfaction at work will reduce and therefore influence employee performance positively. Career advancement plans are employee future plans along career line; this is through promotion, job enrichment and job training which influence employee performance.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents detailed description of the methodology used in the study. The research methodology includes the research design, the population and the sample size, the data collection methods, the research procedures, data analysis and presentation methods.

3.2 Research Design

The study used descriptive research design. A descriptive research design involves analyzing data without changing the environment and conducted to demonstrate relationships between variables. The core purpose of a descriptive research is to describe the state of affairs as it exists at present (Kothari, 2004). The importance of this type of research is to determine means, incidences, and other statistical data of the population. With this information, the researcher was able to decide on the trends and other information about the population.

3.3 Target Population

A population is a well-defined set of services, people, events, elements, group of things or households that are being investigated. The data for this study was generated from all banks in Nyeri who have downsized their employees from 2012 to 2016. The target population consist of 168 employees of various selected commercials banks in Nyeri town.
Table 3.1 Population frame

<table>
<thead>
<tr>
<th>Banks</th>
<th>Employees</th>
<th>Percentage Representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya commercial Bank</td>
<td>37</td>
<td>22%</td>
</tr>
<tr>
<td>Equity Bank</td>
<td>41</td>
<td>24.4%</td>
</tr>
<tr>
<td>National Bank</td>
<td>19</td>
<td>11.3%</td>
</tr>
<tr>
<td>Family Bank</td>
<td>27</td>
<td>16.1%</td>
</tr>
<tr>
<td>Standard chartered</td>
<td>16</td>
<td>9.5%</td>
</tr>
<tr>
<td>Barclays Bank</td>
<td>28</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>168</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Author (2017)

3.4 Sampling Technique and Sample Size

According to Gay (1992), a researcher selects the sample due to various limitations that may not allow researching the whole population drawn. However, due to small number of the respondents, the researcher collected data from all the respondents thus a census study was conducted.

3.5 Data Collection Instruments and Procedures

Primary data was collected by means of a questionnaire. The questionnaire was self-administered. The use of semi-structured questionnaire allowed uniformity of responses to questions. The tool used for data collection was a semi structured questionnaire and according to Field (2005) the respondent can use their own words in a questionnaire which is semi structured. The researcher used drop and pick method of collecting data. Questionnaires were dropped and picked after 7 days.
3.6 Validity and Reliability of Research Instrument

This section dwells on the validity and reliability of the data collection instrument.

3.6.1. Validity of Research Instrument
According to Kathuri (1993) validity is the accuracy and meaningfulness of inferences which are based on the research results. To enhance content validity, the researcher consulted widely and carried out thorough literature review on the subject. This ensured that the research instruments was comprehensive enough to collect all the information needed for the study. The questionnaire content was read and examined by the experts who consisted of the supervisors and academic staff to evaluate the clarity of items (Moskal & Leydens, 2000). This ensured use of appropriate vocabulary, sentence structure, and that the questions were suitable to the intended respondents. Validity was established by seeking expert judgement from the supervisor, through holding discussions, making relevant comments and suggestions which assisted in developing and revising the research instruments. The research instrument was valid if the judgments is satisfactory to at least 80% of the judges. Face validity, content validity and construct validity were tested and found to fit to support this study.

3.6.2 Reliability of Research Instrument
Reliability of the research instrument is its level of internal consistency over time (Kothari, 2003). A reliable instrument therefore, is the one that constantly produces the expected results when used more than once to collect data from two samples drawn from the same population. Reliability of the instrument was enhanced through a pilot study; split half method of randomly selected respondents (Joppe, 2000). During the pilot study, the instrument was split half into all odd numbers put them in one subset and all even numbers
in another subset. Cronbach’s alpha was used to determine the internal trustworthiness of
the questionnaire that was used in this study. Values range between 0 and 1.0. While a
value of 1.0 indicates perfect reliability, the value 0.70 is considered to be the lower level
of acceptability (Cronbach, 2015). A Score above 0.7 was accepted.

3.7 Data Analysis and Presentation

The researcher analyzed the quantitative data by tallying responses of closed ended
questions. The data was coded, and entered into the computer for analysis using the SPSS.
It was presented in form of tables and figures. The data was analyzed using multiple
regression analysis. The model was stated as follows;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where:

\[ Y = \text{Performance of Employees} \]

\[ \beta_0 = \text{Constant} \]

\[ \beta_1 \text{ to } \beta_4 = \text{Coefficient of independent variables} \]

\[ X_1 = \text{Organizational Commitment} \]

\[ X_2 = \text{Job Morale} \]

\[ X_3 = \text{Job Security} \]

\[ X_4 = \text{Career Advancement Plans} \]

\[ \epsilon = \text{Error term of the model} \]

The Correlation coefficients provided for the degree and direction of relationships. It
measures the association, or co-variation of two or more dependent variables. The
statistical calculation of such correlation was done and expressed in terms of correlation coefficients. The γ provided information on the direction and magnitude of an observed correlation between two variables (X and Y). Inferential statistics was carried out to establish the nature of the relationship that exists between variables. Data was interpreted with the help of significance P-values, if the P-value is less than 0.05 the variables was deemed significant to explain the changes in the dependent variable. The coefficient of determination ($R^2$ or $r^2$) was used to analyze the percentage in which the independent variables determines the dependent variable. It indicated the proportion of the variance in the dependent variable that is predictable from the independent variable. The research hypothesis was tested at 95% level of confidence. In order to provide for drawing a conclusion a Pearson’s product moment correlation ($r$) was derived to show the nature of strength of the relationship. Content analysis was used to analyse any qualitative data collected.

