Diagnosing Poor Performance and Enhancing Motivation of Employees

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Abstract

This study attempts to examine the diagnosing poor performance and enhancing motivating employees in the banks in Kathmandu City. Major objective of the research is to identify the causes of poor performance in banks employee to motivate them. Fourty human resource managers of the banks are the sample of the study. Structured questionnaires were used to collect data. Descriptive statistics and regression analysis is used for data analysis purpose. It was found equitable rewards system, using internal and external incentives, facilitating performance, and linking performance to rewards and discipline are the major factors for diagnosing performance of employees in the banks.

***Key Words:** Diagnosing performance, rewards, feedback.*

Introduction

Every organization would like to obtain an effective output from their employee for whom they may require to properly train their employee or pay attention to the relationship between staffs and the employee, the nature of the job, quality of the working life and the like. Dealing with the performance problem is a real challenge for any supervisors. Performance implies productivity measured in terms of effectiveness and efficiency (Griffin, 2005). Poor performance is an issue that worries the managers and the employee alike. Moreover it is the failure of an employee to do the job at an acceptable manner (Griffin, 2005).

Individual performance is generally determined by three things: motivation (the desire to do the job), ability (the capability to do the job), and the work environment (the resources needed to do the job). For managers, the key issues regarding the ability are to make sure that the employees have the abilities they need to perform their jobs efficiently (Motivating the Employees, n.d.).

If motivation is the problem then, the task for the managers is more challenging (Griffin, 2005). When workers think that good performance goes unrecognized, their motivation to perform at a high level tends to be low (Performance & Motivation, n.d.).

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Motivation is the psychological features that arouse anyone to act towards a desired goal, the reason for that action. Motivation is the only factor among many that contribute to worker's job performance. The motivation process begins with a need deficiency. When workers are motivated to contribute a high level of inputs- to work harder, more efficiently and more creatively- and perform their jobs more efficiently, organizational effectiveness increases (George & Jones, 1999). A highly motivated worker will work hard towards achieving the performance goals (Poor Performance Management, n.d.).

Motivation is an important consideration for the managers because it , along with ability and other environmental factors, determines individual performance (Griffin, 2005)

As a result without motivation, employee will not contribute towards the productivity and the success of overall performance of organization (Snell, 2002). Thus, motivation is important because of its significance as a determinant of performance and because of its intangible character (Griffin, 2005).

The proposed study deals with several issues. It deals with the managerial level at several banks to understand or to identify the several issues, as such:

What are the causes behind the poor performance of their employee?

Whether the poor performance is the result of lack of motivation, required information about the feedback of the performance of the employees?

Whether the top management feels it's their responsibility to motivate their employee which will help them to improve their performance or not?

Whether or not the managers are distributing the rewards equally to their employees?

Whether the management provides a timely and straight forward feedback to their employee or not?

How the management does links the performance with the reward and the discipline of their employee?

Objective of the Study

The study focuses to attain following objectives as follows:

To analyze and find out the causes behind the poor performance of their employees.

To motivate the poor performing employees and provide an ultimate feedback to their performance.

To understand how the managers facilitate and approach the performance of the employees.

To serve the information to the management about their reward system and the possible effect of the biased reward system, if any.

To help the management provide timely feedback to their employees.

To assist the management to establish link between the reward system and the discipline.

Research Framework

This study uses the framework that shows the diagnosing performance as a dependent variable and the several factors that influences the performance as the equitable reward system, timely and straight forward performance feedback, internal and external incentives, linking performance to rewards and discipline, establishing expectation and setting goals and facilitating performance in among the employees as independent variables. It can be shown from the following figure below:

