

**PERFORMANCE MANAGEMENT AND EMPLOYEE PERFORMANCE IN
FINANCIAL INSTITUTIONS IN UGANDA
A CASE STUDY OF EQUITY BANK UGANDA LIMITED**

BY

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DECLARATION

I, Nyanzi Jennifer, declare that this dissertation is my original work and has never been presented to any Institution of Higher Education for any academic award. Where it is indebted to the work of others, the acknowledgement has been made.

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APPROVAL

We certify that the dissertation “Performance Management and Employee Performance in Financial Institutions in Uganda, A case study of Equity Bank Uganda Limited” has been under our supervision and is now ready for submission for examination with our approval as Kyambogo University based supervisors.

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DEDICATION

This dissertation is dedicated to my Husband Mr. Kalali Ronald, my dear children Derrick Praise and Abigail. I dedicate it to my parents, brothers and sisters who have been behind my struggle to finish my course.

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This dissertation would not have been completed without the support, help, collaboration and sacrifices of a number of individuals and i sincerely express my gratitude to all of them.

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ABBREVIATIONS AND ACRONYMS

EBUL:	Equity Bank Uganda Limited.
MBO:	Management By Objectives.
MDIs:	Micro-Deposit taking Institutions.
PMS:	Performance Management System.
POS:	Perceived Organizational Support
SACCOs:	Savings and Credit Cooperatives.
SPSS:	Statistical Package for Social Sciences.
TQM:	Total Quality Management.
UML:	Uganda Microfinance Limited.

ABSTRACT

The study focused on performance management and employee performance in financial institutions in Uganda using a case of Equity Bank Uganda Limited. The purpose of this was to assess the relationship between performance management and employee performance in financial institutions. The study objectives were; to establish the relationship between performance planning and employee performance, to analyse the influence of performance monitoring on employee performance and to establish the relationship between performance reward and employee performance in financial institutions in Uganda. The study adopted a case study research design and both quantitative and qualitative approaches were used to collect data. Data was collected from a simple random sample of 100 participants and purposively selected samples of 9 respondents were able to fill and return the questionnaires and interviewed respectively out of the total targeted sample size of 118 individuals. A 5-point Likert scale questionnaire, two interview guides and documentary review were used to collect data.

The study findings indicated that there is a positive significant relationship between performance planning and employee performance at Equity Bank Uganda Limited. The results also revealed that performance monitoring strongly influences employee performance. The study findings established that performance reward had significant positive relationship with employee performance. The results of the study revealed that the selected performance management explained 52.4% of employee performance while 47.6% was explained by other factors.

Basing on the study findings, it is recommended that the managers in financial institutions should ensure performance planning be decentralized in order to allow full employee participation in setting goals and performance expectations by all workers regardless of their cadre. Secondly, institutional management must also ensure that performance management is continuous processes that provide immediate feedback to the concerned workers. Lastly, financial institutions' manager should ensure that the reward systems are modernized to create a competitive advantage that attractive and induce employee performance. In addition, managers must ensure that there is effective use of rewards that can encourage employees to gain the skills that are necessary to help them and sustain the institutional cooperate governance principles.

CHAPTER ONE

1.1

GENERAL INTRODUCTION

The study sought to assess the relationship between performance management and employee performance at Equity Bank Uganda Limited. For this study, performance management as the independent variable was conceptualized with performance planning, performance monitoring and reward while dependent variable employee performance concerned itself with timeliness, cost-effectiveness, creativity at work, quality of work and quantity of work.

In this chapter therefore, the researcher addressed the background to the study, theoretical process, conceptual framework, and statement of the problem, purpose of the study, the study objectives, research questions, scope and the significance of the operation definition.

1.2 Background to the Study

1.2.1 Historical background to the study

The origins of performance can be traced back in the 1900's (Armstrong & Baron, 2005; Wright & Kehoe, 2007). Primarily the process was developed by managers to justify whether the salary paid to individual employees was justified. Since then, performance management processes have become much more sophisticated and have evolved to encompass variations in the usual line manager-employee appraisal to encompass areas such as competencies, 360 degree feedback, and development planning.

In the 1950's performance management was a source of income justification and was used to determine an employee's wage based on performance (Brumback, 2003) Organizations used performance management to drive behaviors from the employees (that is motivate employees) to get specific outcomes. In practice, this worked well for certain employees who were solely driven by financial rewards. However, where employees were driven by learning

and development of their skills, it failed miserably. The gap between justification of pay and development of skills and knowledge became a huge problem in the use of performance management.

The term performance management gained its popularity in early 1980's when total quality management programs received the importance for achievement of supervisor standards and quality performance (Dessler, 2005). Tools such as job design, leadership development, training and reward system received an equal impetus along with the traditional performance appraisal process in the new comprehensive approach to manage and reward performance was needed (Wright, Gardner & Moynihan, 2003). This approach of managing performance was developed in the United States of America much earlier than it was developed in Australia and other developed countries.

In the recent decade, however, the process of managing people has become formalized and specialized (Elias and Scarbrough, 2004). Many of the old performance appraisal methods have been absorbed into the concept of performance management, which aims at expecting a more extensive and comprehensive process of management. Some of the developments that have shaped performance management development in recent years are the differentiation of employees or talent management, Management by objectives and constant monitoring and reviewing of work was accelerated by the introduction of human resource management as a strategic driver and integrated approach to the management and development of employees. Thus given such background modern institutions are effused into the dilemma of completion and service delivery with this the only asset that institutions are left with is human resources which must be maintained well to achieve the corporate governance principles that is the researcher to examine the relationship to performance management and employee performance with specific emphasis on financial institutions.

1.2.2 Theoretical perspective.

The study was guided by theoretical foundation for performance management that lie in motivation theory and, in particular, Locke's 1960 goal setting theory and Vroom's 1964 expectancy theory (Fletcher, 2000; Mitchell, Thompson & George-Falvy, 2000). The goal setting theory suggests that not only does the assignment of specific goals result in enhanced performance but that, assumes goal acceptance, increasing the challenge or difficult of goals leads to increased motivation and increases in performance (Mitchell, Thompson & George – Falvy,2000; Mitchell et al, 2000; Locke & Latham,1990). Expectancy theory hypothesizes that individuals change their behavior according to their anticipated satisfaction in achieving certain goals (Vroom as cited in London, Mone & Scott, 2004) implications for the performance management processes.

Clark (as cited in Atkinson and Shaw 2006) suggest that both goal setting and expectancy theory are founded on the premise that human beings think in a rational, calculative and individualistic way. Indeed, he argues that performance management is based on rationalistic, directive views of the organization which assumes not only that strategy can be clearly articulated but also that the outcomes of human resource processes can be framed in a way that makes clear their links to the organization's strategic objectives. He further argues that the approach assumes causal links between different parts of the process that can be readily identified and enable under performance in one or more aspects of the process to be managed to ensure optimum functioning of the wider performance management system (PMS). However, such assumptions not only ignore the nature of strategy and its formulation, but also fail to recognize the context in which a performance management system operates (Torrington, Hall & Taylor, 2005).

1.2.3 Conceptual background to the study

Stevens and Joyce (2000) defines performance management as a process for ensuring that employees remain focused on their work in ways that contribute to the achievement of an organization's mission. The practice includes various activities regarding training employees, empowerment. Supervisors and managers are responsible for managing the performance of their employees. Each organization's policy should specify how the performance management is executed. Organizations should adopt performance management practices that are consistent with the requirements of their policies and those that best fit the nature of the work performed and the mission of the organization (Stevens & Joyce, 2000). According to Armstrong and Baron (1998), performance management is both a strategic and an integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals. The process of performance management includes, performance planning, monitoring and rewarding performance (Armstrong, 2006).

Performance planning in this study refers to setting performance expectations, goals, how performance will be measured and competence needed to channel efforts of teams and individuals towards achieving organizational objective (Armstrong, 2011; US Office personnel Management).

Performance reward is seen as recognizing employees, individual and members of teams for their performance and acknowledges their contributions towards achievement of organization's objectives (US Office of personnel management, 2011).

Performance monitoring is seen as a continuous process which involves monitoring progress of projects and assignments and consistently measuring performance and providing ongoing

feedback to employees, includes progress reviews with employees where their performance is compared against their objectives and standards (US Office of personnel management, 2011).

Armstrong (2000) defines employee performance as record of outcome or record of a person's accomplishments. Similarly employee performance is seen as a systematic, continuous and flexible process which involves managers and employees acting as partners within the framework that sets out how best they can achieve the required results in the accomplishment of its goals (US Office of Personnel management, performance overview, 2001).

1.2.4 Contextual Background to the study

The Banking and Microfinance sections currently is composed of commercial banks, credit institutions, micro-deposit taking institutions (MDIs), and more than 1,200 Tier 4 MFIs including savings and credit cooperatives (SACCOs) which offer a variety of financial products and services in both the rural and urban areas of Uganda. Equity Bank Limited - Uganda (EBLU) which is the case to this study started in July 2008 when Equity Bank Kenya successfully acquired a 100% stake in Uganda Microfinance Limited (UML). Equity Bank Limited - Uganda therefore entered the market with a footprint of 31 branches and 16 contact offices spread over 29 districts in Uganda. The entry to Uganda marked the first stride in Equity Bank's regional expansion strategy.

However, in the last 10 years, Uganda has had more opening shops, mergers and take over's in Financial Institutions and yet these institutions have failed to build a pool of experienced and skilled labour to offer the kind of high level expertise required (Joanna and Victoria, 2013). Because of this, most Financial Institutions recruit graduates with various academic and professional qualifications regardless of any banking and credit management skill and experience, with a hope of providing them with on job training to develop their skills and

experience. However like any other organization, Equity Bank Uganda limited is grappling with the retention challenges due to inconsistencies in their performance planning, performance monitoring and rewards.

The Bank has 31 branches of which they are situated in the different regions in Uganda mainly in the central region. The Bank is experiencing a high rate of staff turnover (The Equity News, 2014). Much as some employees give many reasons for exit, others just quit without clear reasons and most times any warning (The Equity News, 2014). The institutions systems in term of human resource management are not clearly communicated to the workers. Worse still, new Financial Institutions seem to be offering better terms and salaries than that of Equity Bank Uganda Limited. As a result, more resignations are experienced by this Bank compared to other commercial Banks in the region. There are also some disparities in the salary structure where the increments are not communicated clearly yet overall performance of any organization depends upon the extent to which human resource is effectively utilized. Highlighting the importance of people in the organization, Khera (1999) opined that today when most business houses are obsessed with Total Quality Management (TQM) in order to stay ahead of competition, very few organizations realize that their most precious assets are their employees. The cardinal purpose of performance management is enhancement of employee performance. It is upon this background that I sought to gain an insight into the current performance management practices and its relationship on employee's performance in finance institutions with a case study of Equity Bank Uganda limited

1.3 Statement of the problem

Equity Bank uses various approaches to motivate its employees in order to achieve its vision and mission and one of the approaches is performance management. The Bank adopted a performance review process, which was a great opportunity to revisit expectations and goals within the organization Luyombo (2008), and performance supported to give employees chance to discuss their performance and facilitate talk to understand the job requirements.

However, despite the adoption and implementation of the performance management, Equity Bank Uganda Limited is faced with the challenge reflected through low levels of employee performance which is characterized with poor quality of work, poor creativity at work, less quantity of work performed, too much time taken during work performance by employees from both lower manager, middle and top managers (Joanna and Victoria, 2013). 'According to the Equity Newspaper Issue 6th November, (2014), the General Manager- Human Resources expressed the concern of low employee performance a situation which has resulted in poor performance appraisal results. If performance management approaches are not well informed as well as based on purely organizational demands and needs, it is likely to affect employee performance. It is for this reason therefore that there is need to carry out a study to assess the relationship between Performance Management on Employee performance at Equity Bank Uganda Limited.

1.4 Purpose of the study

The purpose of the study was to assess the relationship between performance management and employee performance at Equity Bank Uganda Limited.

1.5 Objectives of the study

- 1) To establish the relationship between performance planning and employee performance at Equity Bank Uganda Limited.

- 2) To analyze the influence of performance monitoring on employee performance at Equity Bank Uganda Limited.
- 3) To establish the relationship between performance reward on employee performance at Equity Bank Uganda Limited.