### 3.8 Ethical Considerations

The researcher presented a letter of introduction and an authorization letter from Kenyatta University to persuade the respondents that the information collected was only academic related, hence enabled them to give information freely without fear. Alongside the above letter, there was a transmittal letter to the respondents accompanying the questionnaires to indicate the level of confidentiality and application of professionalism governing the research study as well as how to answer the questionnaire. This involved ensuring that names of respondents did not appear anywhere during the analysis and right of the respondents being modeled. The researcher sought authorization from NACOSTI to collect data after approval from Kenyatta University graduate school.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the analysis of the study findings according to the data collected from the field. It begins with response rate, demographic of the respondents, while the other sections is based on the research specific questions. Descriptive, correlation and inferential statistics is used to discuss the findings of the study.

4.2 General Information

4.2.1 Response Rate

The study targeted 168 respondents from which 159 filled in and returned the questionnaires making a response rate of 95%. The response rate was satisfactory to make conclusions for the study. This response rate was adequate for data analysis and conformed to Mugenda and Mugenda (2003) threshold that stipulates that a response rate of 70% or above is adequate for analysis and reporting.
4.2.2 Respondents’ Gender Distribution

Respondents’ gender was sought during the study. Results are as per table 4.1 below:

Table 4.1 Gender Distribution

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>93</td>
<td>58.5</td>
</tr>
<tr>
<td>Female</td>
<td>66</td>
<td>41.5</td>
</tr>
<tr>
<td>Total</td>
<td>159</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research Data (2018)

The table above shows that the gender distribution of the respondents was 58.5% female and 41.5% male. This showed a fair distribution of respondents in terms of gender.

4.2.3 Level of Education

The study established the level of education of various employees in commercial banks in Nyeri town. The findings were summarized in the figure 4.2 below. Majority of the respondents (63.50%) had an undergraduate degree and minority (36.50%) had a master’s degree certificate. This implies that majority of the banks employ university graduates and that the data collected was from the experienced and skilled respondents hence were capable and knowledgeable enough to provide information for the study.
4.2.4 Working Experience

The study sought to determine working experience of the employees under the study. From the findings presented in figure 4.3 below, majority of the employees (68.42%) had a working experience of more than 10 years. It is worth noting that a minority of the respondents (7.02%) had a working experience of less than 5 years. This is an indication that the data gathered was from an experienced target populace with readily available data and that the data helped to achieve the objectives of this study.

Figure 4.3 Working Experience
Source: Researcher, (2018)
4.3 Descriptive Analysis

4.3.1 Organizational Commitment

The study sought to examine the organizational commitment effects on employee performance. Several indicators of organizational commitment and how they affected employee performance were carefully identified by the researcher. Respondents were then requested to indicate their rating on each of these statements.

Table 4.2: Organizational Commitment

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel am part of the family in the bank</td>
<td>3.71</td>
<td>0.232</td>
</tr>
<tr>
<td>I feel a sense of belonging in the bank</td>
<td>4.22</td>
<td>1.232</td>
</tr>
<tr>
<td>I would like to send the rest of my life working in this bank</td>
<td>3.902</td>
<td>1.234</td>
</tr>
<tr>
<td>I feel emotionally attached to this bank</td>
<td>4.13</td>
<td>0.953</td>
</tr>
<tr>
<td>I feel the bank has a great deal of personal meaning to me</td>
<td>4.11</td>
<td>0.912</td>
</tr>
<tr>
<td>When someone talks good of the bank I feel like a personal compliment</td>
<td>4.32</td>
<td>0.537</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>4.065</strong></td>
<td><strong>0.85</strong></td>
</tr>
</tbody>
</table>

Source: Researcher, (2018)

The descriptive statistic considered were mean and standard deviation. Mean was used to establish the average value of the data, standard deviation gave the dispersion in the data. High mean presented majority of the respondents agreeing with the statement presented to them while low standard deviation translated to low spread of their response. From the responses; respondents strongly agreed that they feel part of the bank family with a mean of (M=3.71) and standard deviation of 0.232. Majority of the respondents (M=4.22)
strongly agreed that they felt a sense of belonging in the bank with a standard deviation of 1.232. Majority of the respondents (M=3.902) strongly agreed that they would like to work in the same bank for long with standard deviation 1.234. Majority of the respondents agreed that they felt emotionally attached to their respective bank. Majority of the respondents (M=4.32) strongly agreed that when someone talks good of the bank they feel like a personal compliment with a standard deviation of 0.537. The average mean is 4.065 and the standard deviation is 0.85, this indicates that on average majority of the respondents agreed that organizational commitment affects organizational performance. The findings concurred with Oluoch (2011) study which found that by administering an organizational survey, employees are given an opportunity to be involved in the company at a different level than is typically defined in their job descriptions. Oluoch (2011) study findings has shown that employees who are more involved in the company also may be more satisfied with their job, miss fewer days of work, stay with a company longer, and perform better on the job

4.3.2 Job Morale

The study sought to assess the effects of job morale on employee performance in the commercial banks. The results of their response regarding the construct under study are presented in Table 4.3 below;
Table 4.3: Effect of Job Morale

