

**EMPLOYEE PRODUCTIVITY ON ORGANIZATIONAL PERFORMANCE
IN THE KENYAN BANKING SECTOR: A CASE OF KENYA
COMMERCIAL BANK**

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DECLARATION

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

Signature:.....

Date:.....

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I confirm that the work reported in this research project has been carried out by the candidate under my supervision as the appointed university supervisor.

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DEDICATION

This project is dedicated to my father Paul and mother Mary

ACKNOWLEDGEMENTS

I sincerely acknowledge my supervisor Dr. Mary Ragui for the guidance and instructions during the development and writing of this research project.

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OPERATIONAL DEFINITION OF TERMS

Development	This is the development for those employees that grow or advance into the management of the Bank.
Employee motivation	This is the internal drive to achieve a particular objective that an employee feels and sustains.
Employee satisfaction	This is the contentedness that an employee feels on achieving organizational objectives.
Organizational Culture	This is a coalition of beliefs and values of the organizational members.
Organizational performance	This is the achievement of organizational objectives and targets as measured by the organization's profitability, customer satisfaction, market performance and shareholder return
Productivity of employees	Is the assessment of the efficiency of a worker or group of workers usually evaluated in terms of the output of an employee in a specific period of time. The study measured employee productivity in terms of employee motivation, training and development aspects as well organizational climate.
Workplace quality	This is the quality of the environment in which the employees work

LIST OF ABBREVIATIONS AND ACRONYMS

HR	Human Resource
HRM	Human Resource Management
KCB	Kenya Commercial Bank
KMSF	Kenya Motorsport Federation
KNRC	Kenya National Rally Championship
KU	Kenyatta University
SPSS	Statistical package for the social science

ABSTRACT

Enhancing employee productivity and subsequent organizational performance is vital in business as a going concern. Kenya commercial bank considers individual productivity a single most driver of organizational performance making it one of the strategic pillars for its growth. The main objective of the study therefore was to establish the influencers of employee productivity and subsequent impact on organizational performance in Kenyan Banking sector with main reference to Kenya Commercial Bank Limited. The study was guided by the following specific objectives; to determine how employee motivation, training and development and organizational climate influence employee productivity and subsequent organizational performance in Kenya Commercial Bank. The study reviewed Herzberg's Two Factor Theory and Need theory as well the empirical literature relevant to the study. Descriptive design was used in the study because it ensures complete description of the situation, making sure that there is minimum bias in the collection of data. The researcher used stratified sampling procedure to select a sample that represented the entire population. The sample size was sixty one (61) respondents comprising of senior management, middle level managers and low level managers of Kenya Commercial Bank branches within Nairobi's Central Business District. Questionnaire was used for collecting data containing mainly closed ended questions to the sample respondents thus ensuring that each respondent received the same set of questions in exactly the same way. The data collected was then checked for errors and then analyzed using descriptive statistics with the use of mean and standard deviation with the aid of SPSS and for inferential statistics, regression analysis was conducted so as to show the relationship between the variables. Data collected and analyzed was presented in various formats such as charts, graphs and tables. The findings indicate that the bank has a mechanism that ensures that the employees are happy, also given the right tools and materials, the right compensation, and promotion on merit employees work at their utmost ability. The findings also showed that effective training programs enhances the knowledge, skills an attitude of the employees thus improving their productivity which contributes to superior organizational performance. In addition, the study found that organizational climate ensures less absenteeism, improved participation and work commitment hence high employee productivity. It also influences employees' perceptions, feelings, attitudes and views of which affect employee productivity and organizational performance. The study therefore recommends that Kenya Commercial bank and other organization sought to ensure that feedback is done periodically so that the employees may know their expectations or organization goals; there should be rewards for positive results as well as training for negative results in order to empower the employees. It also recommended that comprehensive training and development programs should be provided to employees to equip them with the right skills so as to enhance their productivity and subsequently enhance organizational performance. The study also recommends that the bank provide a good working environment for employees so as to enhance their efficiency and productivity.

CHAPTER ONE

INTRODUCTION

This chapter examines the background of the study, statement of the problem, objectives of the study, research questions, significance and the scope of the study.

1.1 Background of the Study

The subject of employee satisfaction has always attracted widespread empirical examination (Mafini & Pooe, 2013). Price (2007) defines employee satisfaction as the effective orientation that an employee has towards his or her work. It also can be seen as the individual's perception and evaluation of the overall work environment (Sempane, Rieger & Roodt, 2002). In addition employee satisfaction may also be perceived as a 'positive emotional state resulting from the appraisal of one's job or job experiences' (Islam & Siengthai, 2009).

According to Ganguly (2010) the person-environment fit paradigm has greatly been recognized as the proper explanation for employee satisfaction. Moreover, other researchers support that employee satisfaction is influenced by the interaction of a number of factors such as recognition, communication, co-workers, fringe benefits, working conditions, the nature of the work itself, the nature of the organization itself, organizational systems, policies and procedures, compensation, personal development, promotion, appreciation, security, and supervision (Ilies, Wilson & Wagner, 2009; Irving & Montes, 2009; Koonmee, Singhapakdi, Viraku 1 & Lee, 2010). In majority of organizations, meeting the needs of employees remains the prime employee satisfaction-enhancement strategy (Giannikis & Mihail, 2011). Nonetheless, according to Mafini and Pooe (2013), present-day research developments have challenged this observation, which attests to the multi-factorial character of employee satisfaction.

According to Wright (2005), to improve employee satisfaction, it is essential to measure and establish the existing levels first. Although there is a challenge due to its multi-faceted nature, the measurement of employee satisfaction differs from one organization to the other. According to Taha & Ismail (2009); Silvestro (2005), employee satisfaction has thus been seen to show the productivity and performance in organizations.

According to Schneider (2008), Organizational productivity and efficiency are achieved by ensuring that employees are satisfied and the organization ensures that employees both their physiological and socio-emotional needs are satisfied. Cole & Cole (2005) reported that there is a positive correlation between the job attitudes of individuals and their performance. As well, Harter, Schmidt & Hayes (2006) found that there is a positive relationship between employee satisfaction and productivity, profit, turnover and customer satisfaction in nearly 8000 business units in thirty six organizations across the world's five continents.

It is vital for management in organizations to create a conducive work environment that enables higher employee satisfaction levels. This is because employee satisfaction has a stimulus effect on the loyalty and confidence of employees, improves the quality of outputs and also increases productivity (Surujla & Singh, 2003; Yee *et al*, 2008). Satisfied employees tend to perceive that the organization will be more satisfying in the long run, they care about the quality of their work and are more committed to the organization, leading to a demonstration of organizational citizenship behaviours (Fraser, 2009; Sempane, 2002; Yoon & Suh, 2008).

Employee satisfaction will lead customers to naturally recognize and value the excellent service offered to them, leading to a demonstration of loyalty behaviours, such as repeat purchases and increased referrals (Koys, 2003). These behaviours suggest; therefore that satisfied employees will create satisfied and loyal customers, which will result in better organizational performance. As Schneider (2008) observed, researchers' micro-orientation towards the job attitude-performance relationship is somewhat perplexing, given that the interest in employee attitudes had much of its impetus in the 1960s when organizational scientists such as Argyris (1964), Likert (1961), and McGregor (1960) suggested that the way employees experience their work would be reflected in organizational performance. According to HR Connect (2007), motivating employees causes or influences a person to act or perform, hence achieving high level of performance. How well employees perform is what counts.

According to Iftikhar & Siraj (2009), training and development increases employee performance. However there is a question of how training and development affect performance, as there may be cases where employees do not perform, yet they have received training. Factors such as the mode of delivery and expectations of the

employees could also affect the training results. The culture of the organization must also be effective according to Awad & Saad (2013).

1.1.1 Employee Productivity

According to Mathis & John (2003), productivity is a measure of the quantity and quality of work done, considering the cost of the resources used. The more productive an organization is, the better its competitive advantage. This is because of the efficiency of the resources that have been used. McNamara (2005) further affirms that, results are usually the final and specific outputs desired from the employee. They may be in terms of financial accomplishments, impact on a community; and so whose results are expressed in terms of cost, quality, quantity or time. McNamara (ibid) also asserted that measuring productivity involves determining the length of time that an average worker needs to generate a given level of production. It could also be the amount of time that a group of employees spends on certain activities such as production, travel, or idle time spent waiting for materials or replacing broken equipment. The method can determine whether the employees are spending too much time away from production on other aspects of the job that can be controlled by the business.

Employee productivity may be hard to measure, but it has a direct effect on a company's profits. An employer fills his staff with productivity in mind and can get a handle on a worker's capabilities during the initial job interview. Yet, there are several factors on the job that help maximize what an employee does on the job (Lake, 2007). Brady (2008) express that, perhaps none of the resources used for productivity in organizations are so closely scrutinized as the human resources. Many of the activities undertaken in an HR System are designed to influence individual or organizational productivity. Pay, appraisal systems, training, selection, job design and compensation are HR activities that are directly concerned with productivity. Furthermore, Bernardin (2007) maintains that controlling labour costs and increasing productivity through the establishment of clearer linkages between pay and performance are deemed to be crucial component of human resource management (HRM) so as to achieve competitive advantage. In addition, increased concerns over productivity and meeting customer requirements have prompted renewed interest in methods designed to motivate employees to be more focused on meeting (or exceeding) customer requirements and increasing productivity.

1.1.2 Organizational Performance

According to Tangen (2005), performance can be described as an umbrella term for all concepts that consider the success of a firm and its activities. Performance can refer to actual results/outputs of certain activities, how an activity is carried out, or an ability to achieve results. Atkinson (2012) defined performance as the achievement of results ensuring the delivery of desirable outcomes for a firm's stakeholders. Awino (2011) asserts that for an organization to be successful it has to record high returns and identify performance drivers from the top to the bottom of the organization. Njihia et al. (2013) highlight performance measurement as one of the tools which help firms in monitoring performance, identifying the areas that need attention, enhancing motivation, improving communication and strengthening accountability.