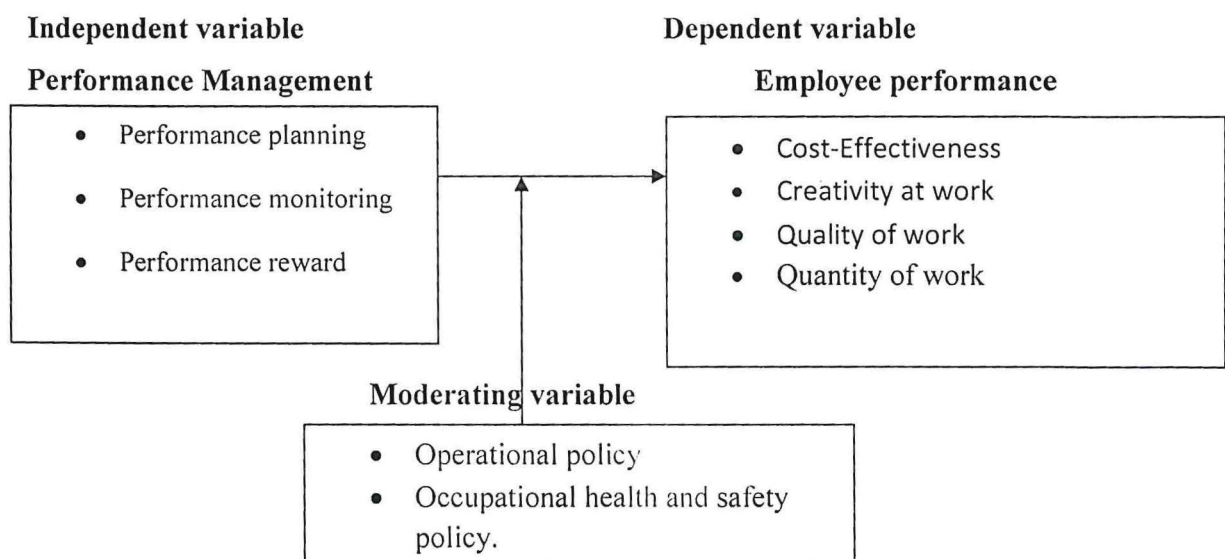
1.6 Research Questions

- 1) What is the relationship between performance planning and employee performance at Equity Bank Uganda Limited?
- 2) How does performance monitoring influence employee performance at Equity Bank Uganda Limited?
- 3) What is the relationship between performance rewards on employee performance at Equity Bank Uganda Limited?

1.7 Conceptual Framework

The framework below conceptualizes the relationship between performance management and employee performance which is resourced either to timeliness, cost-effectiveness, creativity at work, quality of work, and quantity of work.

Figure 1: Showing conceptual framework of the study



Source: Adapted from Armstrong (2006); Locke & Latham (2002), goal setting theory; Brody (2004) and Fleteher (2000); Mitchell, Thompson & Gerorge-Falvy (2000)

The conceptual framework shows the independent variable as performance management in terms of performance planning, performance monitoring and performance reward and the dependent variable as employee performance measured in terms of timeliness, cost-effectiveness, creativity at work, quality of work and quantity of work. It is conceptualized that the performance management affects employee performance. For example, poor performance management decrease employee performance and vice versa. In particular, it is hypothesized that poor performance planning decrease employee performance and vice-versa. Furthermore, it is hypothesized that poor performance appraisal and poor performance reward decreases employee performance and vice-versa. The frame work is moderated with operational policy and occupational health and safety policy; however this factor was not studied.

1.9 Scope of the study

1.9.1 Subject scope

The research focused generally on the relationship between performance management on employee performance with more emphasis on the performance planning, performance monitoring and performance reward as the main performance management practices, thus leading to timeliness, cost-effectiveness, creativity at work, quality of work, quantity of work.

1.9.2 Geographical scope

This study was carried out at Equity Bank Uganda limited Head office located on Muteesa I Road, Kampala.

1.9.3 Time Scope

The study concerned itself with the period from 2014 to 2015 because it is the period when the Manager Human Resources expressed her concern for low employee performance at Equity Bank Uganda Limited.

1.10 Significance of the study

1. The study is intended to identify and critically assess the relationship between performance management on employee performance in financial institutions. This may be used as feedback into the organization in ways of satisfying employees and creating organizational fit and adjustment will be carried out accordingly to promote better, effective and efficient performance management in different organizations.
2. New investors could use the findings and recommendations of the study to appreciate the different performance management and their influence on employee performance in Ugandan institutions thus helping them create organizations that may have a competitive edge in the economy.
3. At the research level, the findings are meant to bridge the gap between the theory studied in class and performance management. The findings will contribute to the existing literature about performance management and employee performance since the humans are the most valued asset of the organization.
4. The information obtained may be utilized in formulation of policies at all financial and non-financial institutions, agencies, government institutions and non-government organizations in regard to performance management. This will help to curb employee and citizens unrests caused by complaints against such organizations.

1.11 Justification of the study

Low employee performance is costly in that it leads to a decrease in the organization's performance, a loss of revenue to the organization, increased staff turnover. Thus there is a

need to conduct this study to find out how employees at Equity Bank are motivated with a focus on performance management. Employee performance is the desire to work that little bit harder. The Bank will try to improve employee performance in order to achieve a desired goal and sustains certain goal directed behaviors. The Bank could improve employee performance by their performance management in order for workers to work harder. The above have motivated the researcher to conduct a study to establish the relationship of performance planning, performance monitoring and performance reward on employee performance at Equity Bank Uganda limited.

1.12 Operational Definitions

Reward; refers to employee benefits and compensations.

Performance planning; is the setting of goals for groups and individual to channel their efforts towards achieving organizational objectives. It also includes yard stick that will be used to determine whether expectations and objectives are being met.

Performance measurement; is a process by which organizations establish the parameters within which programmes are reaching the desired results.

Performance appraisal; providing judgment based on basement of relevance, appropriateness efficiency, impact and sustainability of performance management.

Monitoring; regular checking of progress against the plan that aims at primarily to provide management and maintain stakeholders on an ongoing intervention with early indications of progress, or lack in the achievement of results.

Performance Management; refers to both a strategic and an integrated approach of delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter consists of the theoretical review to the study, conceptual review to the study the assessment of literature on the independent variable, performance management mainly performance planning, performance monitoring and performance reward assessing their relationship on the dependent variable, employee performance as put forward by different scholars, conceptual review and theoretical review. It further reviews literature on how these two variables impact each other, clearly underscoring gaps in literatures of different academicians.

2.2.0 Theoretical review to the study

The study was guided by theoretical foundation for performance management that lie in motivation theory and, in particular, Locke's 1960 goal setting theory and Vroom's 1964 expectancy theory (Fletcher, 2000; Mitchell, Thompson & George-Falvy, 2000). The goal setting theory suggests that not only does the assignment of specific goals result in enhanced performance but that, assumes goal acceptance, increasing the challenge or difficult of goals leads to increased motivation and increases in performance (Mitchell, Thompson & George – Falvy, 2000; Mitchell et al, 2000; Locke & Latham,1990). Expectancy theory hypothesizes that individuals change their behavior according to their anticipated satisfaction in achieving certain goals (Vroom as cited in London, Mone & Scott, 2004) implications for the performance management processes.

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Performance monitoring is seen as a continuous process which involves monitoring progress of projects and assignments and consistently measuring performance and providing ongoing feedback to employees. It includes progress reviews with employees where their performance is compared against their objectives and standards (US Office of personnel management, 2011).

2.3.1 Performance planning and employee performance

Performance planning is often the most difficult phase which involves identity, clarity and agreeing upon expectations, identify how results will be measured, agreeing on monitoring process and documentation of the plan. Managers need to ensure that the objectives are good presentation of the full range of duties carried out by employees, especially those everyday tasks that can take time but are often overlooked as a significant accomplishment. Performance planning is collaborative effort involving both managers and employees during which they will review employee job description to determine if it reflects the work that the employee is currently doing; identify and review links between work plan and organization objectives and strategic plan; develop work plan that outlines the task, to be accomplished, expected results and measures that will be used to evaluate performance, identify key results areas determined by organization's strategic plan which are critical to the overall success of the position, identify training objectives that will help employee develop his/her skills,

knowledge and competencies that can be put of long-term career planning. Thus means performance planning is part of every good coach. Hence, these plans, which form a comprehensive road map designed for employees, specifically, detailing what they are expected to do (Norton, 2001). However, some organizations to day have no clear approaches on performance planning which involves identity, clarity and agreeing upon expectations; identify how results will be measured thus affecting employees performance.

Various theories (Notably Goal setting theory by Locke, 2000) have been evolving overtime to explain the occurrence of events and issue in the field of performance planning and employee performance. This has consequently had far reaching benefit in positively impacting the process of selecting, developing and using performance planning tools and solutions to reverse employee performance related problems. Locke in the (1975, 2006); Locke & Latham, (1990) indicate that specific agreed goals yield higher performance than when people strive to simply do their best to achieve ambiguous goals. They further provide empirical evidence of performance benefit where specific goals have been achieved in hundreds of laboratories and field studies (Locke & Latham, 1990, 2002). Therefore, in circumstances where an organization has no defined specific goals that employees have to achieve, it affects employee performance when people strive to simply do their best to achieve ambiguous goals.

The goal theory suggests that the joint setting of objectives, feedback and involvement, which are all part of a managerial approach, can improve performance. The theory places particular emphasis on goal-setting behavior and stipulates that the goals need to be clear, specific and achievable if they are to motivate. Nagym (2002) argued that employees are motivated if they are aware of what needs to be done in achieving a specific goal, irrespective of the difficulties they might encounter in doing so. This

theory lies at the center of performance based performance programme which are effectively applied in human resource management in form of management by objectives (MBO) technique that harbors employee involvement in goal setting, decision making and feedback. Robbins (1998) states the employees will perform better if they get continuous feedback in terms of how well they are progressing towards their goals. Employees granted the opportunity to be involved in the preparation of their own goals would be more committed in achieving such goals.

According to Michelle (2007) and Helmut (2002), argues that during performance planning there are decisions that are made and the most important decisions in an organization affect not only the decision maker but also other members of the organization. The allocation of decision rights according to Helmut (2002); Jensen and Mechelle (2007) can resolve the problem of externalities that may have impact on other stakeholders when important decisions concerning them are made without their participation. According to Osterman (1994), around 45% of workers decide the mode of doing their job. Aghion, and Tirole (1997) support the view when they observe that as interests between management and employees become more aligned, delegation of decision-making rights motivates employees to improve their performance without causing severe disruption to the decision-making process. Juliette and Jeff (2005) however argue that there are certain circumstances (such as sensitivity and nature of the matter) under which the employer may reserve authority over decision rights. However, much as interest between management and employees become more aligned where delegation of decision-making rights motivates employees to improve their performance, some do not perform as they are expected due to the performance results and increase in employee exit.

In performance planning, implementing the learning and development plans which involves coaching, training, attachments, monitoring and close supervision improves employee performance in an organization (Bhati, 2007). Based on performance plans, each institution identifies critical competencies that need to be developed in order to accomplish the tasks. Individual development planning helps identify the employee's career development goals and the strategies for achieving them. Typically, the employee will complete an individual development plan on an annual basis. This plan is intended to encourage employee to the ownership of his/her career development provide an administrative mechanism for identifying and tracking development needs and plans, assist in planning for the agency's training and development requirement. Supervisors and employees working together to complete the employee's development plan, but employees are ultimately responsible for taking the initiative for their professional development. From this review a mix of relationship that is worthy explored is observed (Qureshi and Bhati, 2007).

Patricia & Bernard (2001), in their guide book performance management is the regular collection and reporting of data due to track work produced and results achieve several performance measurement systems are in use today, each with its own group of supporters. For example, the Balance score card (Kaplan & Norton, 1993, 1996, 2001), designed for business wide implementation performance measurement is fundamental building block of total quality management and total quality organization. A simple performance measurement framework which includes defining and understanding metrics, collecting and analyzing data, prioritizing and taking improvement action (Patricia and Bernard consultant,2001).

Qureshi (2007) asserted that there are two often quoted statements that demonstrate the importance of performance measurement, "when you can measure what you are speaking about and express it in number you know something about it" you cannot manage what you

cannot measure” these demonstrate the importance of performance measurement which plays a critical role in identifying and tracing process against set goals, identifying opportunities for improvement and comparing performance against the set targets. Qureshi and Bhati (2007) argue that the best way to improve employee performance is buy shared goals between employees, and supervisors. Further, by allowing workers to input into development of mission statements, organizational policies and procedures, setting goals among others can improve employee performance.