Figure 1: Research Framework
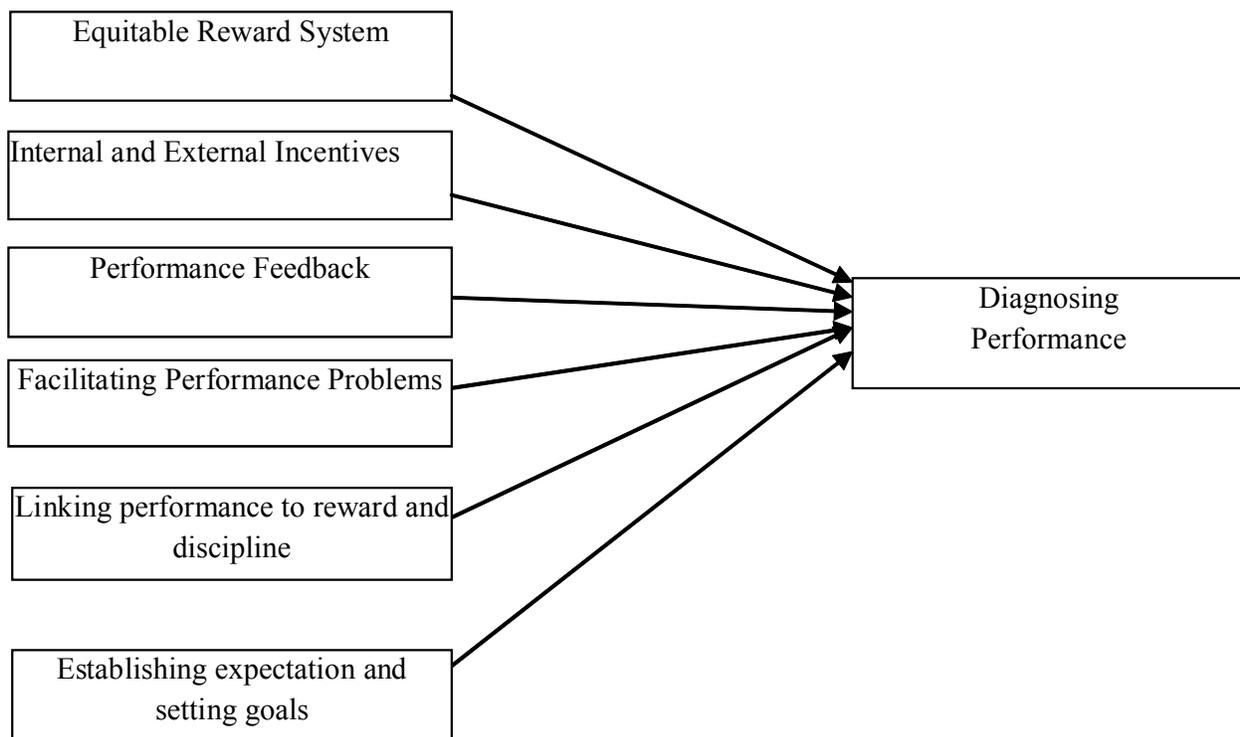
Development of Hypotheses

Hypothesis is a statement capable of being test and thereby verified or rejected. A hypothesis is a conjectured statement of relationship between two or more variables (Joshi, 2010).

The research has proposed the following hypotheses:

H_1: Equitable reward system has a direct significant impact on the performance.

H_2: Internal and External incentives have a direct significant impact on the performance.

H_3: Performance feedback has a direct significant impact on the performance.

H_4: Facilitating performance problems have a direct impact on the performance.

H_5: Linking performance to rewards and discipline has a direct impact on the performance.

H_6: Establishing expectations and setting goals have a direct impact on the performance.

Research Methodology

Research Design
Research design is a master plan specifying the methods and procedures for collecting and analyzing the needed information (Kothari, 2009; Zikmund, 2007). This field report is descriptive as well as causal in nature.

Nature and Source of Data
The data collected for the proposed study will be primary in nature. Questionnaires were used to obtain the needed data. A questionnaire is used when factual information is desired (Best & Kahn, 2004).

Population and sample
Commercial banks in around the Kathmandu City were being taken as a sample. Human resource managers of those banks will be taken as a population for the research purpose.

Data Collection
The data are obtained from the questionnaire filled by the Human Resource managers and Branch managers of the different banks taken for the purpose of the study. The questionnaire based on 5-point likert scale anchored by "Strongly Disagree" = '1' to "Strongly Agree" = '5' will be used for collecting the data (Shah & Poudel, 2007; Sthapit, Yadav & Khanal, 2005).

Respondent's Profile

Survey Response
A total of 50 questionnaires were distributed to respondents, only 42 were returned. Out of them 2 questionnaire were not used for data analysis as the researcher found that the respondents not following the questionnaire instructions and the answer not consistent. Hence the total number of questionnaires that were used for the data analysis was only 40.

Table 1: Survey Response

Particulars	Total	Percentage
Questionnaires distributed	50	
Collected Questionnaires	40	84
Usable Questionnaires	40	80
Discarded Questionnaires	2	4
Uncollected Questionnaires	8	16

Respondents Profile

53 percentage of the respondents are male while the remaining 47 percentage respondents is female. Majority of the respondents of the respondents are of age group 26-35 years of age with a steady percentage of 74 and 20 percentage of the respondents fall in the age groups 36-45 years.

Data Analysis Tools

Descriptive statistics

For the analysis of the data mean, standard deviation, and regression analysis was used.

Multiple Regression Model:

$$DP = \alpha + \beta_1 ERS + \beta_2 IEI + \beta_3 PTPF + \beta_4 FP + \beta_5 LPRD + \beta_6 ESG + \varepsilon_i \dots\dots\dots\dots\dots\dots\dots\dots (i)$$

Where,

DP= Diagnosing performance; α=constant; β_i=coefficient or slope of regression model;

ERS=equitable reward system; IEI=internal and external incentives; PTPF= providing timely Performance feedback; FP=facilitating performance; LPRD=linking performance to reward and discipline; and ESG= establishing expectations and setting goals

Limitations of the Study

There are few limitations of the study so conducted and they are as - the study was based on the respondent's survey only. Only primary data were collected for the study. Convenience sampling was taken for participants.