Performance is equivalent to the famous 3Es, that is, economy, efficiency, and effectiveness of a certain program or activity (Javier, 2007). Daft (2010) defined organizational performance as the organization's ability to attain its goals by using resources in an efficient and effective manner. Organizational performance is the ability of the organization to achieve its goals and objectives (Sok, O'Cass & Sok, 2013) Performance can be assessed based on information obtained through primary resources or secondary resources. In general, performance can be measured taking into consideration two types of performance: financial performance and non-financial performance (Jarad, 2010).

Kiragu (2009) highlights performance in terms of four perspectives which are the financial, customer, internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital (Odhuno & Wadongo, 2010). The customer focus describes performance in terms of brand image, customer satisfaction; customer retention and customer profitability. Njihia et al. (2013) assert that the only worthy performance measure is financial performance because of its value to shareholders, executives and the market. This measure is an indicator of organizational success and sustainability because it is the reason for the existence of firms. On the contrary, Ittner & Larcker (2009), claim that a firm's performance should not be measured by financial performance but also operational and market indicators. Non-financial measures have been deemed to be more effective in

motivating managerial performance because they are more reflective of the overall corporate strategy (Banker et. al., 2012).

1.1.3 Kenya Commercial Bank

The Kenya Commercial Bank Limited dates back to July 1896, when its predecessor, the National Bank of India opened a branch in Mombasa to handle the business that the port was attracting at that time. In 1958, Grindlays Bank merged with the National Bank of India to form the National and Grindlays Bank. Upon independence, the Government of Kenya acquired 60% shareholding in National and Grindlays Bank in an effort to bring banking closer to the majority of Kenyans. In 1970, the Government acquired 100% of shareholding in the Bank to take full control of the largest commercial bank in Kenya. National and Grindlays Bank was then renamed Kenya Commercial Bank. In 1972, Kenya Commercial Bank acquired 100% of Savings and Loan Kenya Limited, which specialized in the provision of mortgage finance.

KCB has been involved in several activities that change the community around. Such activities include the title Sponsor of the KCB Kenya National Rally Championship (KNRC) series run by Kenya Motorsport Federation (KMSF) since 2003, sponsor the Cross Country series, KCB Bank Rugby FC, The KCB Football Club, The KCB ladies volleyball, and KCB Foundation. KCB Foundation is the corporate social investment arm of the KCB Group that was established in 2007 to support community programs in the markets where the Bank operates in Kenya, Uganda, South Sudan, Tanzania, Rwanda and Burundi.

1.2 Statement of the Problem

Employees are the most valuable asset in any organization. A successful and highly productive organization can be achieved by engaging employees in improving their performance. When employees are handled effectively, the result can be greater productivity and increased employee morale. Hence, employees in a firm are required to generate a total commitment to desired standards of performance to achieve a competitive advantage and improve organizational performance (Armstrong, 2011).

It is noteworthy that HR factors alone do not guarantee good performance and high productivity (Robbins, 2006). Kenya Commercial bank considers individual productivity a single most driver of organizational performance making it one of the

strategic pillars for its growth. Productivity has been the driver of various performance parameters at KCB, it has been found out that individual productivity has direct effect on income/profitability, running cost, resource maximization, market share, customer satisfaction, corporate image and employee turnover (Wagner & Harter, 2006). Various internal reports on KCB employee productivity shows that the average productivity per staff is below average set out by the bank. According to the Gallop Organization, organizations that enable employees to be more productive, experience 27% higher profits (Wagner & Harter, 2006)

Hence this research would want to provide more insight by conducting a study on the influencers of this individual productivity in KCB so as to reverse the trend and come out with recommendations for the bank to achieve its performance targets through individual productivity.

1.3 Objectives of the Study

It covers both general and specific objectives of the study.

1.3.1 General Objective

The main objective of this study was to establish the influencers of employee productivity and their effect on organizational performance in Kenya Commercial Bank.

1.3.2 Specific Objectives of the Study

The study was guided by the following specific objectives:

- i. To establish the effect of employee motivation on organizational performance in Kenya Commercial Bank.
- ii. To determine the effect of training and development on organizational performance in Kenya Commercial Bank.
- iii. To examine the effect of organizational climate on organizational performance in Kenya Commercial Bank.

1.4 Research Questions

- i. In what ways does employee motivation influence organizational performance in Kenya Commercial Bank?
- ii. In what ways does training and development influence organizational performance in Kenya Commercial Bank?

- iii. What are the effects of organizational climate on organizational performance in Kenya Commercial Bank?

1.5 Significance of the Study

The findings of this study will be useful to KCB as it will show the areas that need to be dealt with to enhance productivity of the employees. Consequently this study will be of importance to all companies as they will unravel the factors crucial to enhance organizational performance.

Different organizations and policy makers could use the findings of this study to refine the policies and methodologies to enhance productivity of their employees as well as to improve the performance of their organizations. This study may also be of use to specialists and researchers as it will serve as a springboard from which further research can be conducted on enhancing productivity at employee level and corporate level too.

1.6 Scope of the Study

This study focused on the relationship between employee productivity and organizational performance. The study was exclusively conducted in Kenya Commercial Bank (KCB) because it is currently the biggest commercial bank in Kenya having the largest number of employees. The study focused on having an in-depth analysis of the factors playing to improve employee productivity in a period of three months, specifically in KCB hence did not include any other Bank.

1.7 Limitations of the Study

This study relied on behaviour where some respondents felt that they were being disturbed and therefore refused to participate or supply wrong information. In this regards, the researcher overcame this limitation by conducting an orientation before the administration of the research tools to the respondents to create a free environment. The researcher also was open and told the truth about the research to allay any fears that would have resulted in such resistance.

The conclusions of this research study are limited and uniquely associated with Kenya Commercial Bank. As a result, it may affect the generalization of the findings as the conclusion may not be the same as other banks and other organizations, therefore, further additional studies should be replicated in different contexts.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains the theoretical review of literature, critical review of literature and the summary of the gaps to be filled in the study as well as the conceptual framework that depicts the schematic presentation of the relationship of the variables in the study.

2.2 Theoretical Review

2.2.1 Herzberg's Two Factor Theory

Fredrick Herzberg proposed this theory in 1959 to determine what people really want from their jobs. The respondents had to explain work conditions in which they felt good (satisfied) or bad (dissatisfied) in their jobs. The response obtained was then classified into satisfaction or dissatisfaction. The attributes related to job satisfaction comprised advancement, recognition, the work itself, achievement, growth and responsibilities. Herzberg referred to these characteristics as 'motivators'. The attributes connected to dissatisfaction, included working conditions, supervision, interpersonal relationships, company policy and administration (Robbins, 2006).

According to Schermerhorn (1993), Herzberg's two-factor theory is an essential frame of reference for managers who would like to improve their understanding of job satisfaction and job performance issues. Schermerhorn asserts that Herzberg's two-factor theory emphasizes two important aspects of all jobs: what people do in terms of job tasks (job content), and the work setting in which they do it (job context). Schermerhorn recommends that managers should endeavor to get rid of poor hygiene sources of job dissatisfaction in the workplace and make sure that they build satisfier factors into job content to maximize opportunities for job satisfaction and employee productivity. This theory is relevant and significant to this study in that it recognizes that employees have two categories of needs that operate in them and that both should be addressed to ensure that they are productive and that their performance is at optimum.

2.2.2 Needs-Based Motivation Theory

This theory was developed by Abraham Maslow According to Jones & George (2006), needs-based motivation theory is grounded on the understanding that

motivation arises from an individual's desire to fulfill or achieve a need. Human beings are motivated by unsatisfied needs, and certain lower needs must be satisfied before higher needs can be satisfied which will ultimately influence productivity and performance. Generally, motivation can be regarded as the desire to achieve a goal, coupled with the energy, determination and opportunity to achieve it. The foundation of the need theory is that people are motivated to attain outcomes at work that will satisfy their needs. It matches the expectancy theory by exploring the depth at which outcomes motivate people to contribute valuable inputs to a job and perform at superior levels. A manager should establish what needs the person is trying to satisfy at work and ensure that the person receives outcomes that help to satisfy those needs when the person performs at a high level and helps the organization to improve its performance.

The very basic human needs, signified by food, water, shelter and safety, are deemed essential for human existence. Higher-order needs are those linked with social activities, esteem building, and self-actualization or constant self-improvement. Expounding on this theory, Whittington & Evans (2005) stated that "each of these needs operates at all times, although one deficient set dominates the individual at any one time and circumstance". The motivation felt by humans to achieve these needs is either derived from internal or external factors. People who experience internal motivation are shaped by dynamics that cause a sense of accomplishment and pleasure, while externally motivated people are commonly influenced by factors controlled by others, such as money and praise (Deci, 1985). Maslow's hierarchy of need theory is usually showed in a pyramid, with the basic needs at the bottom and the higher needs at the top. The needs were demonstrated in this way to show the significance of each need on the others, with the most important and broadest category being the physiological needs at the base (Redmond, 2010). This theory is relevant to the study as it shows how motivation of the employees influences their level of performance which eventually enhances the overall performance of the organization.

2.3 Empirical Review of Literature

2.3.1 Organizational Performance

Performance is a major multi-dimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2010). According to Tangen

(2005), performance can be described as an umbrella term for all concepts that consider the success of a firm and its activities. Performance can refer to actual results/outputs of certain activities, how an activity is carried out, or an ability to achieve results. Atkinson (2012) defined performance as the achievement of results ensuring the delivery of desirable outcomes for a firm's stakeholders.

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motivating managerial performance because they are more reflective of the overall corporate strategy (Banker et. al., 2012).

2.3.2 Employee Motivation and Organizational Performance

According to Ton & Huckman (2008), motivation could be affected by the turnover, which will affect the productivity and the performance of an employee. The negative effect of turnover is the direct costs which include severance, and the recruitment and training of new employees. Furthermore, turnover is linked with several indirect costs such as operational disruption following the departure of key employees. This could be due to either the loss of the firm-specific human capital that resides in departing employees or the loss of the social capital embedded in workers' relationships to each other and the organization. Turnover also leads to demoralization of employees who remain with a firm, due to the loss of a respected colleague or the fact that turnover may require additional work to be absorbed by remaining employees whose capacity is already stretched.