Further similar position is seen from Kaplan & Norton (1992) through their works about the balanced scorecard; as well as from works Frank (2008) who indicated that where there is lack of decision right that is lack of decision rights, that is lack of authority and responsibility for making particular decision, organization need to balance decision rights to lower levels in the organization against control losses from increased information system. While goal setting Theory is generally analyzed at individual level its principles are considered relevant that organizational level to Locke (2004) Banner & Cooke Coens & Jekins (2000) argue that goal setting is effective for any task where people have control over their performance.

2.3.2 Performance monitoring and employee performance

In the practice of modern day-today management recommended by Druck (1999), Baum & Lock (2004) observed that supervisors need not to be so close to their subordinate nor do business/organizational managers (owners) work so closely to their staff. That is staff/employees have to be trusted with some degree of confidence (Banner & Cooke, 1984; Banura & Cervone,1983) that they can deliver to the assigned tasks with this emerging trend there is a need to have an appraisal mechanism established and well known way of how feedback about employee performance can be obtained arises.

In performance monitoring, there is an exchange relationship between employees and an organization and that employees believe that there is a value offered that forces them to perform as expected (Eisenberger et al, 1986). This relationship is what these Scholars call “perceived organizational support theory (POS)”. These theories proceed today that an employee’s perception that the organization values his/her contribution and cares about the employee’s well-being catalyses the employee to performance as desired of him or her by the organization. That is, borrowing from the “social exchange theory” of Blau (1964), which is actually the basis from which POS was derived, we see that when employees feel that they are monitored and their performance is reviewed by the organization, they will reciprocate it with some valuable return. Not surprising however, the opposite will be recorded when employees feel they are not supported, monitored and their input reviewed by organization.

This opposite is far extreme when the employee is appraised with undesired feedback despite his/her effort to record positive performance. Hence from this review, we see that rationale embedded in organizational support theory is concept of “perceived organizational support” which is simply the relationship of employee and organization where both the parties “reciprocate” each other with something valuable. For such reciprocal relationship performance monitoring of set target and goals to be effective such goals should be measurable in forms of quality, quantity, time and cost. This would help employees to adjust their effort on performance strategies to match goal requirements (Locke & Latham, 2002). Employees should be involved in the process of designing appraisal instruments as well as well as communication channels and modes of providing feedback to them.

In any performing organization, an implementation of a solution and/or course of action without a proper theoretical explanation on how the course of action is likely to operate so as to close the organization’s performance gap is disastrous (Greener, 2003).

This is because monitoring and evaluation of the course of action and/or solution is normally quite difficult. In addition, deLancer-Julnes & Holzer (2001) suggest that management must continually monitor and measure the performance of employees after the implementation of a new course of action/solution to see if there is a positive effect on employees' performance. If performance remains stagnant or declines, management must take appropriate action(s) in order to rectify the situation (Dixon & Ross, 1999).

In performance monitoring, where the performance appraisal improves the work performance and employee satisfaction, it can also demotivate employees and leaves a bad impression on the good employees (Mackey and Johnson, 2000). Most of the employees do not approve of continuous performance appraisal and also consider it as a burdensome activity (Anderson, 2002). According to Kuvaas (2006) and Rudman (2003), a performance appraisal and employee appraisal is a method by which the job performance of an employee is evaluated (generally in terms of quality, quantity, cost and time) typically by the immediate line manager or supervisor. A performance appraisal is a part of the process of guiding and managing career development in both private and public sectors. It involves the task of obtaining, analyzing and recording information about the relative worth of an employee to the organization. Mani (2002) states that performance appraisal is an analysis of an employee's recent successes and failures, personal strengths and weaknesses and suitability for promotion or further training.

In any performing organization, managers and employees should agree on performance expectations in advance of the performance appraisal policy period as revealed by (Aguinis, 2009). Employees cannot function effectively if they do not know what they are being measured against. On the other hand, if employees clearly understand the expectations, they can evaluate their performance and make timely adjustments as they perform their jobs

without having to wait for the formal evaluation review (Robbins and Coulter, 2002). According to Rudman (2003), performance management begins long before an employee's first annual performance appraisal policy. An employee's first day on the job is the first chance to establish performance expectations. Job descriptions contain a list of tasks and responsibilities. However, employee performance expectations include duties and responsibilities and the manner in which an employee should perform his/her job effectively (Markle, 2000). Tyson and York (2000) highlight that organizations routinely provide a job description, yet fail to discuss with new employees the purpose of the job and how it relates overall for the organization and the employee. Stone (2002) contends that discussions about employee expectations reveal what underlies the day-to-day tasks in the employee's performance description. Clarifying employee performance expectations is one step to creating an effective performance appraisal policy. As a result of non-awareness of the employee performance expectations, employee efforts could be wasted or unrecognized (Robbins and Coulter, 2002).

Appraisal is defined as the formal assessment and rating of individuals by their supervisors at a usually an annually review meeting (Armstrong, 2000). McBaeth (2000) argues that it limits performance appraisal to end of year activity. The purpose of performance appraisal is for continuous monitoring, reporting and guidance before actual documentation of performance is done. The purpose of performance review is to, assess progress made towards achievement of goals, assess performance on continuous basis in order to provide feedback and necessary action, identify skill gap, discuss challenges, and make plans of improvement (Williamson, 2002). Performance appraisal requires two way communication between appraised appraise about roles expectations, work relationships, performance appraisals is not just a routine exercise or annual event. Bissensser (2000) argues that appraisal objectives include, changing and modifying behavior, communicating to employees managerial

perception of quality of work, assessing the future potential of employees, recording appropriate training and development assessing the duties of employee are appropriately compensated.

In performance monitoring, for feedback to work well, it must be a two-way communication and joint responsibility of managers and employees as according to (Elain, 2012). Research has proved that for feedback to have most value, it needs to be given close proximity to the event. Effective feedback should provide immediate positive and developmental feedback in a private location, ask for the employee's review about what could have been done differently, be specific about what behaviors were effective or ineffective, focus on what the person did or did not do, not personal characteristic, collaboration plan steps adds development needs and offer help in addressing development needs and providing resources (Weley, 1986; Cederblom, 1982).

In performance monitoring, combination of goals and feedback is effective than goals alone (Bandara and Cervone, 1983). For challenging goals to lead to high performance, they need to be accompanied by adequate, timely and responsive feedback. Employees strive to increase their performance when they find out through feedback that their performance is below expectations (Matsui, Okeda and Inoshita, 1983).

2.3.3 Performance reward and employee performance

Rewarding has been found to be one of the main organizations policies which can increase the performance of staff and increase the outputs of organizations (Ajila, 2004). Indeed, with the existing international economic development, many employers have comprehended this fact that productivity is needed for their organizations to compete strongly and also their employees productivity is required in shaping the organization achievements. On

the other hand, employee's performance, as a result of the development and the growth is critical for any organization.

Rewards can be used to improve employee performance by setting targets in relation to the work given for example surpassing some sales targets. When the employee surpasses their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more (Maund, 2001). Research has proven that when human being are appreciated and praised they tend to improve their performance. Praise could be shown in the organization newsletter or in meetings as another way to reward employees as to improve on their performance. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees' performance (Torrington & Hall, 2006). Thus Organizations should reward employees more often. This greatly improves performance compared to having the rewards maybe only once a year. This is because frequent rewards are easily linked to the performance (Thomson & Rampton, 2003). When rewards tend to be so general, employees do not value them. Organizations can use rewards to improve employee performance by incorporating appraisal or promotion for employees who have a good record of performance. Managers should be on the lookout for employees who perform well.

Employee will give their maximum when they have a feeling or trust that their efforts will be rewarded by the management. There are many factors that affect employee performance like working conditions, worker and employer relationship, training and development opportunities, job security, and company's overall policies and procedures for rewarding employees, etc. Among all those factors which affect employee performance, motivation that comes with rewards is of utmost importance. Motivation is an accumulation of different processes which influence and direct our behavior to achieve some

specific goal (Baron, 1983). Rewards can be extrinsic or intrinsic, extrinsic rewards are tangible rewards and these rewards are external to the job or task performed by the employee. External rewards can be in terms of salary/ pay, incentives, bonuses, promotions, job security, etc. Intrinsic rewards are intangible rewards or psychological rewards like appreciation, meeting the new challenges, positive and caring attitude from employer, and job rotation after attaining the goal. According to Luthans (2000), there are two basic types of rewards, financial and non-financial and both can be utilized positively to enhance performance behaviors of employees. Financial rewards means pay-for performance such as performance bonus, job promotion, commission, tips, gratuities and gifts etc. Non-financial rewards are non-monetary/non cash and it is a social recognition such as acknowledgement, certificate, and genuine appreciation etc. The non-financial rewards is also called materials award (Neckermann and Kosfeld, 2008).

Desired performance can only be achieved efficiently and effectively, if an employee gets a sense of mutual gain of organization as well as of himself, with the attainment of that defined target or goal. An organization must carefully set the rewards system to evaluate the employee's performance at all levels and then rewarding them whether visible pay for performance or invisible satisfaction. The concept of performance management has given a rewards system which contains: needs and goals alignment between organization and employees, rewarding employee both extrinsically and intrinsically. The system also suggests where training and development is needed by the employee in order to complete the defined goals. This training or development need assessment of employee gives them an intrinsic motivation. Frey (1997) argues that once pay exceeds a subsistence level, intrinsic factors are stronger motivators, and staff motivation requires

intrinsic rewards such as satisfaction at doing a good job and a sense of doing something worthwhile.

The effectiveness of skilled employees is likely to be limited if they are not motivated to perform. One of the means that organizations can use to enhance employee performance is to provide performance related compensation (Delaney and Huselid, 1996). A reward and compensation system is based on the expectancy theory, which suggests that employees are more likely to be motivated to perform when they perceive that there is a strong link between their performance and the reward they receive (Fey and Bjorkman,2001; Guest, 2002; Mendonca, 2002). In other words, the compensation system (e.g. profit sharing) contributes to performance by linking the interest of employees to those of the team and the organization, thereby enhancing effort and performance (Kalleberg and Moody, 1994; Huselid, 1995; Kling, 1995). According to Nelson & Spitzer (2002) although cash rewards are welcomed by employees, managers should never use this as a tool to motivate their employees to improve their performance levels. Should this happen, there is a chance that the essence of the reward would be forgotten:

Financial rewards are not the most motivating factor and financial results have a demotivating effect among employee (Srivastava, 2001). Several studies have found that among employee surveyed, money was not the most important motivator, and in some instances managers have found money to have a demotivating or negative effect on employees. On the other hand, Ryan (2002) indicated that non-monetary types of rewards can be very meaningful to employees and very motivating for performance improvement. According to him, creative use of personalized non -monetary rewards reinforces positive behaviors and improves employee retention and performance. These types of recognition can be inexpensive to give, but priceless to receive.

Pay for performance is effective in employees' performance since their rewards and exact pay hinges on their actual performance (Sean, 2008). In line with Abraham Maslow's hierarchy of needs theory, Armstrong (2006) suggests that man will always want to satisfy his physiological needs first. Assuming that man can only satisfy his basic needs from his own pay and if his pay is realized from his own performance, then he will increase his effort in order to perform well and get higher pay so as to satisfy more basic needs. So, in this case, pay for performance would have acted as an inducement to an employee to perform better.

It is good to reward employees basing on their social performance since financial institutions to a large extent have a social responsibility towards the public (McGuire et al, 2003). A lot of literature advocates for an executive incentive system (Burgess &Rotto, 2003; Rajesh &Samwick, 2003; Kyewalabye, 2008; and McGuire, et al., 2003) to be established in financial institutions their services are to improve. They argue that executive incentives are a visible and potentially important mechanism through which manages in financial direct managerial attention to specific objectives having both financial and social implications to the public. Rewards can therefore be a potentially important mechanism for directing managerial attention to organizational members.

In a study conducted by (Bewen, 2000), the researcher warns that managers should be aware of 'non rewards'. Such rewards should be utilized sparingly, and should not be used all the time. They are also described to be passive, and they do not necessarily lead to positive behaviors in the long term. According to Shore & Shore (1995), employees who are able to experience and receive recognition for their work are also able to have a better perception of their work, their workplace and the people they work for. Thus, there is a need for the employer to really make an effort in showing the employee that his/her wellbeing is

of concern to the organization and the management and that the contribution of the employee towards the organization is highly valued. This idea is further reiterated by Buchanan (2007) who adds that the recognition of contributions towards the organization has a positive relationship towards increasing the commitment of the employee towards the organization and its objectives.