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am satisfied with the salary I get</td>
<td>3.80</td>
<td>0.987</td>
</tr>
<tr>
<td>The salary I get is enough to cater for my family needs</td>
<td>3.90</td>
<td>1.239</td>
</tr>
<tr>
<td>I usually receive rewards for work well done</td>
<td>3.81</td>
<td>0.943</td>
</tr>
<tr>
<td>I can talk to my supervisor with ease</td>
<td>3.98</td>
<td>1.050</td>
</tr>
<tr>
<td>I understand what is expected in my tasks</td>
<td>4.12</td>
<td>0.521</td>
</tr>
<tr>
<td>My manager regularly involves me in setting the goals of the organization</td>
<td>3.71</td>
<td>0.821</td>
</tr>
<tr>
<td>Bank values my contribution to its well-being</td>
<td>3.21</td>
<td>0.739</td>
</tr>
<tr>
<td>Regularly I receive recognition or praise for doing a good job</td>
<td>3.12</td>
<td>0.911</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.70625</strong></td>
<td><strong>0.911</strong></td>
</tr>
</tbody>
</table>

**Source: Researcher, (2018)**

The descriptive statistic considered were mean and standard deviation. Mean was used to establish the average value of the data, standard deviation gave the dispersion in the data. High mean presents majority of the respondents agreeing with the statement presented to them while low standard deviation translated to low dispersion of their response. From the findings, respondents agreed that to a great extent (M=3.801) and standard deviation of 0.987 they were satisfied with the salary they get; the salary they got enough to cater for their family needs with mean of 3.901 and standard deviation of 1.293, they usually receive rewards for work well done with mean of 3.811 and standard deviation of 0.943 and that they can talk to their supervisor with ease with mean of 3.981 and standard deviation of 1.050.

Many of respondents agreed that their manager regularly involved them in setting the goals of the organization (M=3.71) and standard deviation of 0.821. However, the respondents
moderately agreed that they regularly received recognition or praise for doing a good job with a mean of 3.12 and standard deviation of 0.911. The average mean was 3.70625 and the standard deviation is 0.911, this indicated that on average majority of the respondents agreed that job morale affects organizational performance. The study concurred with Ndung’u and Kwasira (2010) findings that compensation is a factor that contributes to low and high morale which affects employee individual performance in an organization. Kalimullah (2010) suggested that rewards should be used to help employees have a sense of satisfaction and on the other hand to influences their performance.

4.3.3 Job Security

The study sought to establish the effects of job security on employee performance in the commercial bank. The results of their response regarding the construct under study are presented in Table 4.4 below;

**Table 4.4: Job Security**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I work hard to secure my Job</td>
<td>4.401</td>
<td>0.284</td>
</tr>
<tr>
<td>I feel to leave the bank to another bank</td>
<td>2.711</td>
<td>0.678</td>
</tr>
<tr>
<td>Am feeling to request for an early retirement for fear of losing the job</td>
<td>3.401</td>
<td>1.203</td>
</tr>
<tr>
<td>Lack of job assurance lenders me ineffective</td>
<td>1.701</td>
<td>0.659</td>
</tr>
<tr>
<td>I feel am underperforming in the bank</td>
<td>1.611</td>
<td>0.234</td>
</tr>
<tr>
<td>The bank complains of my absence in the work place</td>
<td>1.111</td>
<td>0.778</td>
</tr>
<tr>
<td>I trust my ability to get a new job when I need one</td>
<td>4.401</td>
<td>0.713</td>
</tr>
<tr>
<td>I am happy with my job</td>
<td>3.112</td>
<td>0.523</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>2.806</strong></td>
<td><strong>0.786</strong></td>
</tr>
</tbody>
</table>

*Source: Researcher (2018)*
The descriptive statistic considered were mean and standard deviation. Mean was used to establish the average value of the data, standard deviation gave the dispersion in the data. High mean presents majority of the respondents agreeing with the statement presented to them while low standard deviation translates to low dispersion of their response. From the findings, respondents felt that to a great extent; employees work hard to secure their job of 4.401 and standard deviation of 0.283, employee felt that they are not planning to leave their current job (M=2.711) and standard deviation 0.678.

However, the older and the employees with low education level felt that they could request for an early retirement for fear of losing the job. Majority of the employees disagreed that lack of job assurance renders them ineffective (M=1.701) and standard deviation 0.659, they felt they were underperforming in the bank (M=1.611) and standard deviation of 0.234 and that the bank complained of their absence in the work place (M=1.111) and standard deviation of 1.111. Majority of the respondents (M=4.401) and standard deviation of 0.713 strongly agreed that they trust their ability to get a new job when they needed one and moderately agreed that they were happy with their current job (M=3.112) and standard deviation of 0.523. The average mean was 2.806 and the standard deviation is 0.786, this indicated that on average many of the respondents agreed that job security affects organizational performance.

There are some inconsistencies in the empirical review for how job security level and performance are related and the findings of the current study. Some studies have empirically confirmed the expectation that lower levels of job security would be associated with decreases in self-rated performance (Armstrong-Stassen, 2013; Ojedokun, 2008). There is, however, another view on performance in relation to job security level, which suggests that employees who perceive risk of layoffs may increase their work efforts in
order to be more valuable to the organization, and therefore not be made redundant (Brockner, Tyler, & Cooper-Schneider, 2012; Sverke & Hellgren, 2011).