Conversely there are positive effects on turnover, which suggests that turnover reflects the beneficial aspects of worker mobility, such as the improvement of matches between employees and the firm over time. Organizational psychologists have also asserted that workers' efforts may be highest when they first join an organization and may decrease over time. Further, worker mobility implied by turnover may serve as a source of new knowledge for firms. Even though the average effect of turnover on work group performance is negative, the effect is less pronounced for complex tasks than for simple ones. The difference in turnover's effect is ascribed to the fact that the performance of complex tasks requires greater innovation or exploration than simpler tasks requiring repetition. Turnover may matter more in organizations where jobs are not standardized and procedures do not exist for transmitting knowledge to new members (Ton & Huckman, 2008).

According to Leadership Insight (2013), organizations need to protect the investment in their workforce by retaining employees and their intellectual capital to ensure business continuity and ability to meet key business objectives. HR connect (2007), pointed out that training and development could be done through coaching. A critical coaching tool for achieving top results is motivating employee performance. Motivation is defined as something that causes or influences a person to act or

perform. In coaching, motivation is the creation of conditions that encourage an employee to achieve a high level of performance. Motivation works best when its focus is on enhancing and sustaining performance. How well employees perform is what important, which includes working conditions, providing support to employees that helps them get their work done well and serve their internal and external “customers effectively. This is the focus of the coaching tool of motivation. A manager who functions as a coach must realize that providing positive reinforcement for good performance increases the likelihood of continued good performance. Positive feedback and other forms of recognition are powerful ways to provide positive reinforcement for the right performance.

Dobre (2013) asserts that human resources have the capability to create competitive advantage for their organizations. Employee performance depends on a large number of factors, such as motivation, appraisals, job satisfaction, training and development and so on, to influence to a substantial degree the organizational performance. Also Kalimullah (2010) noted that a motivated employee has own goals aligned with those of the organization and directs his/her efforts in that direction. In addition, these organizations become more successful, as their employees continuously look for ways to improve their work. Getting the employees to reach their full potential at work is a tough challenge, but this can be achieved by motivating them.

Employees want to earn reasonable salaries, as money represents the most important incentive, due to its influential value (Sara, 2004). Financial rewards have the capacity to maintain and motivate individuals towards higher performance, thus, pay has a significant impact in establishing employees’ diligence and commitment. Still, studies have established that pay does not boost productivity on the long term and money does not improve performance suggestively. Concentrating on financial incentive only as a motivator could affect employees’ attitude, as they might pursue only financial gains. Therefore, it is important to delve into other non-financial factors that have a positive influence on motivation, like the social recognition and performance feedbacks (Dobre, 2013).

Moreover, employees can be motivated via proper leadership, ensuring that things are done the right way. To achieve these goals, it is essential that the leader gain the employees’ trust and make them follow him through proper motivations (Baltoni,

2005). Trust represents the perception of one individual about others and his willingness to act based on a speech or to comply with a decision. Hence, trust enhances employees' motivation and foster interpersonal communication.

In addition, Dobre (2013) indicates that empowerment is also a powerful tool that helps to motivate employees. Empowerment is an approach to leadership that empowers subordinates as a main constituent of managerial and organizational effectiveness. In this regard, employees are given authority and the freedom to make decisions, which encourages them to discover and use their full potential, that is, they are given more control over their own jobs. Therefore, the empowerment process focuses on solving the problems of the organizations through people. Employee participation and empowerment is about the contributions of the employees in administration and decision-making regarding the policies, objectives and the strategies of the organization.

The advantage of employee empowerment is that they are less likely to be resistant to changes, feel valued by the organization, and also enable them to come up with important information, as they are in direct contact with the customers or with the operational processes, that is, it fosters communication in the organization as well as innovativeness. Consequently customer satisfaction and employee efficiency can be achieved through empowerment, as employees are able to make quick decisions to solve the problems without having to ask the manager what to do.

2.3.3 Training and Development and Organizational Performance

Dobre (2013) point out that irrespective of the degree of technical automation, attaining high levels of productivity is influenced by the level of motivation and effectiveness of the staff. It is therefore crucial to develop and implement employee training programs as a necessary strategy to motivate workers. In addition, a good communication between the managers and the workforce can instigate motivation, as the degree of ambiguity decreases.

Training has the definite role in the achievement of an organizational goal by incorporating the interests of organization and the workforce. Training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization (David, 2012). Training improves the capabilities of employees as the employees who have more on the job

experience have better performance because there is an increase in the both skills and competencies (Kennedy, 2009). Training also has a bearing on the return on investment.

The organizational performance depends on the employee performance because human resource capital of the organization plays an important role in the growth and overall organizational performance. To enhance the organizational performance and the employee performance, employee training is crucial. Training and development increase the employee performance and ultimately influences the performance of the organization (Iftikhar, 2009). Employee performance depends on many factors like job satisfaction, knowledge and management of the company (Muzaffar et al., 2012). This shows that employee performance is essential for the performance of the organization.

Performance is the key element to achieve the goals of the organization and it increases the effectiveness and efficiency of the organization which is helpful for the achievement of the organizational goals (Nickels, 2009). There are a number of factors which influence positively the productivity of the employee for instance, flexible scheduling, and training, among others (Singh and Mohanty, 2012). It is vital for the organization to design the training programs according to the needs of the employees. Practical experience, however, has a greater impact than the theoretical knowledge acquired through the books (Khan & Khan, 2011). It is better for the organizations to give their employees on the job training because it is cost effective and time saving (Ruth & Doug, 2004), and so that their employees will be able to get the hands on experience (Muzaffar et al., 2012).

2.3.4 Organizational Climate and Organizational Performance

A number of studies have been done on organizational climate and its impact on a firm's overall performance; examples include (James & Johnes, 1974, Kirk, 2001). Ostroff & Bowen (2008) suggest, among others, that organizational climate mediates the link between human resource management and performance. In this regard organizational climate is defined by the employees' perception of what the organization is like in terms of practices, policies procedures, routines, expected behaviour and rewards (James & Johns, 1974). However, a lot of misunderstanding exists about the difference between organizational climate and organizational culture. Organizational culture is regarded as the values, beliefs and assumptions, symbols and

rituals that are shared by almost all member of the organization and which comprise a pervasive context for everything that people in an organization does and thinks (Smirich, 2003).

Burton (2009) categorizes organizational climate profiles into four by applying Koys and DeCotiis's three rules for dimensions of organizational climate to Zammuto & Krakower's model of competing values, initially developed by Quinn and Rohrback (1983) which is used to examine criteria for organizational effectiveness, based on a framework of flexibility versus control and internal versus external view. These categories are group climate, developmental climate, rational goal climate, and internal process climate. The four climate types are grounded on their degree on the seven variables trust, moral, equity of rewards, resistance to change, leadership creditability and duty. The employees' perceptions about the extent to which every one of the seven variables is present or absent within an organization forms the basis of organizational climate.

Burton's approach of the four organizational climate profiles has been established to be a vigorous and reliable measurement instrument (Burton, 2004). This is reinforced by findings of Zammuto & Krakower (2007) whose classification of organizational climate is in agreement with the one of Burton et al. They affirm that group climate scores high and trust and moral and is internally oriented. Developmental climate scores high on moral and trust as well, but is externally oriented. Rational goal climate scores low on trust and moral and is externally oriented. Internal process climate scores low on trust and moral and is mechanical oriented (Zammuto & Krakower, 2007).

However, empirical evidence show that the seven dimensions co-vary within each cluster group, implying that there could be fewer variables necessary depicting the different types of organizational climate (Burton, 2009). Also, there might be some co-variance between the four clusters as well. The scores of internal process climate and rational goal climate have some similarities except for resistance to change (Burton *et al.*, 2009).

According to Bowen & Ostroff (2008) HRM practices and systems play a vital role in determining employees' perceptions of an organization and propose that a strong climate is the result of strong, clear and unambiguous HRM practices. The power of

this climate is expressed by the degree within-group consensus about distinctiveness and consistency of the HR practices in the long term (Bowen & Ostroff, 2008). These findings are reinforced by Tsui & Wang (2008) who posits that clarity in expectations of employees is supported by HR practices which use consistency in messages when communicating with employees. Bowen & Ostroff (2008) propose that a strong climate enhances the chances of attaining strategic goals, because employees who are challenged with unambiguous messages, about which behaviour is appropriate, are able to establish a deep understanding of how to prioritize organizational goals and come up with the appropriate behavior required by the organization. Hence, employees behave according to strategic management goals (Bowen & Ostroff, 2008).

A study by Burton (2009) further advocates that a fit between organizational climate and organizational strategy will result in increased overall performance because the perceptions of the employees about the organization are aligned with the strategic objectives of the management. On the contrary, an incongruity between the perceptions of the employees about the organization and the organizational strategy will lead to a negative effect on return on assets (ROA) (Burton, 2009). This is because the employees do not behave in mind the interest of the management and in respect to the organizational goals. The perceptions, feelings, attitudes and views of employees ought to be matched with an organization's strategy in order to work on organizational objectives in a collective and highly effective manner (Bowen & Ostroff, 2008).

2.4 Summary of Literature Reviewed and Research Gaps

According to the reviewed literature, employee satisfaction enhances the productivity and increases the quality of work. Due to this it is necessary for a company to perceive as to what employees feel, think, desire along with discovering how the workforce devotion and commitment can be increased. However this could be challenged by the capitalists that focusing so much on the employees may affect the profitability and focus the business not on the core aspects of profitability. The question remains, do the employees' desires have to be fulfilled or should the desire of the firm bring satisfaction to the employees?

It is unfeasible to uphold customer loyalty without employee loyalty. However the employees are agents of the organization and so should be inseparable in practice.

What the employee does is what the organization does. This means the in strategic objectives the organization should incorporate the employee expectations so that they are coalesced into one and the achievement will be concurrent and effortless.

There is a direct relation of financial performance and customer satisfaction and indirect relation with employee satisfaction which is intervened by customer satisfaction. But there is a direct relation between customer satisfaction and employee satisfaction. In addition when employees are given employee empowerment, then it leads to job satisfaction.

This means that the organization should concentrate on satisfying the employees and the rest of the events to enhance profitability will fall in place. However is this practiced in business performance? Is satisfying the employees seen as a strategy to enhance customer loyalty?