2.4 Summary to the study

The chapter addressed literature related to performance management and is guided by three performance management practices (performance planning, performance monitoring and performance reward) and employee performance. The review of literature finds that effective performance management is an important route towards the performance of employee. Literature review indicates that poor performance planning leads to poor performance of employees. Although the above studies highlight the importance of performance management practices on employee performance, most of the literature is faced with contextual and methodological gaps which needed to be addressed hence need for this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the process and procedures involved in conducting the research study. It helps to explain the research design, study area and population, sampling selection techniques and sample size, data collection method, validity and reliability of data, sources of data and study variable, data processing, analysis, presentation used in this study.

3.2 Research Design

The study adopted a case study design and both qualitative and quantitative techniques were used to collect data. Katebire (2007) states that, a case study research design permits a researcher to conduct an in-depth examination of a single phenomenon at a given point in time, to arrive at findings that are applicable to the broader phenomenon that the case represents.

The study used both quantitative and qualitative data collection and analysis techniques. Amin (2005) says qualitative research design is exploratory, and it is used when we don't know what to expect, to define the problem or develop an approach to the problem. It was also used to go deeper into issues of interest and explore nuances related to performance management and employee performance. Qualitative techniques were deployed for non-numeric data, such as respondents' views or opinions, preferences, attitudes and feelings which were collected mainly using the interview guide while quantitative techniques were applied to numeric data, because it was conclusive in its purpose as it tried to quantify the performance management practices and understand how prevalent it is by looking for projectable results to a larger population on performance (Punch, 2000). All this helped the researcher to make clear conclusions on assessing the relationship between performance management on employee performance at Equity Bank Uganda limited.

3.3 Study Area

The study was carried out at the Head office of Equity Bank located in Katwe Kampala Uganda. This study concentrated on performance management mainly performance planning, performance monitoring and performance reward by assessing their relationship on employee performance using human resource department, branch manager, accounts relationship officers and supervisors, chief operations officer, banking officers, Business and growth development managers, Legal officer, Marketing department, Audit department, Finance and administration officer, Internal control department, Information systems department and the chief executive officer.

3.4 Study Population

Population refers to the entire set of individual, events or objects having a common observable characteristic about which generalization of research findings are made (Mugenda and Mugenda, 1999). The target population that provided primary data about the study variable included all the departments at the Head office; Human resource department, Banking service department, Marketing department, Operations and credit department, Legal department, Finance and administration department, Internal control department, Information systems department, Audit department and the managing Director. The target population in this study was 170 employees as provided by human resource department of Equity Bank Uganda limited using the Human pay roll of Equity Bank Uganda Limited, December, 2014.

3.5 Sample size and selection

In this study, the researcher used 118 using the Krejcie & Morgan (1970) table for determining sample size for research activities from respondents within the various departments of Equity Bank Uganda limited in this study is as shown in the table 1 .

Table 1: Represents the Sample Size of the respondents at Equity Bank Limited.

Category	Population	Sample size
Human resource department	8	8
Banking service department	35	23
Marketing department	20	15
Audit department	7	4
Legal department	5	2
Finance and administration department	15	12
Internal control department	14	8
Information systems department	15	8
Operations and credit department	50	35
Managing Director	1	1
Total Population	170	118

Source; Adopted from Human pay roll of Equity Bank Uganda Limited, December,2014 and Krejcie & Morgan, (1970) table for determining sample size

3.6 Sampling Technique

The researcher used simple random technique and purposive sampling technique. With simple random sampling technique, there were equal chances to all the members of the finite population to be included in a sample at the branch. Every member in the population was chosen on a chance basis. This helped to remove the possible biases that could arise as a result of the researcher favoring some members of the population (Mugenda and Mugenda, 1999). Simple random sampling refers to a form of sampling where every entity in the population has an equal chance of being included in the sample (Mugenda and Mugenda, 1999). A sample of 22 respondents from the Banking service department, 33 from Operations and credit department, 7 from Information systems department, 7 internal control department, 3 Audit department, 2 from legal department, 6 from the human resource department, 14 Marketing and research department were randomly selected. Also purposive sampling technique, in this type, the researcher based on knowledge and expertise of the

subject, selects or hand picks the elements of the study. In this case, the researcher took respondents from different department where 2 from the human resource department, 2 finance and administration, 1Information systems department, 1legal department, 1internal control department, 1Audit department, 1Marketing and research department, 1Operations and credit department and 1 managing Director because they were key informants on the human resource polices and know how they are affecting organizational setting. This provided consistency and accuracy of information and also enabled to minimize the sampling error to meet the purpose of the study.

3.7 Study Procedure

The researcher got permission from the Graduate School, Department of Management Science, Kyambogo University and the introductory letter to introduce the researcher to the officer in charge of research and development at the company. The research ethics were observed and this made it easy to carry out the research study in the organization. Permission was sought from Equity Bank Uganda limited and respondents were assured of anonymity and confidentiality.

3.8 Data Collection methods and instruments

The main instruments for data collection in the research were questionnaire survey, collected by means of face-to-face interviews with the different respondents so as to get primary data, as explained below;-

3.8.1 Questionnaire

The researcher designed a set of questions and made questionnaires. This was comprehensive enough to cover the extent of the problem and all aspects of the study variables basing on the objectives of the study and research question.

The questions were both open and close ended which enabled the respondents to express their views and opinions. The questionnaires were delivered to employees and management by the

researcher thus self-administered and research administered questionnaires respectively were used which helped the researcher to get relevant information for the study. The method was chosen because the respondents are literate, a hard copy was filed for reference purposes and gave standard questions and almost gave uniform answers that were quantified and processed easily to give a tentative answer (Denscombe, 1998). The questionnaires delivered to the respondents were broken down to capture background information and data related to each of the variables under investigation. However, the expected number of questionnaires distributed was 100 questionnaires that were individually taken by the researcher were filled by respondents from different departments which included; Banking service department, from Operations and credit department, Information systems department, internal control department, Audit department, legal department, human resource department, Marketing and research department.

3.8.2 Interview guide

An interview guide was prepared based on the research objective. Face to face interview was conducted. This technique was used to gain an understating of the underlying reasons and motivations for people's attitudes, preference or behavior about organizational polices (Mbabazi, 2008). Still the interview was semi-structured in that the questions were predetermined but to allow the respondents to express their opinion at length. The questions were directed to clarify and assessing whether there was any relationship between performance management and employee performance. The questions sought suggestions on how to improve employee performance for longer retention. The interviews were held with 9 respondents by the researcher who included the General manager human resources and head of development and learning manager, General Manager Banking Services, General Manager Operations and Credit, General manger Information systems, General manager internal

control, General manger Audit, General manager finance and administration, General manger Marketing and research and development.

3.8.3 Documentary Review

Documentary review was used to collect secondary data during the study where a documentary checklist as an instrument was used. Documents under human resource management were reviewed and these include human resource policy, performance appraisal reports and organization newsletter. These helped the researcher to get an internal view of the relationship between performance management and employee performance. A documentary checklist (Appendix IV) was developed and used to guide the researcher on the data in order to generate the necessary information for the study (Mugenda & Mugenda, 2003).

3.9 Validity and Reliability of Data.

3.9.1 Validity of data

Validity concentrated on how accurately the instrument captures data that gives meaningful inferences (Mbabazi, 2008). Instrument validity was ascertained by discussing the questionnaires with colleagues, there after adjustments were done before submission to the supervisor who helped to assess the face validity. The instrument were then pretested, after which the content validity were measured (Denscombe, 1998). This helped to assess the appropriateness of sentence construction, comprehensiveness of instrument and language clarity. Comments were received on the acceptability of the instrument in terms of length and the privacy of the respondents. These comments helped in designing the final instruments that were used to generate data. To measure validity of variable and measure of dimensions influencing employee performance at Equity Bank Uganda limited, a validity test was carried out, using content validity index (CVI) formula prior to the administration of the research instrument. This was intended to find out whether the questionnaires were capable of capturing the intended data that was stated in the researcher objectives and questions

$CVI = n/N$ where n = Items rated relevant

N = Total number of items

Table 2: The validity analysis results

Variables	No. of items before Computing CVI	No. of items after Writing	CVI
Performance planning	10	7	0.7
Performance monitoring	9	6	0.7
Performance reward	8	5	0.6
Employee Performance	9	5	0.5
Total	26	23	0.88

Source: Primary data

Table 2 above shows out of the 26 items, only those with the CVI of 75% remained and the rest were discarded as indicated in Denscombe, (1998) resulting to 23 items scale and these were finally considered in the questionnaire for data collection.

3.9.2 Reliability of data

In this study, Reliability concentrated on assessing the consistency and repeatability of tests used. Thus, Reliability was assessed using Cronbach's Coefficient Alpha of the questionnaires instrument. The two scores were then correlated and results were evaluated. The Cronbach Alpha reliability coefficient was performance planning, performance monitoring and performance reward. The Cronbach's Alpha coefficient ranges from 0-1 with the higher values indicating greater reliability.

Table 3: Reliability Test Findings

Variables	Reliability Statistics	
	N of Items	Cronbach's Alpha
Performance planning	7	.956
Performance monitoring	6	.954
Performance rewarding	5	.949
Employee performance	5	.931

Source: Primary data

The results in table 3 above of the reliability analysis indicate that a high Cronbach's Alpha coefficient for the variables should be above the minimum coefficient level of 0.5 and the results in the table above ranges from that ranges from 0.931 to 0.956. Based on the guideline by Mugenda & Mugenda (2003), this implies that item adopted in the questionnaire were deemed highly reliable.

3.10 Measurement of variables

Variables were measured to be able to generate data; the researcher used three measurement scales that are nominal, interval and ratio scales because they are what are suited in this study.

3.10.1 Measurement using the Nominal Scale

A nominal scale is a list of categories to which objects can be classified into mutually exclusive and collectively exhaustive set (Sekaran, 2003). The researcher used this to measure variables like sex of the respondents to determine distribution of the respondent that is male to female to further aid in the cross tabulation and analysis of the data on questions on the study variables.

3.10.2 Measurement using interval scale

An interval scale was used to sum and determine the magnitude of difference of the responses to the questions on a 5 Likert scale. The responses were ranked in the order of importance by determining the percentages of positive and negative responses to the questions in the questionnaires.

After determining the preferred response for each question on the Likert scale, the researcher calculated the magnitude of the preferences of the responses. The differences assigned to each interval were ranked in order and the quality of the magnitudes of the differences in the variable determined. These were used to determine the mean, measure of central tendency

and the standard deviation, and data analysis using the Statistical Package for Social Science (SPSS) (Denscombe, 2000).

3.10.3 Measurement using ratio scale

Ratio scale is scale with an absolute zero origin and hence the magnitude and proportion of the differences (Denscombe, 2000). The unique zero origin allows mathematical and powerful statistical procedures to be used on the response results. This was used on the data that was generated from measurement using the nominal and interval scale to determine ratios for instance determining the rate of female and male in the organization, Analyzing using Statistical Package for Social Science (SPSS) to assess the influence of the different variables.

3.11 Data Sources

These included both primary source and secondary sources. The primary data is the first hand information collected from the field using collection tools such as questionnaires, interviews and focused group's discussions.

Secondary sources of data included the internet, newspaper, text books, journals, document and reports from the company about their performance management issues. This method was used to analyze existing data.

3.12 Data Processing, Analysis and Presentation

3.12.1 Data Processing

After gathering data, processing was done which involved editing, rewriting and summarizing of all responses. Editing included checking the responses to ensure that relevant questions were answered. Data collected from the questionnaires was coded and entered into a computer using the Statistical Package for Social Science (SPSS).

3.12.2 Data Analysis

After data processing, it was subjected to further analysis for easy understanding and interpretation where both qualitative and quantitative data was analyzed. To describe the characteristics of the population, Statistical Package for Social Science (SPSS) was used. The graphs were used in data presentation, analysis, interpretation and discussion of the findings. In addition cross tabulation was run to determine the influence between staff position and time spent in Equity Bank Uganda limited, level of education and career growth and rewards.

To answer the research objectives, frequency tables and charts were generated. To analyze each variable the frequency mean scores from statement under which respondents were requested to tick a long a continuum of strongly disagree (1) to strongly agree (5). Therefore Pearson's correlation was calculated to assess the relationship between performance management and employee performance.

Multiple regressions were computed to make predictions about the values of the dependent variable (employee performance) by the independent variable (performance management). It was used to assess the relative relationship of each independent variable on employee performance.

The data gathered from the interviews, related documents from previous researches and organization document were to support results in the data analysis and interpretation. The interpretation from the data analysis was used to draw conclusions and make recommendations. The suggestions from the employees were in addition used to draw recommendations on how to improve employee performance.

