

MANAGEMENT BY OBJECTIVES AND EMPLOYEE PERFORMANCE:

A Case of Centenary Bank Kampala

BY

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DECLARATION

I **Rubahimbya Innocent** declare that the work submitted in the report is original and as far as I am aware it has never been submitted to any other university or similar institute of higher learning for the award of a degree or any other academic award

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DEDICATION

This work is dedicated to all people committed to making the world a better place through using the method of management by objectives.

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I take this opportunity to thank God for the blessings that enabled me to take up this course that has fundamentally changed me. My gratitude goes to my supervisors Dr . Regis Zombeire and Dr. Jacob L. Oyugi for their usual guidance and support. They tirelessly advised me and gave me a good environment to enable me finish this report.

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LIST OF ACRONYMS/ABBREVIATIONS

ANOVA	Analysis of variance
BOU	Bank of Uganda
CERUDEB	Centenary Rural Development Bank
CVI	Content Validity Index
HR	Human Resource
MBO	Management by Objectives
MBR	Management by Result.
SPSS	Statistical Package for Social Sciences

ABSTRACT

The study was titled “Management by Objectives: A Case of Centenary Bank, Kampala” The purpose of the study was to establish the relationship between management by objectives and employee performance in Centenary Bank, Kampala. The specific objectives of the study were; to establish the relationship between participative goal and employee performance, examine the relationship between participative decision making and employee performance and to assess the relationship between extrinsic motivation and employee performance in Centenary Bank, Kampala.

The study used a cross sectional research design and qualitative and quantitative approaches were used. The study used stratified sampling. The study used a sample of 110 respondents. The findings were: in objective one participative goal setting had a weak relationship with employee performance, in objective two participative decision making had a moderate relationship with employee performance; while in objective three extrinsic motivation was not related to employee performance. The study concluded that participative goal had a moderate but positive significant relationship with employee performance in Centenary Bank, participative decision making influenced performance of employees in Centenary Bank fairly strongly and extrinsic motivation cannot account for improvement of employee performance in Centenary Bank.

The study recommended that to get the best out of participative goal, bank employees need to have targeted training, participative decision making needs to happen routinely and not something management pays lip service to and Centenary bank management and board need to consider alternative options like investing in intrinsic motivation on top of the extrinsic motivation, and perhaps the employees may respond to this fresh approach.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

The purpose of this study is to examine the influence of management by objectives on employee performance in commercial banks. This section will focus on the background of the study, statement of the problem, purpose of the study, objectives, research questions and the significance of the study.

1.1 Background to the Study

The study is motivated by the desire to establish the relationship between participative goal, participative decision making, employee appraisals, employee rewards and employee performance.

1.1.1 Historical Background

The “Management by Objective” (MBO) approach, in the sense that it requires all managers to set specific objectives to be achieved in the future and encourages them to continually ask what more can be done, is offered as a partial answer to this question of organizational vitality and creativity. As a term, “Management by Objectives” was first used by Peter Drucker in 1954. As a management approach, it has been further developed by many management theoreticians, among them Douglas McGregor, George Odiorne, and John Humble. Essentially, MBO is a process or system designed for supervisory managers in which a manager and his or her subordinate sit down and jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible.

The MBO approach injects an element of dialogue into the process of passing plans and objectives from one organizational level to another. The superior brings specific goals and measures for the subordinate to a meeting with this subordinate, who also brings specific objectives and measures that he or she sees as appropriate or contributing to better accomplishment of the job. Together they develop a group of specific goals, measures of achievement, and time frames in which the subordinate commits himself or herself to the accomplishment of those goals.

The subordinate is then held responsible for the accomplishment of the goals. The manager and the subordinate may have occasional progress reviews and reevaluation meetings, but at the end of the set period of time, the subordinate is judged on the results the he or she has achieved. He or she may be rewarded for success by promotion or salary increases or he or she may be fired or transferred to a job that will provide needed training or supervision. Whatever the outcome, it will be based on the accomplishment of the goals the subordinate had some part in setting and committed himself or herself to achieving.

According to Chandler (1962) the importance of coordinating the various aspects of management undergone all-encompassing strategy was pointed out. Since then, the various functions of management were separate, having little overall coordination or strategy. The determining mechanism of Chandler's (1962) theory was the occurring interactions between functions or between departments.

These interactions were typically handled by a boundary position, where there were one or two managers that relayed information back and forth between two departments. Moreover, Chandler also stressed the significance of taking a long-term

perspective when looking to the future (Chandler,1962).The idea of matching the organization's internal factors with external environmental circumstances was introduced by Selznick (1957).

This fundamental idea was developed into the well known Strengths-Weaknesses-Opportunities-Threats(SWOT) analysis; the latter were introduced by Learned, Andrews, and his colleagues at the Harvard Business School General Management Group. Strengths and weaknesses of the firm are assessed in light of the opportunities and threats from the business environment (Selznick, 1957).