4.3.4 Career Advancement Plans

The study sought to establish the effects of career advancement on employee performance in commercial banks. The results of their response regarding the construct under study are presented in Table 4.5 below;

Table 4.5 Career Advancement Plans

<table>
<thead>
<tr>
<th>Statements</th>
<th>Mean</th>
<th>Std Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank has promotion opportunities for an employee’s achievements to motivate employee for better performance</td>
<td>4.771</td>
<td>0.411</td>
</tr>
<tr>
<td>Supervisors and employee are responsible for individual career advancement to improve performance</td>
<td>4.911</td>
<td>0.253</td>
</tr>
<tr>
<td>The Bank provides regular opportunities for job enrichment to increase performance</td>
<td>3.842</td>
<td>0.994</td>
</tr>
<tr>
<td>Training needs assessment is carried out continuously within the organization to enhance performance</td>
<td>4.170</td>
<td>0.134</td>
</tr>
<tr>
<td>Training programs are evaluated to gauge their effectiveness in improving performance</td>
<td>3.217</td>
<td>1.294</td>
</tr>
<tr>
<td>The Bank provides opportunity to do creative and challenging work to enhance performance</td>
<td>4.53</td>
<td>0.833</td>
</tr>
<tr>
<td>The Bank encourages employee participation in deciding the career path for better performance</td>
<td>3.111</td>
<td>1.334</td>
</tr>
<tr>
<td>Average</td>
<td>4.079</td>
<td>0.788</td>
</tr>
</tbody>
</table>

Source: Researcher (2018)
The descriptive statistic considered were mean and standard deviation. Mean was used to establish the average value of the data, standard deviation gave the dispersion in the data. High mean presents majority of the respondents agreeing with the statement presented to them while low standard deviation translates to low dispersion of their response. The study established that to a great extent; that the Banks had promotion opportunities for an employee’s achievements to motivate employee for better performance with a mean of 4.771 and standard deviation of 0.411. Supervisors and employees were responsible for individual career advancement to improve performance with a mean of 4.911 and standard deviation of 0.253. The Bank provided regular opportunities for job enrichment to increase performance with a mean of 3.842 and standard deviation of 0.994. Training needs assessment was carried out continuously within the organization to enhance performance with a mean of 4.170 and standard deviation of 0.134, and that the Bank provided opportunity to do creative and challenging work to enhance performance with a mean of 4.53 and standard deviation of 0.833.

However the respondents moderately agreed that training programs are evaluated to gauge their effectiveness in improving performance with a mean of 3.217 and a standard deviation of 1.294 and that the bank encourages employee participation in deciding the career path for better performance with a mean of 3.111 and standard deviation of 1.334. The average mean is 4.079 and the standard deviation is 0.788, this indicates that on average majority of the respondents agreed that career advancement plans strongly affects organizational performance.

The findings concurred with Bratton and Gold (2013) study on career growth and development on employees performance which found that the integral part of every individuals career affects performance. The research found out that employees could not
foresee their path of career development in their current organization, there were chances that they will leave the organization as soon as they got an opportunity. A study by Okurame, (2014) on employees career advancement on performance found out that it is planned effort to accomplish the balance between requirement of organization workforce and individual career needs. The study also found out that it is a challenge for today’s human resource managers to identify the organization developmental strategies which enthusiasts the employee commitment to the organization vision and values to motivate the employees and help the organization to gain and sustain the competitive advantage.

4.4 Employee Performance

The respondents were requested to rate by ticking the performance of employees in the commercial banks. The following scales were used 5 = Very great extent 4 = Great extent, 3 =Moderate, 2 = less extent, 1= Very less extent.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>In your bank, to what extent do you think employees achieved their individual set target?</td>
<td>3.993</td>
<td>0.536</td>
</tr>
<tr>
<td>In your bank, to what extent do you think employees have been productive after downsizing?</td>
<td>2.711</td>
<td>1.210</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.382</strong></td>
<td><strong>0.873</strong></td>
</tr>
</tbody>
</table>

Source: Researcher (2018)

The descriptive statistic considered were mean and standard deviation. Mean was used to establish the average value of the data, standard deviation gave the dispersion in the data.
High mean presents majority of the respondents agreeing with the statement presented to them while low standard deviation translates to low dispersion of their response. The findings in the table above indicate that majority of the respondents agreed to great extent that employees achieved their individual set target with a mean of 3.993 and standard deviation of 0.536. The findings also indicate that to a low extent employees have been productive after downsizing with a mean of 2.711 and standard deviation of 1.210. The average mean is 3.382 and the standard deviation is 0.873, this indicates that on average many of the employees have remained productive after downsizing. The findings are disagrees with Brockneret (2012) study on organizational downsizing on employee commitment which found that that survivors experience increased work overload as a result of downsizing, but also greater autonomy and more variety and that their jobs became more intrinsically enjoyable. Employees are bound to the organization by affective commitment when they are satisfied with the content and context of the job.

4.5 Qualitative Analysis

The study sought to establish the effects of organizational commitment on employee performance. The views of the employees were sought and majority of the respondents argued that their commitments to the organizational goals are dependent on the benefits and the salary increments. Though they felt emotionally attached to their respective bank, majority complain of unfair treatment in the times of rewarding.

The study sought to determine the extent to which job morale affects employee performance of the commercial banks in Kenya. Employees below than 30 years felt that recognition and praise for doing a good job was normally done to the senior managers and that they are open to work for better pay. The study sought to establish relationship between job security and employee performance of the commercial banks in Kenya. The
older and the employees with low education level argued that they were ready to request for an early retirement for fear of losing the job any time.

The study assessed the relationship between career advancement plans and employee performance of the commercial banks in Kenya. The views of majority of employees were summarized. The employees less than 30 years of age felt that promotion opportunities were only available to employees who were loved or connected to various senior managers and that bank provides regular opportunities for job enrichment to mostly aged employees. Younger employees (30-40 years) felt that training is mostly concentrated to the managers.