3.12.3 Data Presentation

The data was presented in simple charts, graphs, frequencies and table format to allow further analysis with the help of Statistical Package for Social Science (SPSS) in order to come up with clear tables showing correlation and regression.

3.13. Limitations of the Study

- I. The researcher also experienced time constraint in data collection, analyzing data and in final presentation of the report. However the researcher managed to overcome this problem by ensuring that time element was put into consideration and all appointments agreed with the supervisor and respondents are fully meet.
- II. The researcher experienced a problem of non-response from respondents who were given questionnaires to fill. However, the researcher assured the respondents that any information given was to be treated with utmost confidentiality.
- III. Costs regarding this limitation were transport, printing and photocopying of relevant materials. However the researcher managed to overcome them by borrowing some money from relatives and friends.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

In this chapter, the data analysis and interpretation are presented. This was done using both qualitative and quantitative data. It is systematically organized according to the variables, and research questions that guided the study and it is divided into three sections. The first section presents analyses and the results regarding the background information. The second section presents analyses and interprets the results on the relationship between performance planning and employee performance at Equity Bank Uganda Limited, the influence of performance monitoring on employee performance at Equity Bank Uganda Limited, The third section presents analyses and interprets the results on the relationship between performance rewards on employee performance at Equity Bank Uganda Limited.

4.2 Response rate

Table 4: Data response table

	Target No	Released NO	Percentage
Questionnaire	105	100	
Interview	13	9	
Total	118	109	92

Source: Primary data

Basing on table 4 above of the response rate, the researcher was able to collect information on 109 (approximately 92%), out of 36 from the targeted population. However, out of the 105 questionnaires expected to be filled and returned by the respondents, 100 were filled and returned which was a good response rate for the research to base on for data analysis (Mugenda & Mugenda, 2003). The respondents that were interviewed by the researcher were 13 out of the 9 respondents that were expected the researcher to provide qualitative information to add on the quantitative data.

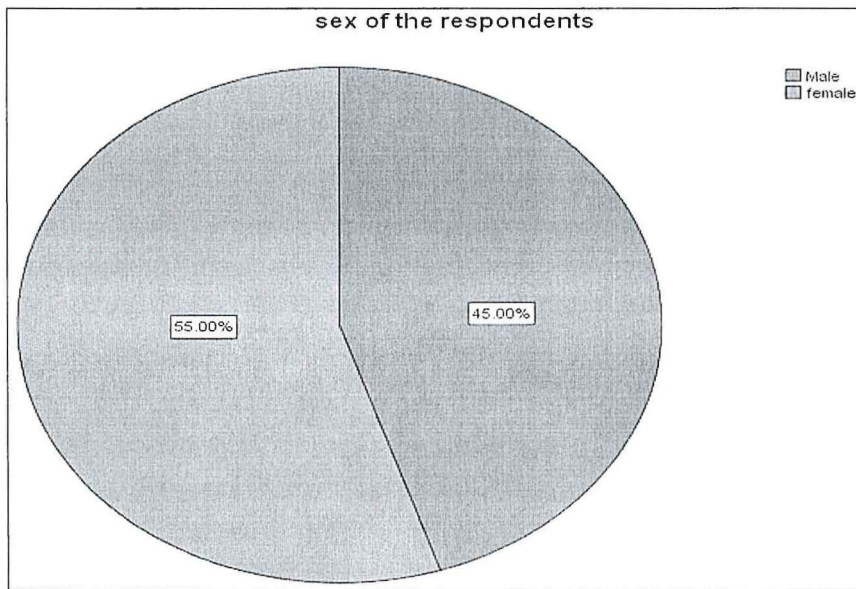
4.3.0 Background information.

In this section, data is presented on the socio-demographic composition of the sample obtained through the questionnaire which included; sex, age bracket, level of education, management responsibility, length of service of the respondents. All the tables, charts and graphs are based on the 100 questionnaires returned and filled by the respondents, thus giving the quantitative analysis and also 9 respondents were interviewed and information collected was organized into themes and sections thus helping in qualitative analysis. The purpose of collecting demographic data on respondents was to help in establishing the respondent sample characteristics and be able to form appropriate opinions about the research findings. The detailed analysis of these characteristics and interpretation are presented in the following subsections:

4.3.1 Sex distribution

The study aimed at establishing the gender of the respondents. This information was gathered using a questionnaire administered to the Equity Bank Uganda Limited employees from different departments that include; Banking service, Operations and credit, Information systems, internal control, legal, Human resource, finance and administration, Audit and Marketing and research department of Equity Bank Uganda Limited. The results are presented in figure 2.

Figure 2: Sex of the respondents



Source:

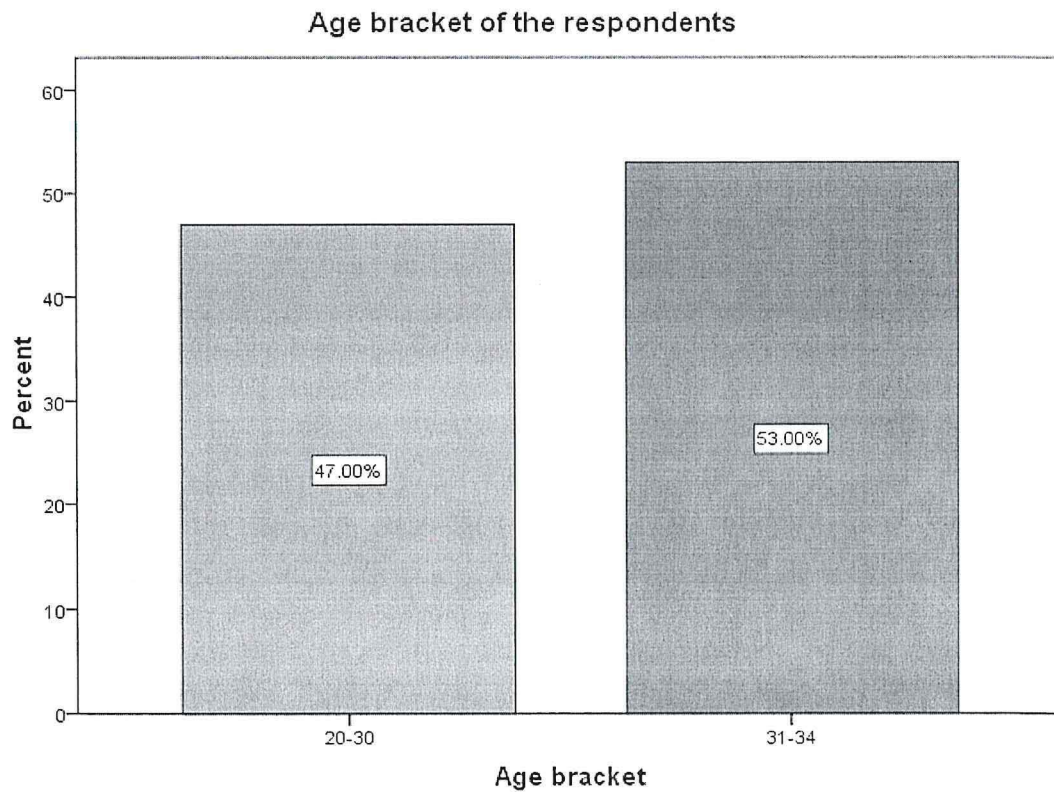
Primary data

Figure 2 illustrates that the majority of the respondents sampled with a percentage of 55.00% were female, 45.00% of the respondents that were sampled were male. This shows that both males and females opinions were fairly captured. It implies that majority of the employees that engage in performance management are female compared to their male counterparts in this Bank are female.

4.3.2 Distribution of respondents by age bracket

The study sought of establishing the management responsibility by the respondents. This information was gathered using a questionnaire administered to the Equity Bank Uganda Limited employees from different departments that include; Banking service, Operations and credit, Information systems, internal control, legal, Human resource, finance and administration, Audit and Marketing and research department of Equity Bank Uganda Limited. The results are presented in figure 3.

Figure 3: Age bracket of the respondents



Source: primary data

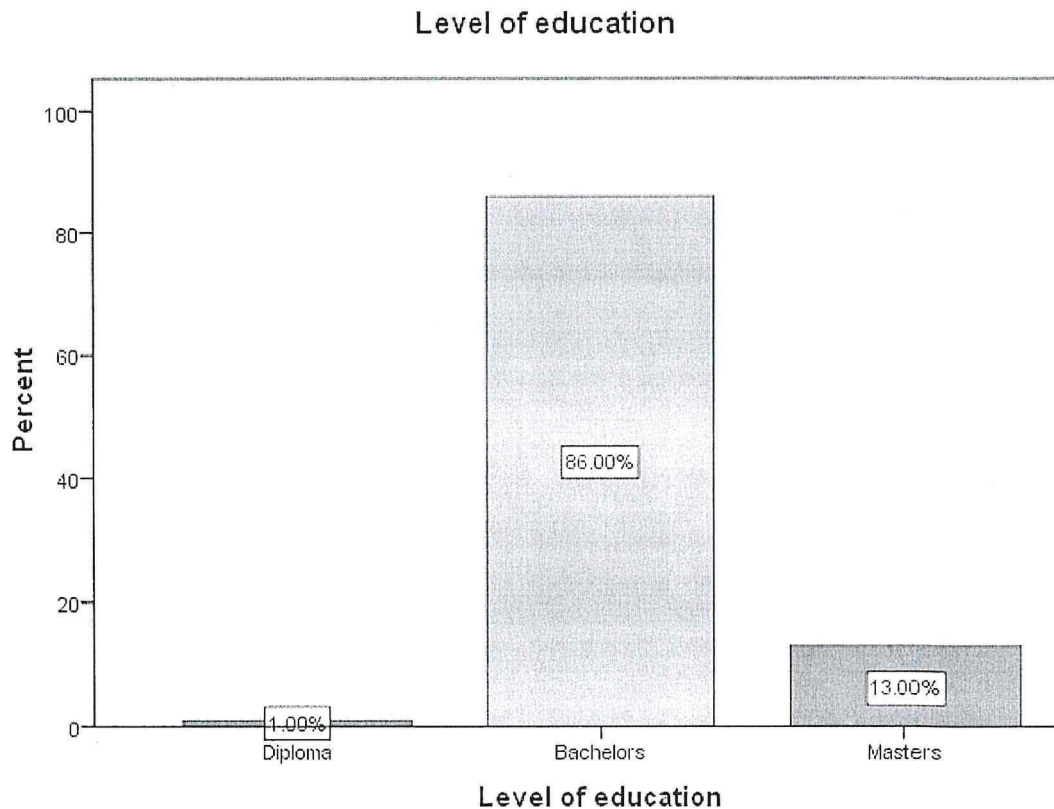
The findings in figure 3 above illustrates that 53.00% of the respondents were 31-34 age bracket and 47.00% were between 20-30 age bracket. This implies that the respondents on average had the cognitive maturity to understand and interpret the questionnaire appropriately. Therefore, these respondents mature enough to assess the relationship between performance management and employee performance.

4.3.2 Distribution by level of education

The study also sought to establish the Level of Education attained by the respondents. This information was gathered using a questionnaire administered to the Equity Bank Uganda Limited employees from different departments that include; Banking service, Operations and credit, Information systems, internal control, legal, Human resource, finance and

administration, Audit and Marketing and research department of Equity Bank Uganda Limited. The results are presented in figure 4.