Results and Discussion

Descriptive Statistics

The descriptive statistics of the study are presented in the table 2.

Table 2: Descriptive Statistics

	Variable items	Mean	Standard Deviation
ERS	Equitable rewards system	4.183	0.6491
PTPF	Providing Timely Performance Feedback	4.177	0.5150
LPRD	Linking Performance To Rewards and Discipline	4.116	0.4482
IEI	Internal and External Incentives	4.091	0.4173
ESG	Establishing Expectation and Setting Goals	3.983	0.4991
FP	Facilitating performance	3.888	0.569
DP	Diagnosing performance problems	3.983	0.4633

Table 2 highlights distributing rewards equally, timely feedback and linking performance to rewards and internal incentives motivates employees to diagnosing performance of the employees.

Regression Analysis

The regression analysis is being done and presented in the Table No. 2.3

Table 3: Regression Analysis

Predictors	β	p-value
(Constant)	0.366	0.706
Equitable Rewards System (ERS)	0.329	0.013
Using Internal External Incentives (IEI)	-0.014	0.009
Providing Timely Performance Feedback (PTPF)	0.132	0.445
Facilitating Performance (FP)	0.105	0.050
Linking Performance to Rewards and Discipline (LPRD)	0.399	0.051
Establishing Expectation and Setting Goals (ESG)	-0.077	0.651
R = .681; R2= .464; Adjusted R2 = .324; Standard error of the estimates = .381 F-value = 33.32, p-value of F-test = 0.000; Sig. at 5% level of significance		

From Table 3, F-value and p- value of the regression analysis are 33.322 and 0.000 respectively which is significant at 5 percent level of significance. So, the model fits linearly. R square of this model is0.464 or 46.4% .this means only 46.4% of variation in diagnosing performance is explained by the other independent variables.

The coefficient of the variable" facilitating performance "is 0.105. It means that change in one unit of this variable leads to the increase in performance of the employee by 0.105.

The coefficient of the variable "linking performance to reward "is 0.399. It means that change in one unit of this variable leads to the increase in performance of the employee by 0.399.

Likewise the coefficient of the variable "providing timely and straightforward feedback" is 0.132. It means that with the change in one unit of this variable, the performance of the employee increases by 0.132.

The coefficient of the variable "distributing rewards equally" is 0.329. It means that with the change in unit value of this variable, the overall performance of the employee increases by 0.329.

But the coefficient of two variables "using internal and external incentive" and "establishing expectations and setting goals' are negatively related with their coefficient -0.014 and -0.077 respectively. It means that with the increase in one unit of these variables the performance of the employee decreases by 0.014 and 0.077 respectively.

Hypotheses Testing

H$_1$:   **Equitable reward system has a direct significant impact on the performance.**
p-value of equitable reward is 0.013 which is significant at 5 percent level of significance. So, hypothesis 1 is accepted.

H$_2$:   **Internal and External incentives have a direct significant impact on the performance.**
p- value of internal and external incentives is0.009 which is significant at 5 percent level   of significance. So, hypothesis 2 is accepted.

H$_3$:   **Performance feedback has a direct significant impact on the performance.**
P- value of providing timely and straightforward performance feedback is 0.445 which is not significant at 5 percent level of significance. So, hypothesis 3 is not accepted.

H$_4$:   **Facilitating performance problems have a direct impact on the performance.**
p- value of facilitating performance problems is 0.05 which is significant at 5 percent level of significance. So, hypothesis 4 is accepted.

H$_5$:   **Linking performance to rewards and discipline has a direct impact on the performance.**
p-value of linking performance to rewards and discipline is 0.051 which is not significant at 5 percent level of significance. So, hypothesis 5 is not accepted.

H$_6$:   **Establishing expectations and setting goals have a direct impact on the performance.**
p-value of establishing expectations and setting goals is 0.651 which is not significant at 5 percent level of significance. So, hypothesis is also not accepted.

Conclusion

This study examined the manager level employees in understanding the factors that could possibly affect the performance of their employees. Similarly, by understanding the effect of different factors that have an effect upon the performance of the employees, the managers can design proper package that can effectively bring about a desired change in their performance which in turn will increase the overall efficiency of the organization.

Since the performance of the employees impact the overall organizational performance, the problems related with the performance must be reviewed by the managers with an utmost

concern and without any delay. The delay in facilitating the performance problems will result in the poor performance of the employees.

Employees hardship which is reflected in their performance should be properly linked to reward system and without any biasness. Similarly, poor performing employees must also be assisted in setting their goals so that they can have a sense of inner satisfaction. This in turn can enrich the productivity and commitment of the employees towards the organizations. The employees whose performance is seen poor should be motivated so that they can perform better.

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