4.6 Correlation Analysis

4.6.1 Relationship between Organizational Commitment and Employee Performance

The study sought to determine whether there existed a link between organizational commitment and employee performance. The computed chi-square value (34.266) at 12 degrees of freedom the study found that there is a significant relationship between organizational commitment and employees performance since the computed p-value (0.0021) is less than 0.05 at 95% confidence level. The findings concurs with Oluoch.

\[ \chi^2 = 34.266, \text{Df} = 12, \text{Asymp. sig. (2-sided)} = 0.0021 \]

13 cells (95.0%) have expected count less than 5. The maximum expected count is 0.6.

Source: Research Data (2018)
(2011) study which found that organizational commitment has positive relationship with employee’s performance.

4.6.2 Relationship between Job Morale and Employee Performance

Table 4.8 Job Morale and Employee Performance

<table>
<thead>
<tr>
<th>Chi-square tests</th>
<th>Value</th>
<th>Df</th>
<th>Asymp. sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>45.171^a</td>
<td>12</td>
<td>0.0123</td>
</tr>
<tr>
<td>Likelihood ratio</td>
<td>29.297</td>
<td>12</td>
<td>.0157</td>
</tr>
<tr>
<td>Linear-by-linear Association</td>
<td>6.65</td>
<td>1</td>
<td>0.032</td>
</tr>
<tr>
<td>N of Valid cases</td>
<td>159</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

^a.14 cells (95.0%) have expected count less than 5. The maximum expected count is .09

Source: Research Data, (2018)

The study sought to determine whether there existed a link between job morale and employee performance. The computed chi-square value (45.171) at 12 degrees of freedom the study discovered that there was a significant link between job morale and employee performance since the computed p-value (0.0123) was less than 0.05 at 95% confidence level. The findings were consistent with Kalimullah (2010) findings that job morale through offering good rewards influences employee’s performance.
4.6.3 Relationship between Job Security and Employee Performance

Table 4.9 Job Security and Employee Performance

<table>
<thead>
<tr>
<th>Chi-square tests</th>
<th>Value</th>
<th>Df</th>
<th>Asymp. sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>46.578a</td>
<td>12</td>
<td>.0056</td>
</tr>
<tr>
<td>Likelihood ratio</td>
<td>25.187</td>
<td>12</td>
<td>.0311</td>
</tr>
<tr>
<td>Linear-by-linear Association</td>
<td>5.819</td>
<td>1</td>
<td>.0418</td>
</tr>
<tr>
<td>N of Valid cases</td>
<td>159</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 15 cells (95.0%) have expected count less than 5. The maximum expected count is .06

Source: Research Data, (2018)

The study determined whether there existed a link between job security and employee performance. The computed chi-square value (46.578) at 12 degrees of freedom the study found that there was a significant relationship between job security and employee performance since the computed p-value (0.0056) was less than 0.05 at 95% confidence level. The findings were consistent with Cooper-Schneider (2012); Sverke and Hellgren (2011) study on the effects of job security on employee performance which found a strong positive relationship between job security and employee performance.
4.6.4 Relationship between Career Advancement and Employee Performance

Table 4.10 Career Advancement Plans and Employee Performance

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Df</th>
<th>Asymp. sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>44.626a</td>
<td>12</td>
<td>.00118</td>
</tr>
<tr>
<td>Likelihood ratio</td>
<td>28.216</td>
<td>12</td>
<td>.0325</td>
</tr>
<tr>
<td>Linear-by-linear Association</td>
<td>4.145</td>
<td>1</td>
<td>.0225</td>
</tr>
<tr>
<td>N of Valid cases</td>
<td>159</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a.16 cells (95.0%) have expected count less than 5. The maximum expected count is .06

Source: Research Data, (2018)

The study sought to determine whether there exists a link between career advancement plans and employee performance. The computed chi-square value (44.626) at 12 degrees of freedom the study found that there was a significant relationship between career advancement plans and employees performance since the computed p-value (0.00118) was less than 0.05 at 95% confidence level. The findings were consistent with Patrick and Kumar, (2011) study which revealed that when employees want to advance in their careers, a motivational factor, it does not matter how old one is, a lot of the employees stay in the organization as a way to advance. The study concluded that there was a strong relationship between career advancement plans and employees performance.
4.7 Model Testing

4.7.1 ANOVA Analysis

To determine the goodness of the study model, ANOVA analysis was done. Table 4.10 below shows the results after the test.

**Table 4.11: ANOVA Analysis**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>17.252</td>
<td>8</td>
<td>1.376</td>
<td>2.443</td>
<td>0.0045^a</td>
</tr>
<tr>
<td>Residual</td>
<td>18.799</td>
<td>12</td>
<td>.336</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>28.15</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent variable: Employee Performance

b. Predictors: (constant), Organizational commitment, Job Morale, Job security and Career advancement Plans

**Source: Research data, (2018)**

The results presented in Table 4.10 indicate that the ANOVA analysis was significant as the P-value was less than 0.05 (sig=0.0045). This indicates the goodness of fit of the study model. The regression model used was significant with the F statistic of 2.443 was significant at P= 0.011 as shown in the table 4.10 above which falls within the acceptable significance level of 0.05. This means that the independent variables not only have positive influence on employee performance but also their influence is significant. Based on this outcome, the prediction of the outcome of the study using this model was acceptable.
<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.33</td>
<td>.217</td>
<td>1.231</td>
<td>.126</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>0.399</td>
<td>.424</td>
<td>0.288</td>
<td>.851</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.015</td>
<td></td>
</tr>
<tr>
<td>Job morale</td>
<td>0.493</td>
<td>1.254</td>
<td>0.231</td>
<td>2.511</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Job Security</td>
<td>0.566</td>
<td>0.231</td>
<td>1.234</td>
<td>3.177</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Career advancement</td>
<td>0.481</td>
<td>0.312</td>
<td>1.275</td>
<td>3.159</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data, (2018)