Figure 4: Level of education of the respondents



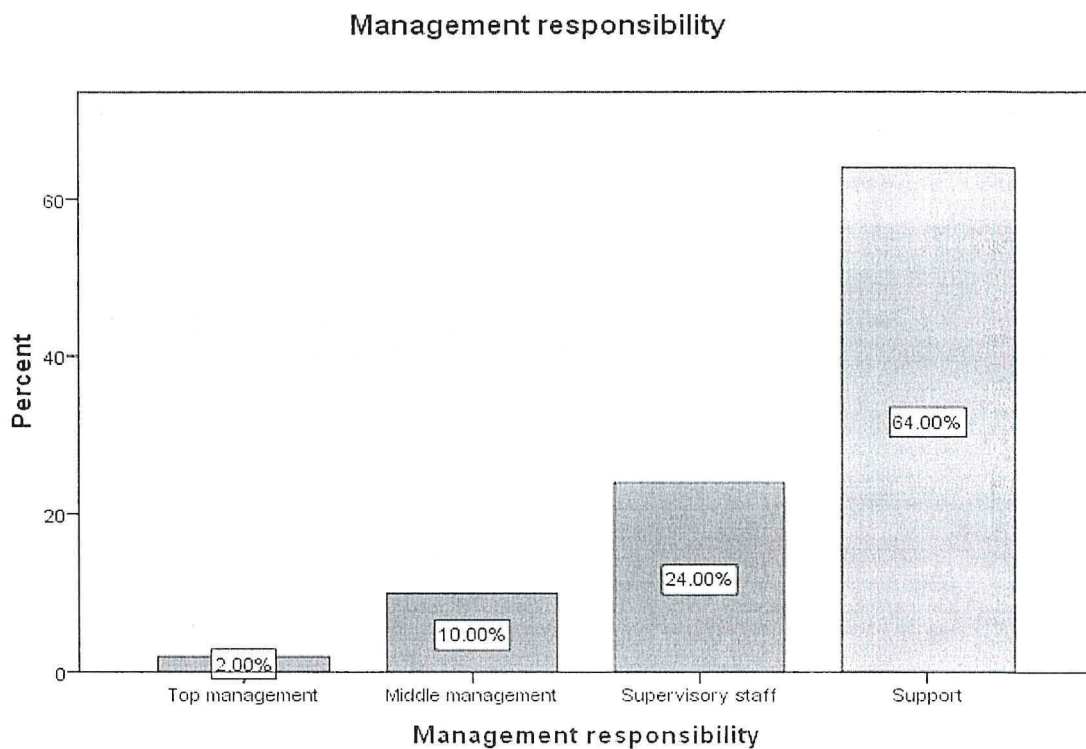
Source: primary data

Figure 4 above indicates that 86.00% of the respondents' attained education up to Bachelors level, 13.00% attained their education up to masters level and only 1.00% have had education up to a Diploma level of the total number of the respondents. This implies that most of the respondents were able to understand what was asked during the study given that it was conducted in English and thus they were able to read and write. Therefore, these respondents had knowledge on how performance management in terms of performance planning, performance monitoring and performance rewarding relates with employee performance.

4.3.3 Distribution of Respondents by Management responsibility

The study also aimed at establishing the management responsibility by the respondents. This information was gathered using a questionnaire administered to the Equity Bank Uganda Limited employees from different departments that include; Banking service, Operations and credit, Information systems, internal control, legal, human resource, finance and administration, Audit and Marketing and research department of Equity Bank Uganda Limited. The results are presented in figure 5 below.

Figure 5: Management responsibility of the respondents.



Source: primary data

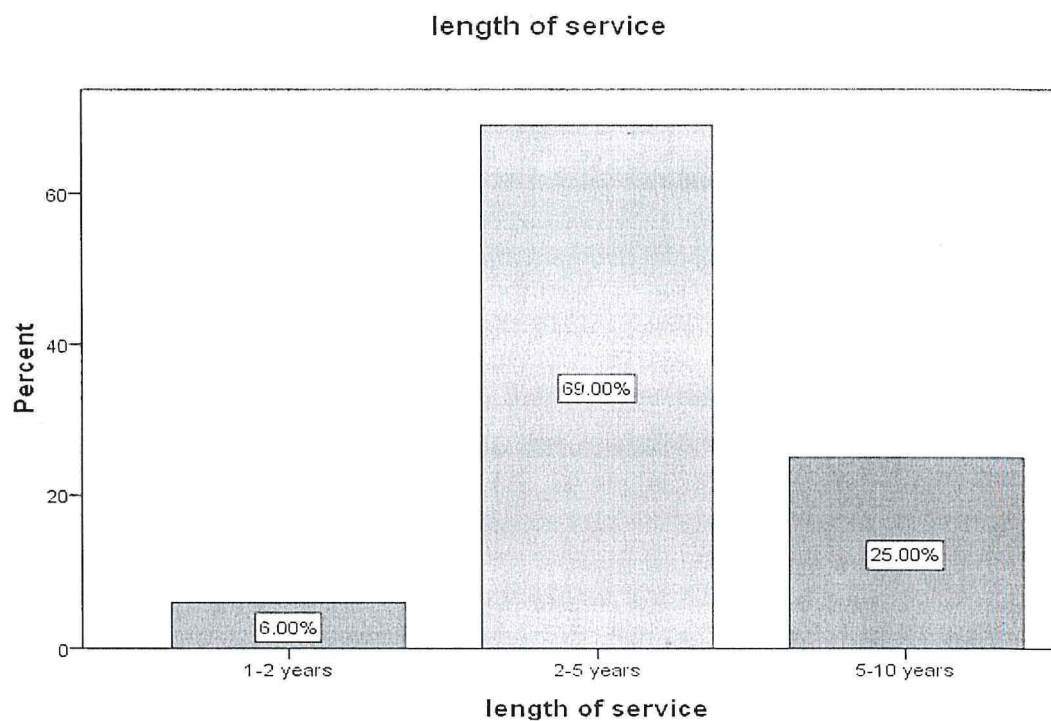
Figure 5 above indicates that 64.00% of the total numbers of the respondents were support staff, 24.00% were supervisory staff, and 10.00% were respondents at middle management and only 2.00% of the total numbers of the respondents were those at top management. The findings implies that majority of the respondents who responded to the questions asked, their management responsibility was support staff thus also had knowledge on the day to day

operation of the organization since most of their duties involve performance management like the banking officer and loans officers who contributes much in the revenue collection of the Bank.

4.3.4 Distribution of Respondents by Length of service

The study also sought of establishing the length of service by the respondents. This information was gathered using a questionnaire administered to the Equity Bank Uganda Limited employees from different departments that include; Banking service, Operations and credit, Information systems, internal control, legal, Human resource, finance and administration, Audit and Marketing and research department of Equity Bank Uganda Limited. The results are presented in figure 6.

Figure 6: Length of seervice of the respondents



Source: Primary data

As it can be seen from figure 6, most of the respondents who participated in this study indicated that 69.00% of the majority respondents have worked with the institution for a

period between 2-5 years, 25.00% have worked for a period between 5-10 years and 6.00% have worked between 1-2 years. Since the majority have worked with the institution for over two years, this indicates that the respondents had enough information and experience in the Bank and therefore properly knew the issues to do with performance management and employee performance.

4.4.1 Performance planning and employee performance.

This section gives a description of research question one which was assessed using a variety of questions as per numeral 1 of Section B of the Instrument (Appendix I); What is the relationship between performance planning and employee performance at Equity Bank Uganda Limited?. This research question was conceptualized using five questions which required each respondent to do self-rating on the relationship between performance planning and employee performance. Responses were based on Likert scale ranging from one which represented strongly disagree to four which reflected strongly agree, although these were thereafter categorized into agree and disagree sections and a mean above 3 implies that respondents agreed with the statement and a mean below implies that respondents disagreed with the statement. The resulting summary statistics are in Table 5;

Table 5: Findings on the relationship between performance planning and employee performance at Equity Bank Uganda Limited

Statement	N	Mean	Std. Deviation
My organization has specific agreed goals that yield higher performance	100	4.40	.696
I participate in setting goals and performance expectations for my work	100	4.37	.917
My performance goals set up are reasonable and attainable	100	4.45	.730
I am given enough time to achieve the set targets in the specified time	100	4.45	.744
I am motivated to work if am aware of what needs to be done in achieving a specific goal of this organization	100	4.49	.674
I identify my career development goals	100	4.43	.714
I have a clear understanding of the level of performance that is expected from me	100	4.54	.558

Source: primary data

In addition, qualitative data on performance planning and employee performance at Equity Bank Uganda Limited generated through interview with some key informants were consistent with the quantitative findings as below;

A respondent views during the interviews,

One key informant from human resource department revealed that employees are given enough information about the plan details upon which they evaluated so that they understand what is expected of them.

One general manager revealed that their role as managers and the first line contact with staff, they have a great influence on staff morale and performance. In ensuring good business etiquette, in extending courtesy and respect to the employees, and in line with the organization core values, set a positive model that staff emulates.

From the interviews held with one of the respondents, it was revealed that any business requires the identification of the core and support processes needed to deliver the business strategy, a proper identification design of the organization structure and written role descriptions. However the success with which the key tasks

are actually performed is dependent on fairness, quality and uniformity in application of rules and procedures and recognition of staff achievement and performance. Therefore, effective management and the approach in which people issues are handled will be important in enhancing staff morale, enthusiasm and commitment to duty.

The findings further revealed that in this organization, the performance of staff on probation is reviewed by the immediate supervisor to conduct two on-going appraisals after one month and three months respectively and a pre-confirmation appraisal on completion of the six months' probation period. The objective of these appraisals is to determine the performance of the employee and make appropriate recommendations on the employee. "This finding implies that employees in this organization cannot be fully confirmed as permanent employee their performance is being by the immediate supervisor in terms of quality and quantity of work and cost effectiveness".

Table 6: The correlation coefficient on the relationship between performance planning and employee performance.

Correlations			
		PERFORMANCE PLANNING	EMPLOYEE PERFORMANCE
PERFORMANCE PLANNING	Pearson Correlation	1	.657**
	Sig. (2-tailed)		.000
	N	100	100
EMPLOYEE PERFORMANCE	Pearson Correlation	.657**	1
	Sig. (2-tailed)	.000	
	N	100	100

** Correlation is significant at the 0.01 level (2-tailed)

From the correlation coefficient table 6, showing the relationship between performance planning and employee performance was 0.657 with probability value ($p = 0.000$) that is less than $\alpha = 0.01$ level of significance. This implies that there was a significant positive relationship between performance planning and employee performance.

4.4.2 Performance monitoring and employee performance.

This Section gives a description of research question two which was assessed using a variety of questions as per numeral 2 of Section B of the Instrument (Appendix I); How does performance monitoring influence employee performance?. This research question was conceptualized using eleven questions which required each respondent to do self-rating on accountability. Responses were based on Likert scale ranging from one which represented strongly disagree to five which reflected strongly agree, although these were thereafter categorized into agree and disagree sections. The resulting summary statistics are in table 7 ;

Table 7: Findings on the influence of performance monitoring on employee performance.

Statement	N	Mean	Std. Deviation
I clearly understand the organization expectations and I make timely adjustments as to my performance	100	4.52	.674
I am given the necessary guidance on how to attain my performance expectation and goals	100	4.39	.920
I always discuss with my supervisor the ways of improving my performance in case the performance standards are not met	100	4.46	.771
My supervisor provides frequent feedback to improve on my job performance	100	4.42	.912
I have a clear course of action to take in order to accomplish my performance goals	100	4.44	.880
There is open communication with my supervisor about my performance	100	4.39	.952

Source: primary data

The above information was confirmed with the interview findings held with some the key informants

Respondent views during interviews,

One key informant as a manager reminded the employees that their performance as per the Bank year to date is largely below the aspirations that were set out to achieve at the beginning of the year. As they plan for team and individual strategies to best meet the targets going forward, they also need to take stock of their performance in Q2 (and the first half) of 2015. This implies that employees in this organization are reminded by their bosses to always plan ways of meeting the organizational set goals and targets so as to improve on the quality of work, quantity of work they deliver.

“From one of the documents reveal that one key informant reminded employees to remember that the Bank’s performance is an aggregation of their individual performance for the Bank to succeed, each and every one of them must first succeed in their respective individual role and team. They must therefore focus their energies in this coming half year on ensuring that each put his/her best foot forward;

Management remains committed to ensuring that they have a supportive environment for them to be effective (in terms of tools of work, skills, etc.) but they equally drive/demand accountability from each one of them (Mid-Year Performance Reviews July, 2015). This finding implies that employees in this organizational are given targets that they must meet with in a specified period of time and this enables them to improve on their quality and quantity of work that they deliver.

Furthermore, in the document, it was also revealed that one key informant reminded employees to note that their performance and/or performance rating informs important decisions relating to their continued employment with the Bank as well as other key decisions including but not limited to their growth opportunities/promotions, remuneration & compensation, etc. But even more importantly, and for their own personal satisfaction, would they not like to be on the winning side and celebrated amongst the Bank's performance heroes? Personally he would (Mid-Year Performance Reviews July, 2015). This finding implies that employees in this organization are given targets that they must meet within a specified period of time and this enables them to improve on their quality and quantity of work that they deliver so as to meet the organizational goals.

Table 8: The regression results on performance monitoring and employee performance.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.789 ^a	.622	.569	.34601

a. Predictors: (Constant), Performance Monitoring

From table 8 above, about 0.622 (62.2%) R square of the variation (Adjusted $R^2 = 0.569$) indicates how much of the dependent variable, employee performance can be explained by the independent variable performance monitoring. It implies that employee performance was dependent on performance monitoring by 62.2% and 37.8% remains for variance in employee performance that are outside model used.