Target and achievement depends on employee satisfaction and in turn contribute for organizational success and growth, enhances the productivity, and increases the quality of work. Employee satisfaction impacts quality at industry, to achieve quality and profitability at organization, employee satisfaction is fundamental and without it, organization cannot think of being successful. It is evidence that the cardinal strategy to achieve business performance is through dealing decisively with employee satisfaction and empowerment. However is this case in the capitalistic organizations, or do they perform to the expectation without such focus?

Organizations need to protect the investment in their workforce by retaining employees and their intellectual capital to ensure business continuity and ability to meet key business objectives. This shows that the succession of the business is dependent on the level of training and development of the employees. However the question remains, does the organization employ training and development as a strategy for business sustainability?

Motivation works best when its focus is on enhancing and sustaining performance, not on making people happy. Motivation in this case translates to the desire to achieve organizational objectives. How can this be achieved without making the employees happy in the first place? Positive feedback and other forms of recognition are powerful ways to provide positive reinforcement for the right performance. The

feedback must be positive in that it touches on the issues to address not demeaning the employees, correction should be instituted when they error and not condemnation.

Getting the employees to reach their full potential at work is a tough challenge, but this can be achieved by motivating them. Motivation is therefore a strategy to get employees to their full potential. This means that if the organization focuses on motivating its employees, realization of employees' potential is definite. Employees can also be motivated through proper leadership, as leadership is all about getting thing done the right way. In order to achieve these goals, the leader should gain the employees' trust and make them follow him.

Employee empowerment is an approach to leadership that empowers subordinates as a main constituent of managerial and organizational effectiveness. The leadership in the banks like many organizations are in the hands of the managers. Managers seek compliance through observance of organizational rules and policies. However for leadership, the focus is on motivation to influence employees to perform enthusiastically and willingly. The question remains, are the managers good in leadership or will they be effective in leadership?

Developing and implementing employee training programs is a necessary strategy to motivate workers. In addition a good communication between the managers and the workforce can instigate motivation. Training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization. However people learn from their practical experience much better as compare to bookish knowledge, hence on the job training reduces cost and saves time. The question is do the organizations distinguish induction and on the job training or when employees are taken through induction it is deemed that they are trained on the job?

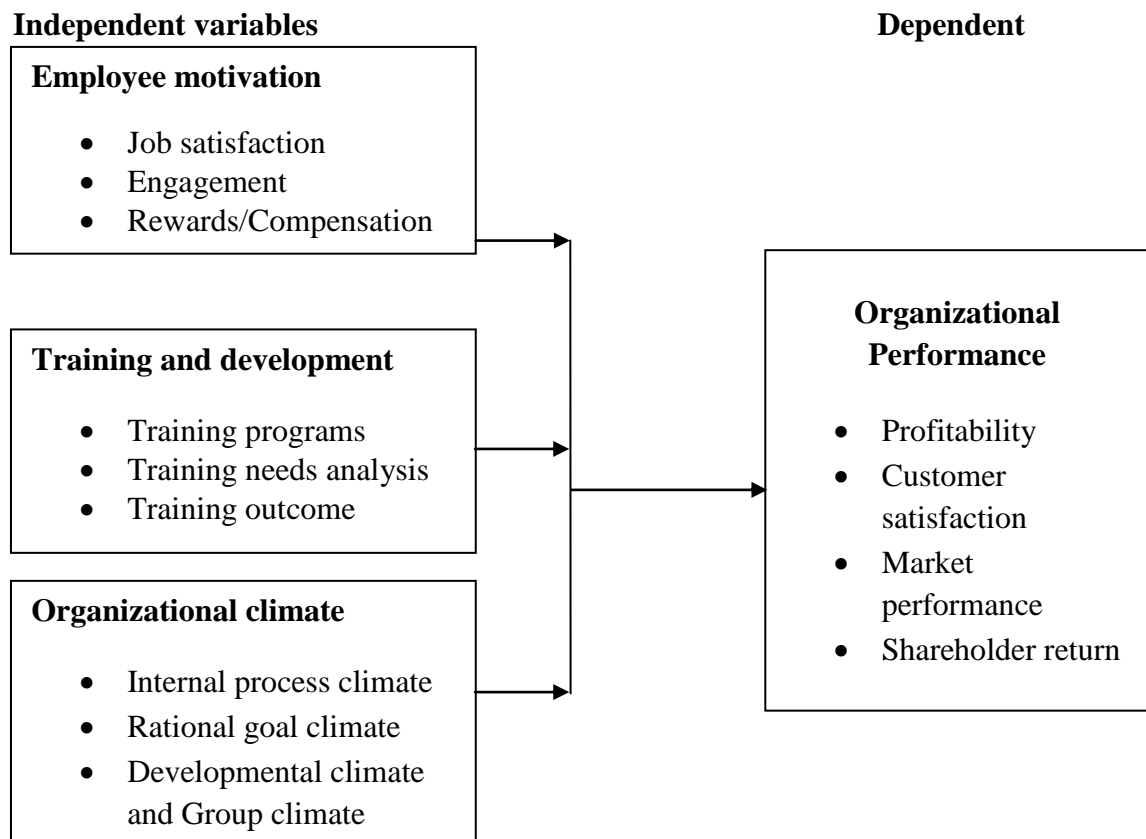
A number of factors have been identified to influence employee productivity in the work place. These include challenging goals, motivation, training and development, incentives, rewards and recognition, appreciation, salary, bonus, remuneration, participation, autonomy, promotion, increments. Hence, it has attracted a number of studies to be conducted on the same including Haynes (2012) who did a study on office productivity focusing on cost reduction to human contribution. Chaudhary, (2012) researched on the impact of employee motivation on productivity in private

organizations. Locally, Kamau (2011) did a study on fringe benefit effects on employee productivity in the Public Sector, a case of State Department of Water, Nairobi County. Nyameino *et al.*, (2014) conducted a study on human resource factors influencing productivity in public universities in Kenya.

2.5 Conceptual Framework

Figure I show the link between the dependent and independent variables of the study. As shown in the figure, the independent variables which include employee motivation, training and development, and organizational climate affect the employees' productivity shown by their efficiency, effectiveness and provision of quality services. This will subsequently affect organizational performance -the dependent variable.

Figure i: Conceptual Framework of the Study



Source: Researcher (2017)

The study used observed measures to operationalize organizational performance in relation to achievement of organizational objectives and customer satisfaction. The independent variables, that is, factors influencing employee productivity, was gauged by using three sub-dimensions, namely employee motivation, training and development and organizational, while each of them was measured with specific items as shown in Figure I below. Respondents were asked to indicate the extent to which the particular factor influence employee productivity and constitute their organization's typical characteristics.

CHAPTER THREE METHODOLOGY

3.1 Introduction

This chapter shows the research design, the target population, the sample determination and method of selection, the method of data collection, and the data analysis and presentation method. Reliability and validity of the data collection instrument is also depicted here.

3.2 Research Design

The study used descriptive research design as the respondents were describing the factors enhancing employee productivity and subsequent organizational performance in Kenya Commercial Bank. This design gives a detailed description of events, situations and interactions between people and things (Cooper & Schindler, 2008). The descriptive research design was preferred because it ensures complete description of the situation, making sure that there is minimum bias in the collection of data (Kothari, 2008). The respondents were not required to manipulate any variables and therefore descriptive design was appropriate. It was secondarily a case study as it focused on only Kenya commercial bank and its branches within Nairobi; therefore the design was a descriptive case study.

3.3 Target Population

Population is the entire group under study as indicated by objectives of the research; it is the universe from which the sample is to be selected (Ghauri *et al.*, 2005). The target population was seventy two (72) employees consisting of the branch managers, middle level managers (operation managers, cash managers, Business managers) and low level managers (assistant managers and supervisors) (KCB, 2013).

3.4 Sampling and Sampling Procedures

According to Trochim (2005), Sampling is the process of choosing units (people, organizations) from a population of interest so that by studying the sample we may fairly generalize our results back to the population from which they were chosen. The study used stratified random sampling procedure to select a sample that represented the entire population. This ensured that every important parameter was represented. According to Kothari (2008), a stratified random sample is used when a population is not uniform making it the most appropriate sample to come up with the target sample.

The strata comprised the senior, middle and lower level managers of Kenya Commercial Bank Limited at the branch level.

Table 1: Sampling Frame

Population Category	Population Size	Percentage
Senior management	8	11%
Middle level managers	24	33%
Low level managers	40	56%
Totals	72	100%

3.4.1 Sample size

A sample is a representative group of a target population. To obtain the sample size, the study used this formulae by Israel (2009): $n = \frac{N}{1+N(e)^2}$ Where, n – is the sample size, N- is the population size and e – is the level of precision sometimes called sampling error which is the range in which the true value of population is estimated to be. This is always expressed in percentage points for example $\pm 5\%$. The study will use sampling error (e) of $\pm 5\%$. Hence, the sample size will be

$$n = \frac{72}{1+72(0.05)^2} = 61$$

Therefore, the final sample size is 61. A sampling ratio is established by dividing the sample size by the population size, that is, $61/72=0.85$. From each stratum, 85% of the employees were selected from each category as shown in the table 3.2 below.

Table 2: Sample size

Population Category	Frequency	Sample Ratio	Sample Size
Senior management	8	0.85	7
Middle level managers	24	0.85	20
Low level managers	40	0.85	34
Totals	72	0.85	61

3.5 Data Sources and Instruments

The study collected data from primary source using the questionnaires. The primary data was used due to its nearness to the truth and ease for control over errors (Copper & Schindler, 2008). The researcher with the help of an assistant administered the questionnaires to the respondents. Questionnaires was used because they are practical, large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost effective way, can be carried out by the researcher with limited effect to its validity and reliability and the results of the questionnaires can be quickly and easily quantified through the use of a software package (Cooper & Schindler, 2008).

The questionnaires contained closed ended questions which were on a 5-pointlikert scale so as to permit more direct comparability of the responses and eliminate question/statement variability, indicating the extent to which individual questions or statements (items) were operationalized to reflect the intended variables and enable respondents to provide quantifiable information. The developed questionnaires was then piloted with seven (7) respondents from the KCB banks so that the study could accurately assess whether the questionnaire were filled out properly, whether the questions will be actually understood by respondents, and whether the questions asked what the study intended. These piloted questionnaires were not used in the final analysis. As a result of the pilot test, changes in word selection and instructions were made to the research instrument.