Therefore the indicated model was adopted;

$$Y = 2.33 + 0.399X_1 + 0.493X_2 + 0.566 X_3 +0.481x_4 + \varepsilon$$

From the above regression equation, it was revealed that holding organizational commitment, job morale, job security and career advancement to a constant, employee performance in commercial banks would be at 2.33 units. A unit increase in organizational commitment would lead to increase in employee performance by 0.399 units, a unit increase in job morale would lead to increase in performance by 0.493 units, a unit increase in job security would lead to increase in performance by 0.566 units and a unit increase in career advancement would lead to increase in employee performance by 0.481 units.

The Significant level of organizational commitment was 0.015, job morale significant level is 0.000, job security significant level was 0.000 and for career advancement significant level was 0.000. Since all the three variables had significant values of less than 0.05 they were found to predict employee performance. The findings concurred with Kalimullah (2010) study which found that commitments and career advancement had positive effects.
on employee performance. The findings also agreed with Zial (2011) that team building, job morale and job security has long term positive relationship between employee performance.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The summary of the research findings are based on researcher’s objectives of the study. The conclusions are drawn from the key findings of the study. The recommendations of the study are relevant for policy and practice while the suggestions for further studies open up areas for future studies for scholars and academicians.

5.2 Summary of the Findings
The study sought to determine effect of organizational downsizing on employee performance in commercial banks in Nyeri County. The study was guided by the following specific objectives: to establish the relationship between organizational commitment and employee performance of the commercial banks in Kenya; to determine the extent to which job morale affects employee performance of the commercial banks in Kenya; to establish relationship between job security and employee performance of the commercial in Kenya and to assess relationship between career advancement and employee performance of the commercial banks in Kenya.

5.2.1 Organization Commitment
The first objective of the study was to establish relationship between organizational commitment and employee performance in commercial banks in Kenya. From the findings; respondents strongly agreed that they feel part of the bank family. Majority of the respondents strongly agreed that they feel a sense of belonging in the bank. Majority of the respondents strongly agreed that they would like to work in the same bank for long. Majority of the respondents agreed that they feel emotionally attached to their respective bank. Majority of the respondents strongly agreed that when someone talks good of the
bank they feel like a personal compliment. Organizational commitment significantly influences employee performance $p=0.0021<0.05$.

5.2.2 Job Morale

The second objective was to determine the extent to which job morale affects employee performance of the commercial banks in Kenya. The respondents agreed that to a great extent they were satisfied with the salary they get and that the salary they get is enough to cater for their family needs. Majority of the respondents strongly agreed that they usually receive rewards for work well done and that they can talk to their supervisor with ease. Many of respondents agreed that their manager regularly involves them in setting the goals of the organization. However, the respondents moderately agreed that they regularly receive recognition or praise for doing a good job. The findings of regression analysis indicated that job morale was a significant predictor of employee performance $p=0.0123<0.05$.

5.2.3 Job Security

The third objective of the study was to establish relationship between job security and employee performance of the commercial banks in Kenya. The findings indicated that employees work hard to secure their job and that employee felt that they were not planning to leave their current job. However, employees who had worked for a long period and those with low education level felt that they could request for an early retirement for fear of losing their jobs. Majority of the employees disagreed that lack of job assurance renders them ineffective. They felt they were underperforming in the bank and that the bank complains of their absence in the work place. Majority of the respondents strongly agreed that they trust their ability to get a new job when they need one and moderately agreed that
they are happy with their current job. Regression analysis established that job enrichment was significant in determining employee performance $p=0.0056<0.05$.

### 5.2.4 Career Advancement Plans

The last objective of the study was to assess the relationship between career advancement plans and employee performance of the commercial banks in Kenya. The study established that the Bank has promotion opportunities for an employee’s achievements to motivate employee for better performance, supervisors and employee are responsible for individual career advancement to improve performance, Bank provides regular opportunities for job enrichment to increase performance, training needs assessment is carried out continuously within the organization to enhance performance and that the Bank provides opportunity to do creative and challenging work to enhance performance. However the respondents moderately agreed that training programs are evaluated to gauge their effectiveness in improving performance and that the Bank encourages employee participation in deciding the career path for better performance. From regression analysis, career advancement plans had significant effect on employee performance $p=0.00118<0.05$.

### 5.3 Conclusions

The study sought to determine whether organizational downsizing affected employee performance. Organizational commitment significantly affects employee performance. The practice of downsizing has become such a reality today, and that its detrimental effects have been accepted by management in many organizations as part of organizational success and progress. Employees should have a planned effort to accomplish the balance between requirement of organization workforce and individual career needs. The study also concludes that human resource managers should plan to identify the organization
developmental strategies which enthusiasts the employee commitment to the organization vision and values.

Job morale was significant predictor of employee performance. The study concludes that job morale affects employee job performance. The tasks should be simple and encouraging to motivate employees thus improving employee’s performance. The study concludes that goals can be achieved through the development of simpler task and motivating employees. Job security had significant effect on employee performance. The study concludes that older employees and those with low education level but with experience should be encouraged to stay for long in the organization and that banks should assure them good benefits.