4.4.3 Performance rewards and employee performance at Equity Bank Uganda Limited.

The section gives a description of research question three which was assessed using a variety of questions as per numeral 3 of Section B of the Instrument (Appendix I); what is the relationship between performance reward on employee performance at Equity Bank Uganda Limited? This research question was conceptualized using nine questions which required each respondent to do self-rating on separation of ownership. Responses were based on Likert scale ranging from one which represented strongly disagree to five which reflected strongly agree, although these were thereafter categorized into agree and disagree sections. The resulting summary statistics are in the Table 8;

Table 9: Findings on the relationship between performance reward and employee performance at Equity Bank Uganda Limited

Statement	N	Mean	Std. Deviation
I am satisfied with the rewards the organization gives me.	100	4.36	1.010
I am always praised in the organization newsletter or in meetings as another way of reward to improve my performance.	100	4.36	1.000
I am given an additional amount to my salary when I perform beyond my target.	100	4.31	1.051
I am satisfied with the transport allowances given to me.	100	4.29	1.131
I am satisfied with the total compensation package given to me.	100	4.29	1.094

Source: Primary source

From one of the documents of the company, The Equity Awards Bulletin, (July, 2015), it clearly shows that most of the best performers from January to July 2015 who were awarded included categories of The Best Performing Branch Award, The Best Sales Team Award, The Most Improved Branch Award. In his remarks at the function, the Ag. Managing Director Mr. Apollo Njoroge congratulated the award recipients and stressed the need for all other staff to emulate the example set by the award recipients. He reiterated his and Management's unwavering commitment to

support each and every unit in ensuring that they each do their part to exceed their individual and team targets. He challenged other branches and business units to also excel.

The General Manager Finance handed over a cheque of UGX.750, 000/= to Aziz Epalat the BGDM Venus the most improved Branch. This implies that employees in this organization are always given bonus towards their better performance hence this motivates other employees also to perform well so as to attain such rewards.

Respondent views during the interviews;

From the interviews, one key informant from human resource department revealed that the organization has performance related pay and merit increment and salary reviews. For example all employees are eligible for merit pay adjustment in recognition of outstanding performances. The merit pay concept means adequate compensation for excellent performance and less pay or withholding annual salary increments for work which is average or unacceptable or where staff performance merely meets the bare minimum requirements. In this contest therefore, when employees are given related performance pay, they will always improve on their out in terms of quality and quantity of work.

The interview findings held with one respondent from the human resource department revealed that the salary attached to a post represents appropriate remuneration of its holder for proper and efficient performance of duties in this organization. This implies that employees' salary is always increased in accordance to their work performance meaning an employee will always perform well in order his or her salary to be increased and this also enable them to improve on the quality and quantity of work that they delivery.

Table 10: The correlation coefficient on the relationship between performance reward and employee performance.

		PERFORMANCE REWARD	EMPLOYEE PERFORMANCE
PERFORMANCE REWARD	Pearson Correlation	1	.682**
	Sig. (2-tailed)		.000
	N	100	100
EMPLOYEE PERFORMANCE	Pearson Correlation	.682**	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

From table 10 of the correlation coefficient shows that the relationship between performance reward and employee performance was 0.682 with probability value ($p = 0.000$) that is less than $\alpha = 0.01$ level of significance. This implies that there was a significant positive relationship between performance reward and employee performance.

Table 11: The multiple regression results on performance planning, performance monitoring, and performance reward and employee performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 ^a	.524	.509	.377

a. Predictors: (Constant), PERFORMANCE MONITORING, PERFORMANCE PLANNING, PERFORMANCE REWARD

. It implies that employee performance was dependent on performance planning, performance monitoring and performance reward (Performance management) by 52.4% and 47.6% remains for variance in employee performance that are outside model used.

CHAPTER FIVE

DISCUSSION, SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussion and the summary of the study findings as presented in chapter four, conclusions and recommendations plus areas for further research.

5.2 Discussions of the study findings.

This subsection looks at the discussion of the findings which are discussed according to the respective research questions as earlier presented in chapter one.

5.2.1 Relationship between performance planning and employee performance

The first objective of the study was to establish the relationship between performance planning and employee performance. The findings revealed that there is a significant positive relationship between performance planning and employee performance. Considering the first question, it was revealed that the organization has specific agreed goals that yield higher performance. However, these findings confirm with Locke & Latham (2002), who revealed that specific agreed goals yield higher performance than when people strive to simply do their best to achieve ambiguous goals. They further provide empirical evidence of performance benefit where specific goals have been achieved in hundreds of laboratories and field studies (Locke & Latham, 1990, 2002).

The study findings also revealed that employees participate in setting goals and performance expectations for their work. However, the respondents were in line with “The goal setting theory that suggests that the joint setting of objectives, feedback and involvement, which are all part of a managerial approach, can improve performance. The theory places particular emphasis on goal-setting behaviour and stipulates that the goals need to be clear, specific and achievable if they are to motivate employee performance in organization”.

The study results indicated that performance goals set up are reasonable and attainable and given enough time to achieve such set goals and targets in the specified time. This was in line with Nagym (2002) who argued that employees are motivated if they are aware of what needs to be done in achieving a specific goal, irrespective of the difficulties they might encounter in doing so. Also the goal setting theory indicates that performance goals set up in an organization, lies at the center of performance based performance programme which are effectively applied in human resource management in form of management by objectives (MBO) technique.

The findings revealed that employees are motivated to work if they are aware of what needs to be done in achieving a specific goal of the organization. According to Michelle (2007), argues that during goal setting, there are decisions that are made and the most important decisions in an organization affect not only the decision maker but also other members notably the employees of the organization. The allocation of decision rights according to Mechelle (2007) can resolve the problem of externalities that may have impact on other stakeholders when important decisions concerning them are made without their participation. Therefore, employees in an organization like financial institutions need to be motivated to work if they are aware of what needs to be done in achieving a specific goal of the organization.

It was found that employees identify their career development goals which confirms with Bernard (2001) as he asserted that basing on performance plans, each institution identifies critical competencies that need to be developed in order to accomplish the tasks. Individual development planning helps the employees to identify their career development goals and the strategies for achieving them. Typically, the employee will complete an individual development plan on an annual basis. This plan is intended to encourage employee to the

ownership of his/her career development and provide an administrative mechanism for identifying and tracking development needs and plans

Employees have a clear understanding of the level of performance that is expected from them. Aghion and Tirole (1997) support the view when they observe that as interests between management and employees become more aligned, delegation of decision-making rights motivates employees to improve their performance without causing severe disruption to the decision-making process thus gives a clear understanding of the level of performance to employees so that they can do what is expected from them.

5.2.2 The influence of performance monitoring on employee performance.

Basing on the second objective of the study as seen from the analysis and presentation of findings, there is a positive significant influence of performance monitoring on employee performance at Equity Bank Uganda Limited. Findings in chapter four revealed that employees clearly understand the organization expectations and make timely adjustments as they perform their jobs without having to wait for the formal evaluation review. The findings correlate with Aguinis (2009), as reveals that managers and employees should agree on performance expectations in advance of the performance appraisal policy period. Employees cannot function effectively if they do not know what they are being measured against.

Employees feel that they are given the necessary guidance on how to attain their performance expectation and goals as Stone (2002) contends that discussions about employee expectations reveal what underlies the day-to-day tasks in the employee's performance description. Clarifying employee performance expectations is one step to creating an effective performance appraisal policy. As a result of non-awareness of the employee performance expectations, employee efforts could be wasted or unrecognized (Robbins and Coulter, 2002).

The study results reveal that employees always discuss with their supervisor the ways of improving their performance in case the performance standards are not met. Baum & Lock (2004) also observed in a study survey that supervisors need not to be so close to their subordinate nor do business/organizational managers (owners) work so closely to their staff. That is employees have to be trusted with some degree of confidence (Banner & Cooke, 1984) that they can deliver to the assigned tasks with this emerging trend there is a need to have an appraisal mechanism established and well known way of how feedback about employee performance can be obtained arises.

The finding reveals that there is open communication between employees and supervisors and employees are provided with frequent feedback to improve on employee job performance at Equity Bank Uganda limited. These findings were in line with Williamson, (2002) who asserts that the purpose of performance review is to assess progress made towards achievement of goals, assess performance on continuous basis in order to provide feedback and necessary action, identify skill gap, discuss challenges, and make plans of improvement.

From the findings, it is indicated that employees have a clear course of action to take in order to accomplish their performance goals. Literature reveals that an employee's first day on the job is the first chance to establish performance expectations as they are given job descriptions which contain a list of tasks and responsibilities. In this case, Tyson and York (2000) highlight that organizations routinely provide a job description, yet fail to discuss with new employees the purpose of the job and how it relates overall for the organization and the employee it affects to accomplish their goals.

5.2.3 The relationship between performance reward and employee performance.

Considering the third objective of the study, the findings revealed that there is a positive strong relationship between performance reward and employee performance. Basing on the

first and second statement of this objective, the study findings revealed that employees are satisfied with the rewards the organization gives to them and are always praised in the organization newsletter or in meetings as another way of reward to improve their performance. This was in line with the literature review which revealed that an organization must carefully set the rewards system to evaluate the employee's performance at all levels and then rewarding them whether visible pay for performance or invisible satisfaction. Armstrong (2006) suggests that man will always want to satisfy his physiological needs first, assuming that man can only satisfy his basic needs from his own pay and if his pay is realized from his own performance, then he will increase his effort in order to perform well and get higher pay so as to satisfy more basic needs. Also Torrington & Hall, (2006) suggest that praise can be shown in the organization newsletter or in meetings as another way to reward employees as to improve on their performance. When managers take time to meet and recognize employees who have performed well, it plays a big role in enhancing employees' performance.

The findings revealed that employees are given an additional amount to their salary when they perform beyond their target at Equity Bank Uganda Limited as the documentary review information indicated that The General Manager Finance handed over a cheque of UGX.750,000/= to Aziz Epalat the BGDM Venus the most improved Branch thus this correlates with Maund, (2001), as asserts that rewards can be used to improve employee performance by setting targets in relation to the work given for example surpassing some sales targets. When the employees surpass their target, he or she can be given an additional amount to their salary; this will make them strive to achieve more thus improving employee performance.

From the findings, it was revealed that employees are satisfied with the transport allowances and total compensation package given to them. McGuire, et al (2003), suggests that it is good

to reward employees basing on their social performance since financial institutions to a large extent have a social responsibility towards the public which call to reward employees that participate in such activities in terms of transport allowances and compensation packages so that to motivate them to work up to their best as an additional pay to their salary hence enhancing the organization performance.

5.3 Summary of major Findings

5.3.1. The relationship between performance planning and employee performance.

The study findings revealed that there is a significant positive relationship between performance planning and employee performance in Equity Bank Uganda Limited. This was observed at correlation coefficient at 0.657 which is above 0.5 that signifies a positive relationship of the variables.

5.3.2. The influence of performance monitoring on employee performance.

Findings of the second objective revealed that performance monitoring positively influences employee performance in Equity Bank Uganda Limited.

5.3.3. The relationship between performance reward and employee performance.

The study findings confirmed the existence of a significant positive relationship between performance reward and employee performance in Equity Bank Uganda Limited.

5.4 Conclusions

The study findings revealed that the selected performance management practices of (performance planning, performance monitoring and performance reward) had a significant positive relationship with employee performance in financial institutions in Uganda. Findings also established that all the three dimensions of the independent variable indicated a high interactive effective (critical relationship) of 65% and above on employee performance.

5.4.1 Performance planning and employee performance.

The study revealed that there is a significant relationship between performance planning and employee performance. However, despite the existence of a positive relationship between performance planning and employee performance, performance planning is not decentralized to include all employees in financial institutions. Performance Plans like goal setting and performance targets are mainly made by managers and supervisors thus their inability to enhance employee performance in financial institutions in Uganda.

5.4.2 Performance monitoring and employee performance.

The study revealed that there is a strong significant influence of performance monitoring on employee performance in financial institutions in Uganda. However, despite of the significant influence that performance monitoring has on employee performance, managers in financial institutions need to clearly spell out the key performance indicators along with the critical success factors to employees and enabling them to understand the organization expectations, make timely adjustments and give them the necessary guidance on how to attain their performance expectation and goals.

5.4.3 Performance reward and employee performance.

Finally, the study revealed that there is a significant relationship between performance reward and employee performance in financial institutions where employee are given realistic. However, there is need to make them more attractive so as to induce workers to perform optimally like giving them more time to develop their career that is to say; upgrading in their fields to acquire more knowledge and skills which motivates employees to perform to their best.