3.5.1 Validity of Research Instrument

The objective of validity is to ensure that the scale (each item or question of the questionnaire) measures what it is supposed to measure (Kothari, 2008). In this study content validity of the construct (composing, wording) measurements (of questionnaire items) will be of concern from early stage of questionnaire development. To ensure validity of the instrument, the study thoroughly reviewed the relevant literature, to enable development of an initial list of items representing each of the study's constructs. Then this list of items was modified based on recommendations from the supervisor.

3.5.2 Reliability of Research Instrument

According to Mugenda & Mugenda (2003), reliability regards to the degree to which the research instrument can produce consistent results and data from repeated trials. Cronbach's Alpha test was used to determine the internal consistency of the data. According to Davidson (1996), a score over 0.70 is deemed suitable for the study. Hence this was used as a benchmark to ascertain the reliability of factors obtained from the likert scale in the questionnaire. The commonly accepted rule of thumb for describing internal consistency using Cronbach alpha is as follows:

The data was collected using questionnaires which were pretested to establish whether the proposed constructs and the items that were proposed to measure those constructs were valid and reliable. To measure their reliability, the researcher used Cronbach's Alpha. Table 3.3 illustrates the results of the reliability test.

Table 3: Reliability Test

Variables	Cronbach's Alpha (α)	Internal consistency
Organizational performance	0.791	Acceptable
Employee motivation	0.913	Excellent
Training and development	0.871	Good
Organizational Climate	0.870	Good

(Source: Research Data, 2017)

Examination of this reliability test in Table III above indicated that organizational performance had $\alpha = 0.791$, employee motivation $\alpha=0.913$, training and development was $\alpha=0.871$ while organizational climate had $\alpha= 0.870$. According to Davidson (1996)reliability estimates falling between 0.60 and 0.70 represent the lower limit of acceptability. Thus, on this basis all constructs exceeded this recommended level and therefore the specified influencers were sufficient in their representation of the constructs.

3.6 Data Collection Procedures

The study used questionnaires to collect data guided by the nature of data to be collected, time available and the objectives of the study. The researchers delivered questionnaires to the respondents to be collected later so as to give them enough time to answer the questions in the most accurate way. Clarifications was also be made to the respondents on the information being sought.

3.7 Data Analysis and Presentation

The data collected by use of the questionnaire were first edited and checked for completeness and comprehensibility. Quantitative data was chronologically arranged with respect to the questionnaire outline to ensure that the correct code is entered for the correct variable. The data was then cleaned, tabulated and subjected to appropriate descriptive statistics and inferential statistics. Descriptive statistics give information that describes the data in some manner and it involved the use of some measurements such as mean for central tendency and standard deviation for variability and percentages. A linear regression model was used to indicate the extent to which each independent variable affects organizational performance in KCB. The model is shown below

$$Y=0.843+ 0.613X_1+ .702X_2+ 593X_3$$

Where, Y represents organizational performance the dependent variable,

β_0 .is a constant term

X_1 -Employee motivation

X_2 -training and development

X_3 -organizational climate and

ϵ - Is the error term.

The data was then presented in the form of detailed descriptions with the use of other presentation techniques like graphs, pie charts and tables.

3.8 Ethical Considerations

The following ethical considerations were factored in during the study:

The need for approval of the research proposal by the school of Business at Kenyatta University was important and mandatory to give validity to the document and to show that the study was done according to approved research standards and practices.

The researcher sought permission to conduct the study from the Kenya Commercial Bank and the right of anonymity and confidentiality was guaranteed to the participants. This was ensured by informing the participants not to provide any

personal information that may expose their identity if they do not wish so as well as give them enough information that pertain the study before data collection.

Informed consent from the participants in the study was obtained so as to gain their trust and confidence assuring them that the main aim of the study was purely for academic purposes. Observation and maintenance of confidentiality was vital, especially for participants who wished to remain anonymous for either official or personal reasons, for fear of reprisals or otherwise.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the research results and findings based on the data collected and analyzed. These are presented based on the specific objectives of the study. The research findings were presented in form of tables, graphs, charts as well as discussions.

4.1.1 Response Rate

The self-developed questionnaires were presented to the respondents on a personal basis to increase the response rate. Out of the sixty one questionnaires distributed to the Kenya Commercial bank branches within Nairobi, forty nine questionnaires were successfully filled and returned. Thus, the study achieved a response rate of 80% hence this rate was sufficient sample to provide credibility to the findings. Cooper and Schindler (2008) assert that if the response rate is 60% and above then the social scientific study can proceed.

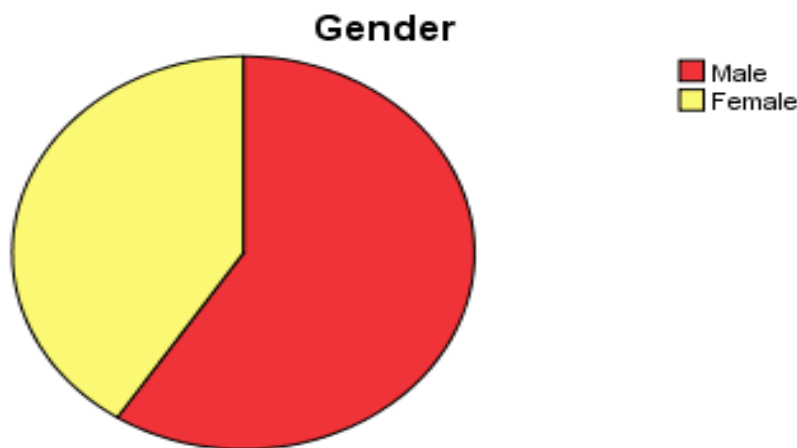
4.2 Demographic Information

The demographic characteristics of sample respondents in this study were gauged with respect to gender, age bracket, level of education or training attained; the respondents' designation/ position in the organization and the length of time that they have worked for Kenya Commercial Bank. The results are shown below:

4.2.1 Gender of Respondents

The study sought to determine the gender of the respondents as part of the demographic characteristics. Figure II below shows their distribution.

Figure II: Gender of the Respondents



(Source: Research Data, 2017)

As illustrated in Figure II above, from the total sample of 49 respondents 29 (59.2%) of the participants were male while the remaining 20 (40.8%) were female. This showed that most of the respondents in the senior management and middle level management were male. This implies that majority in the management team in the bank comprise of more male than female. Further the results indicate that the two genders were adequately represented in the study since there is none which was more than the two-thirds. However, the statistics show that the male gender could be dominating the KCB group ltd. Hence, the percentages may raise the issue of gender equity in KCB; but that is outside the scope of the present study.

4.2.2 Age of Respondents

The respondents we also asked to show their average age, the summary of their age distribution is shown in table 4.2 below.

Table 4: Age Distribution

Age Bracket (In Years)	Frequency	Percentage (%)
26-35	34	69.4
36-40	6	12.2
41-44	4	8.2
45-50	4	8.2
50 and Above	1	2.0
Total	49	100.0

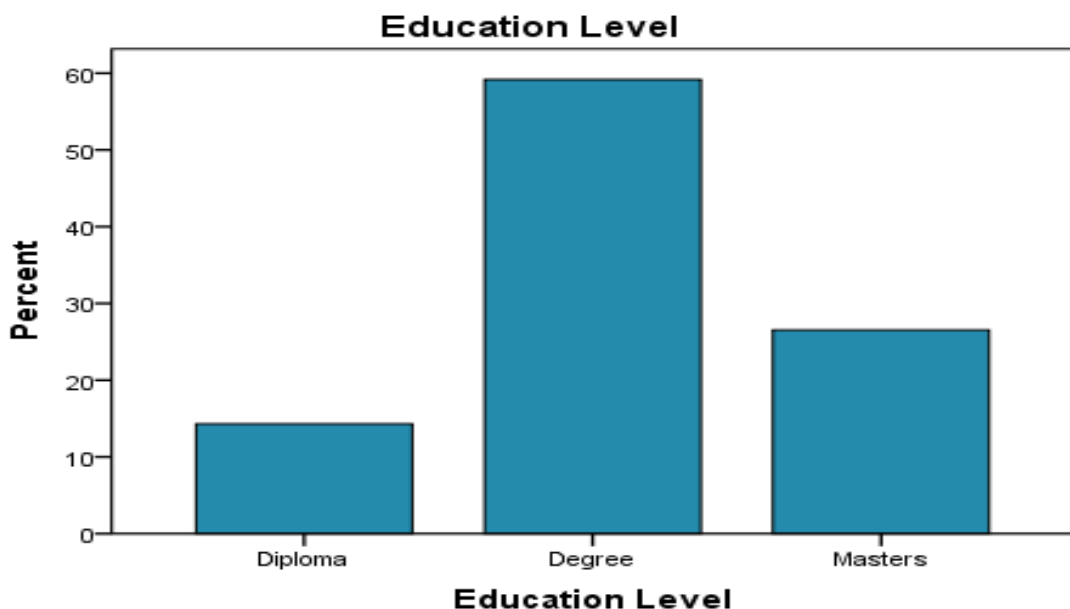
(Source: Research Data, 2017)

From Table 4 above, the average age of the respondents as at the time of study lay between 26 and 40 years representing 81.6% while those above 40 years represented 18.4%. This shows that majority of the employees in these branches are mature youth with enough experience in their areas of expertise. They are also in the age group who are more vibrant and innovative hence are more efficient and productive which are beneficial to organizational performance. The findings are in agreement with those of Price & Banham (2011) who established that there are two natural age peaks of the late 20s and mid 40s which are correlated to employee performance. The two peaks fall in both the two age brackets used in this study. Further, the results indicate that any policy biased towards addressing the issues affecting employee performance in KCB group ltd must be age-inclusive and should go beyond the youth affirmative action which can only target employees who are in the age bracket of 18-35 years and cover those above 35 years.

4.2.3 Level of Education

Educational background of the respondents was one of the other important demographic factors surveyed by the study. Figure III below shows the distribution of the level of education or training attained by the respondents.