Career advancement plans was significant predictor of employee performance. The study concludes that career advancement affects employee performance. The study concludes that banks should have promotion opportunities for an employee’s achievements to motivate employee for better performance. Banks should provide regular opportunities for job enrichment to increase performance, training needs assessment should be carried out continuously within the organization to enhance performance. Bank should provide opportunity to employee to do creative and challenging work in order to enhance performance.

5.4 Recommendations of the Study

The study recommends that banks in Kenya should ensure downsizing is done carefully not to affect the job commitments of the experienced workers and also recommended that perception developed by the remaining work force need regulated and lead to positivities since it may influence the survivors ability and motivation to remain with the bank. The
study recommended that for the purposes of job security, the bank should maintain more trust amongst workers and their managers by improving the communication frequency and modes after and during the downsizing. This will enable creation of win-win situation for all parties involved. The study recommends a yearly salary and rewards review in the banks to boost the morale of the employees. Finally, the study recommends that banks should come up with proper promotional opportunities, creating challenging task and availing training programs to motivate employees for better performance.

5.5 Suggestions for Further Studies

The study suggests that research studies should be done to expand empirical literature on downsizing effects on the remaining workforce by evaluating the awareness level of the remaining workers in the process of downsizing. The study also suggests that researchers should establish the defensive methods that the banks should carry out to mitigate/improve the impact of downsizing on performance of the banks.


Cascio, W. F. (1993). ‘Downsizing, what do we know? What have we learned?’ Academy of Management Executive, 7(1), 95-104.


56


Beatrice N. Kagure
P.O. Box 1629-10100
Nyeri.

Dear Sir/ Madam,

**REF: INTRODUCTORY LETTER**

I am a student at Kenyatta University, pursuing a MBA Degree specializing in Human Resource Management. I am doing a research on the effects of organization downsizing on employee’s performance, Nyeri. As a partial fulfillment of award of the degree, am required to conduct a research on my area of study.

Kindly, complete the attached questionnaire giving information that is truthfully as possible. The information gathered will be for academic purposes only and your response will be treated strictly confidential.

Your response will be highly appreciated.

Thank you.

Yours Faithfully,

Beatrice N. Kagure
Mobile Number: 0723842135
APPENDIX II: QUESTIONNAIRE

The purpose of this questionnaire is to solicit data on survey of organization downsizing on employee’s performance, Nyeri and the responses obtained will be used for academic purposes only. The researcher is a student undertaking his Master in Business Administration Degree in Kenyatta University.

Fill in the following questions in the space provided by put a tick (✔) or a cross (X).

PART 1: Personal Information

1. What is your gender? Tick one
   (a) Male (   )
   (b) Female (   )

2. What is your education level?
   (a) Secondary school certificate level (   )
   (b) Diploma Certificate level (   )
   (c) Graduate Degree Holder (   )
   (d) Master’s degree level and/or above (   )
   (e) Any other (specify) ...........................................

3. How long have you worked in this banks?
   (a) 5 years or less than (   )
   (b) 5-10 years (   )
   (c) 10 years and above (   )
Part II: Organizational Commitment

In this section, please tick the appropriate option that best reflects the degree to which the organizational commitment affects employee performance.

5 strongly agree, 4 = agree, 3 = moderately agree, 2 = disagree, 1 = not at all.

<table>
<thead>
<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. I feel am part of the family in the bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I feel a sense of belonging in the bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. I would like to send the rest of my life working in this bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>7. I feel emotionally attached to this bank</td>
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<tr>
<td>8. I feel the bank has a great deal of personal meaning to me</td>
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<tr>
<td>9. when someone talks good of the bank I feel like a personal compliment</td>
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</tr>
</tbody>
</table>

Part III: Job Morale

In this section, please tick the appropriate option that best reflects the degree to which you agree with the following statements.

5 strongly agree, 4 = agree, 3 = moderately agree, 2 = disagree, 1 = not at all.

<table>
<thead>
<tr>
<th>Statement</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>9. I am satisfied with the salary I get</td>
<td></td>
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<tr>
<td>10. The salary I get is enough to cater for my family needs</td>
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<tr>
<td>11. I usually receive rewards for work well done</td>
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<tr>
<td>12. I can talk to my supervisor with ease</td>
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<tr>
<td>13. I understand what is expected in my tasks</td>
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<tr>
<td>14. My manager regularly involves me in setting the goals of the</td>
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</tbody>
</table>
Part IV: Effects of Job security

To what extent do you agree with the following statement on job security?

5 strongly agree, 4 = agree, 3 = moderately agree, 2 = disagree, 1 = not at all.

<table>
<thead>
<tr>
<th>Statements</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. I work hard to secure my job</td>
<td></td>
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<tr>
<td>17. I feel to leave the bank to another bank</td>
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<tr>
<td>18. Am feeling to request for an early retirement for fear of losing the job</td>
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<tr>
<td>19. Lack of job assurance lends me ineffective</td>
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<tr>
<td>20. I feel am underperforming in the bank</td>
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<tr>
<td>21. The bank complains of my absence in the work place</td>
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<tr>
<td>22. I trust my ability to get a new job when I need one</td>
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<tr>
<td>23. I am happy with my job</td>
<td></td>
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</tr>
</tbody>
</table>

Part V: Effects of Career Advancement Plans

In this section, please tick the appropriate section that best reflects the degree to which the following indicators affect employee performance. 5= strongly agree, 4 = agree, 3 = moderately agree, 2 = disagree, 1 = not at all.