5.5 Recommendation

i) From the study findings, it is recommended that managers in financial institutions should ensure that performance planning is decentralized in order to allow full employee

participation in setting goals and performance expectations by all workers regardless of their cadre which enables them to be aware of what needs to be done in achieving a specific goal of the organization. This will result in increased employee commitment to their jobs, responsibility and accountability for actions taken. Also the organization needs to evaluate the performance of managers in achieving strategic goals and evaluate how employees through guidance from management help in achieving both organizational and individual needs. Establishment of clear links between organizational development, the delivery of quality services and the development of employees at work is important.

ii) Basing on the study findings ,it is recommended that managers in financial institutions should ensure that they use modernized performance monitoring techniques that other organizations use in evaluating employee performance so that the technique clearly spells out the key performance indicators along with the critical success factors. Managers and supervisors must also ensure that performance in the financial institution is continuously monitored and evaluated with immediate feedback given to the concerned workers. The performance gaps must be addressed in line with organizational policy that enables employees to check on their performance so that they improve according to the organizational set goal and also to achieve the targets under supervision with either their supervisors or line managers .Financial institutions should ensure that the reward systems are modernized by making the

iii) The study also recommends that managers in financial institutions should ensure the reward systems are meaningful las compared to other organizations so as to make them more attractive to induce employee performance. In addition, managers must ensure that there is effective use of rewards that can encourage employees to gain the skills that are necessary to help them and the organization grow. This can also increase their desire to continue being

part of the organization. For example, the organization can pay and provide time off for employees who want to take advanced courses or support to help employees advance their own personal goals or skill sets in an area that is valuable for the organization. Otherwise, if employees detect any unfairness in the way rewards are distributed, it may demoralize them and thus force them to withhold effort.

5.6 Areas for Further Study / Research

The study focused on only performance planning, performance monitoring, and performance reward on employee performance. Since the study was carried out in financial institutions in Uganda, a similar study should be conducted in order to establish the relationship between performance management practices on employee performance in SACCOs in Uganda since they are Micro-deposit taking institutions which provide similar services like financial institutions.

The findings in this study indicated that the proposed performance management practices (Performance planning, performance monitoring and performance rewarding) explain only 52.4% employee performance and 47.6% is explained by other factors explained in the dimensions used in performance management. However, more research should be carried out to investigate the influence of organizational policy on employee performance in financial intuitions in Uganda.

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APPENDENCES

APPENDIX I – QUESTIONNAIRE QUESTIONNAIRE FOR STAFF MEMBERS OF EQUITY BANK HEAD OFFICE

Dear respondent,

I am **NYANZI JENNIFER** a Masters student of Kyambogo University and I am pleased to inform you that you are one of the selected individuals who were randomly selected to respond to this questionnaire. The data collected using this questionnaire will be used to compile an academic research report to be presented to Kyambogo University for award of a Master's Degree in Business Administration.

You are cordially requested to spare some time and fill this simple questionnaire. The information obtained through this questionnaire shall be used for aforementioned purpose and will be taken with utmost confidentiality. For this reason, I do not seek to know the name or identity of any respondent.

Yours Sincerely



.....

NYANZI JENNIFER

RESEARCHER

SECTION A: BACKGROUND INFORMATION

Please answer the following questions by **ticking the box** with the most appropriate option:

1. Sex:

(a) Male (b) Female

2. Age bracket

(a) Below 20 Years (b) 20-30 Years (c) 31 -40 Years (d) Above 40 years

3. Level of education?

(a) Certificate (b) Diploma (c) Bachelors (d) Masters (e) PhD

4. Management responsibility

(a) Top management (b) Middle management (c) Supervisory staff (d) Support
staff

5. Length of service

(a) Less than 1 year (b) 1-2 years (c) 2-5 years (d) 5-10 years over 10 years

SECTION B

From No. 6 of the following statements please tick the number that best indicate your opinion using the following scale; strongly disagree (1), disagree (2), Not sure (3), Agree (4) and strongly agree (5).

1. Performance Planning

	Statement	1	2	3	4	5
6	My organization has specific agreed goals that yield higher performance.					
7	I participate in setting goals and performance expectations for my work.					
8	My performance goals set up are reasonable and attainable					
9	I am given enough time to achieve the set targets in the specified time					
10	I am motivated to work if am aware of what needs to be done					

	in achieving a specific goal of this organization.					
11	I identify my career development goals					
12	I have a clear understanding of the level of performance that is expected from me					

2. Performance Monitoring

	Statement	1	2	3	4	5
13	I clearly understand the organization expectations and I make timely adjustments as to my performance.					
14	I am given the necessary guidance on how to attain my performance expectation and goals.					
15	I always discuss with my supervisor the ways of improving my performance in case the performance standards are not met.					
16	My supervisor provides frequent feedback to improve on my job performance.					
17	I have a clear course of action to take in order to accomplish my performance goals					
18	There is open communication with my supervisor about my performance					

3. Performance Reward

	Statement	1	2	3	4	5
19	I am satisfied with the rewards the organization gives me.					
20	I am always praised in the organization newsletter or in meetings as another way of reward to improve my performance.					
21	I am given an additional amount to my salary when I perform beyond my target.					
22	I am satisfied with the transport allowances given to me					

23	I am satisfied with the total compensation package given to me					
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4 Employee Performance

	Statement	1	2	3	4	5
24	I am able to produce the quantity of work as specified by my organization.					
25	I am able to produce the quantity of work as set by my Supervisor.					
26	I am able to produce quality work as specified by our customers.					
27	I am able to produce quality work in time.					
28	I am able to produce quality work as specified in the organization goals					

Thank you very much for your time

Yours sincerely



Nyanzi Jennifer

APPENDIX II

INTERVIEW GUIDE FOR TOP MANAGERS AND ADMINISTRATORS

- 1) What activities entail your performance planning for employees?
- 2) How are organizational and individual goals in Equity Bank?
- 3) Which parameters do you use to measure if these goals are achieved or not achieved?
- 4) How do you ensure that employees achieve set goals as agreed during planning?
- 5) What strategies do you have to improve the goal setting process in order to ensure that you achieve the objective of improving employee performance?
- 6) W
What strategies do you use in performance monitoring to ensure that employees are on track?
- 7) E
How are employees rewarded?
- 8) D
Do rewards improve employee performance?

APPENDIX III

INTERVIEW GUIDE FOR SUPERVISORS

- 1) Do you feel satisfied with the rewards the organization gives workers?
- 2) How are employed rewarded?
- 3) To what extent do terms of employment help to enhance worker's performance?
- 4) How adequate is workers' knowledge and skills in light of their job requirements and performance?
- 5) How easy is it for the workers to access necessary information pertaining to their performance?
- 6) How appropriate is your organization's performance monitoring criteria?
- 7) Do employees always meet organization's expectations?

APPENDIX IV

DOCUMENTARY REVIEW


Check the human resource policy manual

Check performance appraisal reports

Check the organization newsletter.

APPENDIX V

THE ORGANIZATION NEWSLETTER

	<h1>THE EQUITY AWARDS BULLETIN</h1>	EQUITY BANK UGANDA
		Volume 1, Issue 1
		July 2015

The Bank rewards Exceptional Performers

As we commemorate the closure of the first half of 2015, we have the pleasure to introduce to you some of the teams that have performed particularly well during this period.

Representatives of these teams were treated to lunch by the Excom team on Saturday 4th July 2015, at Royal Suites here in Kampala. To accompany the sumptuous meal, were instant cash awards that were also given out.

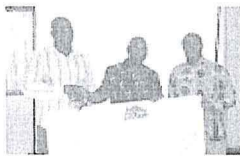
At the function presided over by the Ag. Managing Director, Mr. Apollo Njoroge, and attended by members of the Senior Management Team and all the Branch Managers, the following teams were particularly appreciated for their commendable performance and contribution in 2015:

The Best Performing Branch Award went to Ndeeba Branch;

The team made a profit contribution of UGX1.36Bn (by May 2015) and have grown their loan book by 40% as well as doubled their deposits in the last 5 months.

The Team was given a cash award of UGX1,000,000 to arrange a befitting ceremony of their choice.

Kudos Team Ndeeba! Not so long ago, Ndeeba branch was struggling to keep afloat.



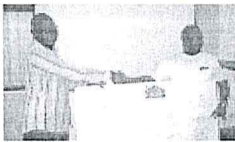
From left, Denis Ochieng (GM Finance) shakes hands with Geoffrey Kigero BCDM Ndeeba the best performing branch while the Ag MD Apollo Njoroge looks on.

The Most Improved Branch Award went to Venus Branch

The Team, under the headship of Abdallah Aziz Epallat, has registered tremendous growth this year. By May, they had registered a profit of UGX.410Milion compared to a paltry UGX.178Milion they posted for the whole year 2014!

In the same period, the team had also more than tripled their loan book from UGX3.56bn to over UGX138n.

Venus Branch was also given a cash award to celebrate their achievements.



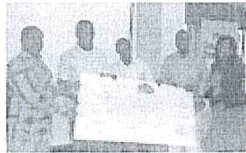
The General Manager Finance hands over a cheque of UGX.750,000/= to Aziz Epallat the BCDM Venus the most improved Branch.

The Best Sales Team Award went to the Treasury Sales Team through whose efforts, the Bank has realized tremendous benefit this year. Together with the Forex trading team, they have propelled the income contribution of the Treasury Department to over UGX. 10Bn this year.

The Treasury Sales team comprises:

- Bob Tayebwa, as the Team Leader (Treasury Sales Manager)
- Bruce Asasiira
- Charity Atukunda
- Gerald Kirangama

On the next column.....Apollo (Ag Managing Director) and Peter Mboowa (head of Treasury) congratulate the Treasury Sales Team and also hand over a cheque of UGX1,200,000 /=-



At the same function, the Bank's Forex & Money Markets Dealer Richard Nsubuga was specially recognized for his individual contribution to the trading function of the department.

Having joined the Bank in November 2011 as a Banking Officer, Richard subsequently transferred in May 2012 to the department as a Treasury Officer after successfully interviewing for the role. Following his consistent high performance, Richard was later appointed Forex & Money Market Dealer.

Richard has continued not only to demonstrate and apply his potential but has also continued to perform exceptionally in this role. The FX and Interbank desk which he now mans contributed over UGX4.5Bn in income in the last 5 months alone! Richard, we celebrate you!



Above, Richard Nsubuga (Center), receives his cheque from Apollo and Peter.

In his remarks at the function, the Ag. Managing Director Mr. Apollo Njoroge congratulated the award recipients and stressed the need for all other staff to emulate the example set by the award recipients. He reiterated his and Management's unwavering commitment to support each and every unit in ensuring that they each do their part to exceed their individual and team targets. He challenged other branches and business units to also excel.

In other Equity news!



BCDM Mbarara Bernard Tamukwate receives a cash award ("brown envelope") from Apollo on behalf of Ouma Aggrey. Aggrey was nominated by his team-mates at Mbarara for exhibiting the Equity values passionately being a team player.



Shukh Akama, the HR Operations Manager (in dark suit) hands over a certificate of Appreciation to the Venus Plaza Branch for being the Most Improved Branch (Jan-June 2015).



A cross-section of staff from Head Office and Kasese Branch listen to Catherine Wanzembe, Head of Internal Audit during a Team trial meeting at the Kasese banking hall. Similar meetings have over the past few weeks been held in Kasese and Mbarara to discuss with staff performance and staff issues.



A cross-section of staff from Mbarara Branch listen to the Ag. Managing Director Peter Mboowa attending customer dinner & cocktail, this meeting was preceded by luncheon for staff at the Lake View Hotel. The meeting and customer event were also attended by a team from Head Office including the GM Credit, GM HR and GM Marketing.

Corner of Shame!
A staff at one of the branches was recently involved in an awkward argument with a Bank customer, even at the behest of the Branch Manager, the staff in question refused to apologize to the customer! Needless to say, the staff not only violated our core values but also demonstrated that they could no longer be in the Bank's employ. Team let us make excellent service our way of life!

We wish to remind all staff that the purpose of the Equity Awards is to recognize and reward staff who exhibit exemplary and/or extraordinary conduct in the discharge of their duties—special emphasis in selecting the winners is placed on exceptional performance and also on living the brand values—**PICTURE**.

APPENDIX VI

TABLE FOR DETERMINING SAMPLE SIZE FROM A GIVEN POPULATION

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Source: Krejcie & Morgan (1970)

Note:-

N = is population size.

S = is sample size