Figure III: Education level of the Respondents



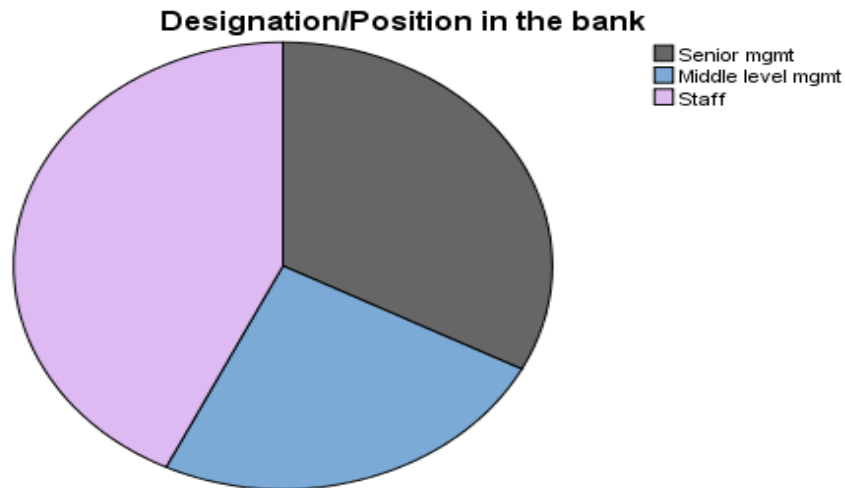
(Source: Research Data, 2017)

As illustrated in Figure III above, it was established that there were no employees in the targeted population with only secondary education, college certificate or PhD at the time of the research. However, it was established that majority of employees had Bachelor's degree, and Master's degree as shown in the graph above. This corresponded with Joppe (2000) that during research process, respondents with technical knowledge on the study problem assists in gathering reliable and accurate data on the problem under investigation. This showed that most of the bank employees were qualified professionals with technical knowledge and skills on the study problem and thus provided the study with reliable information.

4.2.4 Designation in the bank

The study had categorized the respondents into three groups based on the positions they hold within the organization. The results are summarized in Figure IV below

Figure IV: Respondents Category Positions



(Source: Research Data, 2017)

From the responses, 32.7% responded in the senior management position, 24.5% of the middle level managers responded while 42.7% responded in the lower management staff as shown in Figure IV above. This indicated that the lower level management staffs were the key category in the study. This shows that the

information provided were reliable since they are more conversant with what affects employees' performance in the organization.

4.2.5 Working Experience

The study sought to establish the number of years that the respondents had worked in the bank. This was to ascertain to what extent their responses could be relied upon to make conclusions for the study, based on their working experience. The summary of their data is shown in Figure V below

Figure V: Work Experience



(Source: Research Data, 2017)

From the data collected, it is established that majority of the employees have worked in their respective branches between four and seven years which is average years for a competent employee as shown in Figure V above. Braxton (2008) emphasized that respondents with a high working experience assist in providing reliable data on the problem in hand since they have technical experience on the problem being examined by the study. As from the Figure V above, more than 50% of the respondents had worked in the bank for more than 3 years and thus understood technical issues on the factors influencing employee productivity and subsequent organizational performance in Kenya Commercial Bank.

4.3 Analysis of Organizational Performance

The objective of the research was to establish the influencers of employee productivity and their impact on organizational performance in Kenya Commercial Bank. This section was necessary for the study for the purposes of establishing the specific influencers of employee productivity that influence organizational performance. A 5 point likert scale was used to collect data which signified the extent to which the respondents agreed with the proposed items in the questionnaire. On the 5 point likert scale 1 represented strongly disagree and 5 which was the maximum represented strongly agree. The mean statistics range was interpreted as shown below:

1 – 1.8	Very Low/Strongly Disagree
1.8 – 2.6	Disagree
2.6 – 3.4	Moderate/Neutral
3.4 – 4.2	Agree
4.2 – 5.0	Very High/Strongly Agree

The study uses the mean scores to establish the average number of responses received from each item in the questionnaire and standard deviation which describes how much variation or diversity there is in a distribution. Standard deviation increase or decrease based on how closely the scores cluster around the mean. It provides an indication of how far the individual responses to a question vary or deviate from the mean; it shows the researcher how spread out the responses are from the mean, and explains if the respondents' responses are concentrated around the mean, or scattered far and wide (Kothari, 2008). If the standard deviation and variance are each greater than 1 it means that the respondents had divergent views and if they are each less than 1, then this means that the respondents had similar opinions on the issues concerned (Dempsey, 2003).

To understand the performance of the Kenya Commercial Bank, the respondents were asked to indicate the extent to which they agreed with various statements. Illustration of their responses is shown in Table 5 below.

Table 5: Aspects of Organizational Performance

	Mean (M)	Std. Deviation
1.Achievement of organizational profit before tax(PBT) is driven by individual performance	4.1837	.9719
2.Efficiency(performing or functioning in the best possible manner) of employees ensures high return on assets for its organization	4.2857	.9789
3.Effective (Producing the intended or expected result) employees have led to low customer complaints by doing the right things	4.3673	.8825
4.Top productive employee generates high return on investment to its organization	4.2449	.8299
5.There is a direct link between organizational increased market share to individual productivity	4.0408	.9991
6.The total shareholder return is supported by how employee strategizes to improve his or her productivity	3.3367	1.0674
7.Employee performance influences customer satisfaction	4.4898	.7937
8. The bank's profitability has increased for the last five years due to employees' performance	4.3878	.8616
AVERAGE	4.1671	.9231

(Source: Research Data, 2017)

The findings according to the respondents agreed to most of the statements as shown by their average mean score of 4.167 and standard deviation of .923. They strongly agreed that employee performance influences customer satisfaction as shown by mean of 4.489; effective employees lead to low customer complaints by doing the right things M=4.367; efficiency of employees ensures high return on assets for its organization M=4.285; and top productive employee generates high return on investment to its organization M=4.244. These findings correspond with the views of Cattermole and Johnson, (2014) who indicated that there is a strong relationship between high level of employee performance and high customer satisfaction and advocacy in businesses in the service industry. The banks which have high level of employee productivity have higher profitability and improved financial performance. However, there were mixed indication in the responses as to whether the total

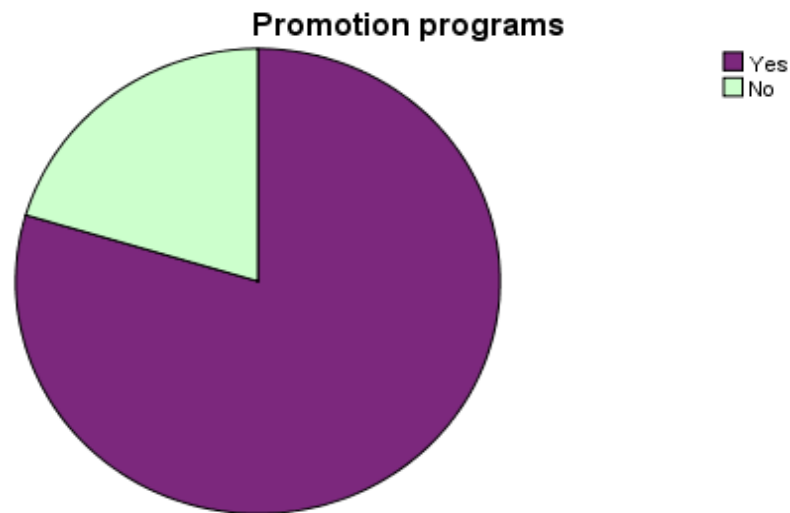
shareholder return is supported by how employee strategizes to improve his or her productivity as indicated by a mean of 3.337 and SD= 1.067.

4.4 Objective Tests and Analysis

4.4.1 Analysis of Employee Motivation and Organizational Performance

The study sought to establish whether KCB offers promotion programs to its employees, from the responses, majority (80%) of the respondents affirmed to this statement while 20% disagreed as shown in Figure VI below.

Figure VI: Promotion Programs



(Source: Research Data, 2017)

The study further sought to establish whether the bank has a mechanism that ensures that the employees are happy. Majority (92%) of the respondents indicated that indeed the bank have those mechanisms in place. This findings support the view of Thao& Hwang (2014) who emphasized that motivation is a key determinant of job performance and unhappy and/or poorly motivated force will be costly in terms of excessive staff turnover and low productivity.

Furthermore, the study provided the respondents with statements in a Likert scale where they were to indicate their level of agreements with various aspects relating to employee motivation and their influence on organizational performance in Kenya Commercial Bank. Analysis of the results showed that the respondents strongly

agreed to most of the statements as indicated by their mean score responses as shown in Table 6 below.

Table 6: Aspects of Employee Motivation

	Mean (M)	Std. Deviation
1. Biased appraisal has negative impact on individual productivity and organizational profitability	4.2857	.9902
2. Promotion on merit ensures general improvement for all the employees and enhance employee performance	4.3673	.7586
3. Compensation through bonuses and profit sharing increases productivity	4.2041	1.0202
4. Given the right tools and materials, as well as the right compensation, I work at my utmost ability	4.4286	.7905
5. Social recognition and performance feedback is key to employee performance improvement	3.9388	.9221
6. Setting of stretched targets but achievable leads to less complacency	4.0816	.8538
7. Employee engagement has led to low resistance to change and increased innovativeness	3.9592	.9991
8. Employee empowerment leads to quick decision making for increased customer satisfaction	4.3061	.6175
AVERAGE	4.1964	.8778

(Source: Research Data, 2017)

As shown in Table 6 above, on the overall, the respondents agreed that employee motivation do influence their productivity and subsequently organizational performance. This is shown by their average mean of 4.196 to most of the statements provided. The respondents strongly agreed that given the right tools and materials, as well as the right compensation, employees work at their utmost ability (M= 4.428); Promotion on merit ensures general improvement for all the employees which in turn largely enhance employee performance (M= 4.367); Employee empowerment leads to quick decision making for greatly increased customer satisfaction (M= 4.306); Biased appraisal has negative impact on individual productivity and organizational profitability (M= 4.285); Compensation through bonuses and profit sharing increases

productivity (M= 4.204); Setting of stretched targets but achievable leads to less complacency (M= 4.083); Employee engagement has led to low resistance to change and greatly increased innovativeness (M= 3.959); and social recognition and performance feedback is key to employee performance improvement (M= 3.939).