<table>
<thead>
<tr>
<th>Statements related to Career Advancement Plans</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>24. The Bank has promotion opportunities for an employee’s achievements to motivate employee for better performance</td>
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</tr>
</tbody>
</table>
25. Supervisors and employee are responsible for individual career advancement to improve performance

25. The Bank provides regular opportunities for job enrichment to increase performance

26. Training needs assessment is carried out continuously within the organization to enhance performance

27. Knowledge acquired through continuous training has a direct influence on my work performance

28. Training programs are evaluated to gauge their effectiveness in improving performance

29. The Bank provides opportunity to do creative and challenging work to enhance performance

30. The Bank encourages employee participation in deciding the career path for better performance

<p>| | | | |</p>
<table>
<thead>
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</thead>
</table>

**Part VI: Employees Performance**

31. In your bank, to what extent do you think employees achieved their individual set target?

5 = Very great extent 4 = Great extent, 3 = Moderate, 2 = less extent, 1 = Very less extent.

1. [ ]
2. [ ]
3. [ ]
4. [ ]
5. [ ]
32. In your bank, to what extent do you think employees have been productive after downsizing?

5 = Very great extent 4 = Great extent, 3 = Moderate, 2 = less extent, 1 = Very less extent.

1. [ ]
2. [ ]
3. [ ]
4. [ ]
5. [ ]

End of the Questionnaire

Thank you for your participation!
KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

Our Ref: D53/NYI/PT/31302/2015

DATE: 8th February, 2018

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30628-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR KAGURE BEATRICE NJOKI - REG. No.
D53/NYI/PT/31302/2015.

I write to introduce Ms. Kagure Beatrice Njoki who is a Postgraduate Student of this University.
She is registered for M.B.A degree programme in the Department of Human Resource Management.

Ms. Kagure Beatrice intends to conduct research for a M.B.A Project Proposal entitled,
“Organizational Downsizing and Employee Performance in Selected Commercial Banks in
Nyeri Town, Kenya”.

Any assistance given will be highly appreciated.

Yours faithfully,

MRS. LUCY N. MBAAABU
FOR: DEAN, GRADUATE SCHOOL
APPENDIX III: NACOSTI RESEARCH AUTHORIZATION

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: 020 400 7000,
0713 788787, 0735404245
Fax: +254-20-318245, 318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

Ref: No. NACOSTI/P/18/28911/21363

Date: 20th February, 2018

Beatrice Njoki Kagure
Kenyatta University
P.O. Box 43844-00100
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Organizational downsizing and employee performance in selected commercial banks in Nyeri Town, Kenya” I am pleased to inform you that you have been authorized to undertake research in Nyeri County for the period ending 20th February, 2019.

You are advised to report to, the County Commissioner and the County Director of Education, Nyeri County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:
The County Commissioner
Nyeri County.
The County Commissioner
Nyeri County.
THIS IS TO CERTIFY THAT:
MS. BEATRICE NJOKI KAGURE
of KENYATTA UNIVERSITY, 1629-10100
Nyeri, has been permitted to conduct
research in Nyeri County

on the topic: ORGANIZATIONAL
DOWNSIZING AND EMPLOYEE
PERFORMANCE IN SELECTED
COMMERCIAL BANKS IN NYERI TOWN,
KENYA

for the period ending:
20th February, 2019

.................................
Applicant's
Signature

.................................
Permit No.: NACOSTI/P/18/28911/21363
Date Of Issue: 20th February, 2018
Fee Received: Ksh 1000

SS Kalerwa
Director General
National Commission for Science,
Technology & Innovation
MINISTRY OF EDUCATION
STATE DEPARTMENT OF BASIC EDUCATION

E-Mail — centralpde@gmail.com
Telephone: Nyeri (061) 2030619
When replying please quote

CDE/NYI/GEN/23/VOL.II/177

22nd February, 2018

Beatrice Njoki Kagure,
Kenyatta University,
P.O. Box 43844-00100
NAIROBI

RE: RESEARCH AUTHORIZATION

Reference is made to Secretary National Commission for Science, Technology and Innovation letter Ref. NACOSTI/P/18/28911/21363 of 20th February, 2018 on the above subject.

Kindly note that you have been authorized to carry out research on "Organizational downsizing and employee performance in selected commercial banks in Nyeri Town, Kenya" for a period ending 20th February, 2019.

KABORA I.M.
FOR: COUNTY DIRECTOR OF EDUCATION
NYERI COUNTY

cc.
National Commission for Science, Technology and Innovation,
P.O. Box 30623-00100
NAIROBI
APPENDIX V: NYERI COUNTY COMMISSION RESEARCH AUTHORIZATION

THE PRESIDENCY
MINISTRY OF INTERIOR AND CO-ORDINATION OF NATIONAL GOVERNMENT

Telephone: 061 2030619/20
Fax: 061 2032089
E-mail: nyericountycommissioner@yahoo.com
When replying please quote

REF: NYC/ADM I/57 VOL. VI/25

Beatrice Njoki Kagure
P.O. Box 1629-10100
NYERI

22nd February, 2018

RE: RESEARCH AUTHORIZATION

Reference is made to your letter dated 22nd February, 2018 on the above subject.

Approval is hereby granted to carry out a research on “Organisational downsizing and employee performance in selected commercial banks in Nyeri Town, Kenya”

The period of study ends on 20th February, 2019.

L. M. Rukwaro
For: County Commissioner
NYERI COUNTY