These results concurs with the views of Kalimullah (2010) who emphasized that motivation works best when its focus is on enhancing and sustaining employee performance which can only be achieved by providing conducive working conditions, providing support to employees that helps them get their work done well and serve their internal and external customers effectively. The findings showed that majority of the respondents indicated that employee empowerment leads to quick decision making for increased customer satisfaction. This view is in agreement with Dobre (2013) who indicates that empowerment is a powerful tool that helps to motivate employees to improve their productivity.

4.4.2 Analysis of Training and Development and Organizational Performance

Table 7 below shows ten items reflecting on the aspects of training and development of employees and their influence on organizational performance.

Table 7: Aspects of Training and Development

	Mean (M)	Std. Deviation
1. My organization runs on-the-job training programs for employees	4.4286	.8165
2. My organization offers internal online training programs	4.5510	.7377
3. My organization has a sponsorship programs that assist employees to pursue academic and professional education programs.	3.7347	.9606
4. I get training on skills and abilities as outlined in my job description	4.1224	.8334
5. Trainings in our organization focuses on developing teamwork and leadership skills	3.9469	.7514
6. My trainings and development programs facilitated by my organization increases return on investment	4.0245	.8232
7. Supervisors support the use of techniques learned on training when employees reports back to the station	3.7143	1.0992
8. Developmental activity helps management in identifying, analyzing, forecasting and planning changes needed in organization	4.0000	.7660
9. My organization maintains training needs analysis file for every individual	3.8776	.9130
10. My organization encourages job rotation and job shadowing to sharpen skills across departments	3.7592	.8860
AVERAGE	3.7159	.8341

(Source: Research Data, 2017)

On the basis of mean response scores, the respondents tended to agree to most of the items as shown in Table 7 above. Generally, they agreed that training and development do influence employee productivity and subsequently organizational performance as indicated by an average mean of 3.715. They asserted that the bank offers internal training programs (M=4.551); that it runs on the job training for employees (M=4.428); that the employees get training on skills and abilities as outlined in their job description (M=4.122); and that developmental activity helps management in identifying, analyzing, forecasting and planning changes needed in organization as shown by a mean of 4.00. Though with lower mean 3.734 and 3.714, the respondents showed that KCB has a sponsorship programs that assist employees to pursue academic and professional education programs and supervisors support the

use of techniques learned on training when employees reports back to the station respectively.

These findings corresponds with the view of Iftikhar (2009) who pointed that training and development increase the employee performance and ultimately influences the performance of the organization. The respondents also asserted that the bank offers internal training programs, runs on the job training for employees and the employees get training on skills and abilities as outlined in their job description. These findings concurs with the findings of Sepulveda (2008) who emphasized that employee competencies change through effective training programs which not only improves the overall productivity of the employees to effectively perform the current job but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance.

4.4.3 Analysis of Organizational Climate and Organizational Performance

The study further sought to establish the influence of organizational climate on employee productivity and subsequent effect on organizational performance of the bank. The scale consisted of six items. The results show that majority of the respondents agreed with the statements as shown in Table 8 below.

Table 8: Aspects of Organizational Climate

	Mean (M)	Std. Deviation
1. Enthusiasms, excitement and happiness is usually felt in our organization due to developmental climate which affects positively individual performance	3.2306	1.1920
2. Internal process climate influences employee's productivity	3.8980	.9627
3. Rational climate could lead to low resistance to change.	3.4143	.9726
4. A well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity	3.9796	.9680
5. Perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance	3.8776	.7730
6. A good organizational climate have a positive influence on employee's productivity	4.2245	.9905
AVERAGE	3.7707	0.9765

(Source: Research Data, 2017)

As shown in Table 8 above, the respondents agreed that organizational climate influence organizational performance as shown by the overall mean of 3.770. They agreed that a good organizational climate have a positive influence on employee's productivity (M=4.224); that a well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity as shown by a mean of 3.979; that internal process climate influences employee's productivity and perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance as shown by a mean of 3.898 and 3.877 respectively. These findings are in accord with that of Rose (2004) who found a significant relationship between organizational climate and employees' behaviour such as level of stress, work commitment, absenteeism, and participation. On the contrary, the respondents were neutral in regard to whether rational climate could lead to low resistance to change and whether enthusiasms, excitement and happiness is usually felt in their organization, though their responses were varied as indicated by a standard deviation of 1.192, as shown by mean of 3.414 and 3.230 respectively.

4.5 Regression Analysis

To ascertain the relationship between the independent variables and the dependent variable, the study conducted multiple regression analysis. The study applied the statistical package for social sciences (SPSS) version 20 to code, enter and compute the measurements of multiple regressions for the study. In the table 9 below, the R is the multiple correlation coefficients that indicate how strongly the multiple independent variables are related to the dependent variable. R square (R^2) is the coefficient of determination which describes the extent to which changes in dependent variables can be explained by the change in independent variables or the percentage of variation on the dependent variable (organizational performance) that is explained by all the three independent variables (employee motivation, training and development and organizational climate). The summary is shown in Table 9 below

Table 9: Coefficient of Determination

Model	R	R Square (R^2)	Adjusted R Square	Std. Error of the Estimate	Sig.
1	.858	.785	.638	.51325	0.001

(Source: Research Data, 2017)

As can be observed in table 9 above the value of R-squared is .785 which is close to 100 and this infers that the regression model can be used to explain the influencers of employee productivity and their subsequent effect on organizational performance in the banking sector. This corresponded with Mugenda & Mugenda (2003) that R-squared is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean and 100% indicates that the model explains all the variability of the response data around its mean.

Generally, the higher the R-squared, the better the model fits the data. Table 9 presents the model of the influencers of employee productivity and their subsequent effect on organizational performance with the coefficient of determination $R^2 = 0.785$ and $R = 0.858$ at 0.001 significance level which is significant as it is less than 0.005. The coefficient of determination indicates that 78.5% of the variation of the influencers of employee productivity and organizational performance can be explained by employee motivation (X1), training and development (X2) and organizational climate (X3). The remaining 21.5% is contributed by other variables not studied in this research hence further research should be conducted to establish these other factors not covered in this study. However, this shows that the model has a good fit since the value is above 75%.

4.5.2 Multiple Regression Analysis

To further determine the relationships and the strength of dependency between the influencers of employee productivity and organizational performance of the bank, the study conducted multiple regression analysis to assess the dependence of measures of organizational performance on dimensions of employee productivity (employee motivation, training and development and organizational climate). This analysis revealed the percentage of variance in organizational performance scores explained by independent variable scores.

Table 10: Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta (β)		
	(Constant)	.843	.207		2.687	.001
	Employee motivation	.816	.131	.613	1.830	.002
	Training and development	.910	.011	.702	1.371	.004
	Organizational climate	.745	.136	.593	1.356	.001

(Source: Research Data, 2017)

As per the SPSS generated Table 10 above, the equation ($Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$) becomes $Y = 0.843 + 0.613X_1 + .702X_2 + .593X_3$. The multiple regression values in the table indicated that all the influencers, that is, employee motivation, training and development, and organizational climate studied have a positive and significant influence on employee productivity and subsequent impact on organizational performance. With more than 95 % confidence level the t-ratings indicate coefficient significance of 0.002, 0.004 and 0.001 respectively which was less than 0.005, hence showing that these linear associations are statistically significant.

In addition, Table 10 above shows that taking all the factors into account, that is, employee motivation, training and development, and organizational climate representing the independent variables, then employee productivity will be .843 (84.3%). However, taking all the other independent variables at zero, then a unit improvement in employee motivation will result to 0.613 (61.3%) increase in employee productivity and subsequent organizational performance, an increase of one unit in training and development results in an increase of 0.702 (70.2%) in employee productivity and subsequent organizational performance, and the same unit improvement in organizational climate increases employee productivity and subsequent organizational performance by .593 (59.3%). This infers that training and development has a great influence on employee productivity and subsequent organizational performance in the bank followed by employee motivation and finally organizational climate. This concurs with the views of David (2012) who emphasized that training is the most important factor in the business world because it increases the efficiency and the effectiveness of both employees and the organization.

This finding also concurs with views of Kalimullah (2010) who noted that a motivated employee has own goals aligned with those of the organization and directs his/her efforts in that direction. In addition, these organizations become more successful, as their employees continuously look for ways to improve their work. Getting the employees to reach their full potential at work is a tough challenge, but this can be achieved by motivating them.

The findings agrees with the views of Bowen & Ostroff (2008) who proposed that a strong climate enhances the chances of attaining strategic goals, because employees who are challenged with unambiguous messages, about which behaviour is appropriate, are able to establish a deep understanding of how to prioritize organizational goals and come up with the appropriate behavior required by the organization. Hence, employees behave according to strategic management goals

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses overall findings with the aim of answering the research questions. The chapter also presents the conclusions and recommendations from the current study based on the influence of employee productivity on organizational performance in KCB.

5.2 Summary

Various internal reports on KCB employee productivity shows that the average productivity per staff is below average set out by the bank. Hence this research wanted to provide more insight by conducting a study on the influencers of this individual productivity in KCB so as to reverse the trend and come out with recommendations for the bank to achieve its performance targets through individual productivity. The study sought to establish the influence of employee productivity on organizational performance. The study was guided by the following specific objectives: to determine how employee motivation, training and development and organizational climate influence organizational performance in Kenya Commercial Bank.

The study sampled sixty one respondents which comprised of the senior managers, middle level managers and low level managers of KCB branches within Nairobi. Out of the sixty one questionnaires distributed to the Kenya Commercial bank branches within Nairobi, forty nine questionnaires were successfully filled and returned. Thus, the study achieved a response rate of 80% hence this rate was sufficient sample to provide credibility to the findings. Analysis of the results showed that majority of the respondents (59.2%) was male while the remaining (40.8%) were female. The average age of the respondents as at the time of study lay between 26 and 40 years representing 81.6%. It was also established that majority (86%) of employees had Bachelor's degree and Master's degree and have worked in the bank between four and seven years which is average years for a competent employee.

The study sought to establish the extent to which employee productivity influence organizational performance of Kenya Commercial bank. The findings indicate that majority of the respondents strongly agreed that employee performance influences

customer satisfaction. It was also established that effective employees lead to low customer complaints by doing the right things; efficiency of employees ensures high return on assets for its organization and top productive employee generates high return on investment to its organization. However, there were mixed indication in the responses as to whether the total shareholder return is supported by how employee strategizes to improve his or her productivity.

The study further sought to establish the influence of employee motivation on employee organizational performance. Results showed that the bank has a mechanism that ensures that the employees are happy. Furthermore, the study found that the respondents agreed that given the right tools and materials, as well as the right compensation, employees work at their utmost ability. Also, promotion on merit ensures general improvement for all the employees which subsequently enhance employee performance. The findings showed that majority of the respondents indicated that employee empowerment leads to quick decision making for increased customer satisfaction. In addition, the results showed that biased appraisal has negative impact on individual productivity and organizational profitability, compensation through bonuses and profit sharing increases employee productivity, setting of stretched targets but achievable leads to less complacency, employee engagement lead to low resistance to change and increased innovativeness and social recognition and performance feedback is crucial to employee performance improvement.

Regarding the aspect of training and development and its influence on organizational performance, the findings indicate that indeed training and development enhances employee productivity and organizational performance. The respondents also asserted that the bank offers internal training programs, runs on the job training for employees and the employees get training on skills and abilities as outlined in their job description. The findings also indicated that developmental activity helps management in identifying, analyzing, forecasting and planning changes needed in organization. However, the respondents were indifferent in regard to whether KCB has a sponsorship programs that assist employees to pursue academic and professional education programs and if supervisors support the use of techniques learned on training when employees reports back to the station.

The study further sought to establish the influence of organizational climate on organizational performance of the bank. The results showed that majority (80%) of the respondents agreed that a good organizational climate have a significant influence on employee's productivity and that a well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity. Moreover, the findings indicate the respondents pointed that internal process climate influences employee's productivity and perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance. On the contrary, the respondents were neutral in regard to whether rational climate could lead to low resistance to change and whether enthusiasms, excitement and happiness is usually felt in their organization due to developmental climate which affects positively individual performance.

5.3 Conclusions

Based on the regression analysis, the study concludes that all the variables studied have a significant influence on employee productivity and organizational performance hence KCB or any organization should therefore consider all these factors carefully as they impact their employee productivity and the overall organization's performance.

It is clear from the above results of regression analysis that there is a positive correlation between motivation Vis à Vis organizational performance. When employees are properly motivated, there will be an increase in employee productivity which will increase organizational performance tremendously. The above analysis shows that there is a significant relationship between the independent variable (motivation) and the dependent variable (organizational performance).The underlining motion here is that once there is a significant increase in the level of employee motivation, there is bound to be a great increase in organizational performance.

The study concludes that training plays a significant role in the productivity of the employees. The findings indicate that productivity per employee has a direct relationship with training imparted in the employees. Based on the findings of this study, it was concluded that training leads to job satisfaction and high performance of employees in the organization. This is shown by the respondents emphasizing that training has led to improved skills, competencies and capabilities of employees to perform their job. It also enhances employees' attitudes, behaviours, confidence in

their job as well as knowledge of their job thus enhancing employee efficiency and effectiveness. Furthermore, training has been shown to help employees provide quality services, enhances employee motivation, team work, and perception. Also low level managers ought to support the use of techniques learned on training when employees reports back to the station.

Organizational climate was also found to play a significant role in employee productivity and organizational performance. The workplace environment plays a crucial role for the employees. The findings indicate that organizational climate ensures less absenteeism, improved participation and work commitment hence high employee productivity. It also influences employees' perceptions, feelings, attitudes and views of which affect employee productivity and organizational performance. It is therefore concluded that the quality of environment in workplace may simply determine the level of employee's motivation, productivity and performance in the organization.

5.4 Recommendations

The following recommendations are made in relation to the findings and conclusions of this research so as to aid the management of the Kenya Commercial Bank, banking sector as a whole and other companies in different sector to improve employee productivity and subsequently achieve organizational performance that they desire.

It is recommended that the bank should ensure that there is no biasness when conducting performance appraisal as it has a negative impact on individual productivity and organizational profitability. To further motivate employees, the bank should provide rewards and recognitions for the best performing employees.

The bank should also ensure that feedback is done periodically (annually or half yearly) so that the appraises may know whether they are meeting the management expectations or organization goals. It should be given promptly whether results are positive or negative and appraises rewarded or trained. There should be rewards for positive results as well as training for negative results in order to empower the employees.

It also recommended that the bank and /or any other organization can develop and enhance the quality of the current employees by providing comprehensive training

and development programs to equip employees with the right skills such as problem-solving, decision-making, teamwork, and interpersonal relations so as to enhance their productivity and subsequently enhance organizational performance.

The study also recommends that the bank provide a good working environment for employees so as to enhance their efficiency and productivity. The bank management must show a high level of commitment to employee objectives, while the employees will also show a high level of commitment to the organization.

5.5 Suggestions for Further Research

From the analysis, the independent variables studied explain only (78.5%) of the factors that affect employee productivity and organizational performance of Kenya Commercial bank. This means that the other variables not studied in this research contributed (21.5%) hence further research should be conducted to establish these other influencers not covered in this study. Also, the same study should be carried out in other organizations to find out if the same results will be obtained.

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APPENDICES

APPENDIX I: INTRODUCTORY LETTER

To whom it may concern,

Ref: Academic research in Kenya Commercial Bank (KCB) Limited.

I am a student at Kenyatta University doing an academic research about “Influencers of employee productivity and subsequent impact on organizational performance in Kenya Commercial Bank”. The study is in partial fulfilment for the award of Master of Degree in Business Administration (Strategic Management).

The purpose of this letter is therefore to request that you kindly fill the attached questionnaire that provides necessary information relating to the research. The information provided in the questionnaire will solely be used for academic purposes and will be treated with utmost confidentiality.

Your assistance will be highly appreciated.

Yours Sincerely,

Joel Matui

APPENDIX II: RESEARCH QUESTIONNAIRE

Please answer all the questions as best as you can. Please Tick as appropriate

PART 1: Respondents Demographic characteristics

1. What is your gender a) Male b) Female

What is your age bracket?

Between 18-25 Between 26-35 Between 36-40

Between 41-44 Between 45-50 50 and above

2. What is your highest academic qualification?

a) Primary level (b) Secondary level

c) Diploma level (d) Degree level

e) Masters level

(f) others(specify).....

3. What is your designation?

Senior Management Middle level manager Lower level staff

4. For how long have you worked in KCB?

Length (Years)	Below 3 years	4 – 7	8-11	Above 11 years
Response				

PART 2

Section A: Organizational performance

Mark with a tick (√) for each question

To what extent do you agree with the following statements: Where, **1**= Strongly disagree **2**= Disagree **3**= Neither disagree nor agree **4**= Agree **5**= Strongly agree

	1	2	3	4	5
1.Achievement of organizational profit before tax(PBT) is driven by individual performance					
2.Efficiency(performing or functioning in the best possible manner) of employees ensures high return on assets for its organization					
3.Effective (Producing the intended or expected result) employees have lead to low customer complaints by doing the right things					
4.Top productive employee generates high return on investment to its organization					
5.There is a direct link between organizational increased market share to individual productivity					
6.The total shareholder return is supported by how employee strategizes to improve his or her productivity					
7.Employee performance influences customer satisfaction					
8. The bank's profitability has increased for the last five years due to employees' performance					

Section B: Employee Motivation

1. Does KCB have a promotion program for the employees?

YES [] NO []

2. Does KCB have a mechanism to ensure that the employees are happy?

YES [] NO []

3. To what extend do you agree with the following statements: Where, **1= Strongly disagree** **2= Disagree** **3= Neither disagree nor agree** **4= Agree** **5= Strongly agree**

	1	2	3	4	5
1. Biased appraisal has negative impact on individual productivity and organizational profitability					
2. Promotion on merit ensures general improvement for all the employees and enhance employee performance					
3. Compensation through bonuses and profit sharing increases productivity					
4. Given the right tools and materials, as well as the right compensation, I work at my utmost ability					
5. Social recognition and performance feedback is key to employee performance improvement					
6. Setting of stretched targets but achievable leads to less complacency					
7. Employee engagement has led to low resistance to change and increased innovativeness					
8. Employee empowerment leads to quick decision making for increased customer satisfaction					

Section C: Training and Development

To what extent do you agree with the following statements: Where, **1=** Strongly disagree **2=** Disagree **3=** Neither disagree nor agree **4=** Agree **5=** Strongly agree

	1	2	3	4	5
1.My organization runs on-the-job training programs for employees					
2.My organization offers internal online training programs					
3.My organization has a sponsorship programs that assist employees to pursue academic and professional education programs.					
4.I get training on skills and abilities as outlined in my job description JD.					
5.Trainings in our organization focuses on developing teamwork and leadership skills					
6.My trainings and development programs facilitated by my organization increases return on investment					
7.Supervisors support the use of techniques learned on training when employees reports back to the station					
8.Developmental activity helps management in identifying, analyzing, forecasting and planning changes needed in organization					
9.My organization maintains Training needs analysis(TNA) file for every individual					
10.My organization encourages job rotation and job shadowing to sharpen skills across departments					

Suggest how training and development could be improved for KCB employees in the space given

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SEC D: Organizational Climate and Productivity/organizational performance

To what extend do you agree with the following statements: Where, **1= Strongly disagree** **2= Disagree** **3= Neither disagree nor agree** **4= Agree** **5= Strongly agree**

	1	2	3	4	5
1. Enthusiasms, excitement and happiness is usually felt in our organization due to developmental climate which affects positively individual performance					
2. Internal process climate influences employee's productivity					
3. Rational climate could lead to low resistance to change.					
4. A well checked group climate ensures less absenteeism, improved participation and work commitment hence high productivity					
5. Perceptions, feelings, attitudes and views of employees affect employee productivity and organizational performance					
6. A good organizational climate have a positive influence on employee's productivity					

THANK YOU!

Appendix III: Letter of Authorization