1.1.2 Theoretical Background

The MBO theory was introduced to the business science at the mid of 1950s. Drucker's (1954) concept idea of the MBO introduction was the apparent importance of businesses' clear objectives to their profitability, productivity, and share market increase and concurring reputation. According to Drucker (1954), the procedure of objectives' setting and progress' monitoring are determining factors towards the function of organizations, thus these factor should permeate the entire organization, from top to bottom.

MBO theory is spanning over five decades. The present study aims at revealing the impact of the MBO theory on employee performance, using a succinct and concise methodology.

1.1.3 Conceptual Background

According to Latham and Yukl (2009) Management by objectives (MBO), also known as management by results (MBR), is a management model that aims to improve performance of an organization by clearly defining objectives that are agreed to by

both management and employees. According to the concept, having a say in goal setting and action plans should ensure better participation and commitment among employees, as well as alignment of objectives across the organization. The term "management by objectives" was first popularized by Peter Drucker in his 1954 book *The Practice of Management* (Prasad, 2002).

The core concept of MBO is planning, which means that an organization and its members are not merely reacting to events and problems but are instead being proactive. MBO requires that employees set measurable personal goals based upon the organizational goals. It provides a means to identify and plan for achievement of goals. If you don't know what your goals are, you will not be able to achieve them. Planning permits proactive behavior and a disciplined approach to goal achievement. It also allows you to prepare for contingencies and roadblocks that may hinder the plan. Goals are measurable so that they can be assessed and adjusted easily. Organizations can also gain more efficiency, save resources, and increase organizational morale if goals are properly set, managed, and achieved (Prasad, 2002).

The major benefits of MBO are that it improves employee motivation and commitment, and ensures better communication between management and employees. However, an oft-cited weakness is that MBO unduly emphasizes the setting of goals to attain objectives, rather than working on a systematic plan to do so (Prasad, 2002).

Employee performance is defined as a function of individual ability and skill and effort in a given situation (Truitt, 2009). In the short run, employee's skills and abilities are relatively stable (Taiwo, 2013). Therefore, employee performance is defined in terms of effort extended to the job of an employee (Bartel, 2011).

Employee performance very much depends on perception, values and attitudes (Porter and Lawler, 2012).

1.1.4 Contextual Background

Centenary bank is a large financial services provider in Uganda. The bank was founded in 1983 as a credit trust, Centenary Rural Development Trust (CRDT). In 1985, CRDT began to provide financial services to the public. The bank became a fully licensed commercial bank in 1993, after receiving a license from the Bank of Uganda. Centenary Bank is the second-largest indigenous Ugandan bank, behind Crane Bank. It is primarily involved in the promotion of development through loans to rural farmers, processors of agricultural produce, small traders, small manufacturers, importers, and exporters. While engaged in all areas of commercial banking, the bank has a significant portion of its portfolio in the microfinance arena in an attempt to meet the needs of the many individuals and business entities with limited means. As of December 2014, the bank's assets were valued at UGX:1.63 trillion.

Over the years, Centenary bank has adopted new policies including but not limited to Management by objectives (MBO). According to the Centenary bank Training Policy (2011) this has been done to facilitate among others, the improvement in employee performance. However, this has not happened as expected. According to Bank of Uganda (BOU) monitoring Unit report (2014), employee performance of Centenary bank has remained low; if this trend continues, the Bank's performance will suffer and Centenary Bank will not achieve its set objectives.

1.2 Statement of the Problem

Centenary Bank has committed colossal sums of money to adoption of Management by objectives (MBO) but the expected output may not have been realized owing to the high level of customer turnover (Annual Report of Centenary Bank, 2014). Management by objectives has been instituted for a number of years but employee performance has remained poor with little or no evidence of improvement in the immediate future. Lack of benefits from Management by objectives after several years in place remains a concern.

However, how continued lack of improvement in employee performance has remained unclear in Centenary Bank. In addition, the hindrances to successful implementation of Management by objectives are not known and the solutions to these hindrances are not known either. If this situation continues the performance of the employees is likely to dwindle further and this could seriously affect the achievement of the bank's set goals and objectives .

It is upon this background that the study is set to establish reasons why the performance of the bank's employees has remained low planning despite knowing the benefits that will accrue with its implementation.

1.3 The Purpose of the Study

The purpose of the study was to establish the relationship between management by objectives and employee performance.

1.4 Objectives of the Study

The objectives of the study were to:-

(i) To establish the relationship between participative goal setting and employee performance

(ii) To examine the relationship between participative decision making and employee performance

(iii) To assess the relationship between extrinsic motivation and employee performance

1.5 Research Questions

i) What is the relationship between participative goal setting and employee performance?

ii) What is relationship between participative decision making and employee performance?

iii) What is the relationship between extrinsic motivation and employee performance?

1.6 Area and Scope of the study (geographical, time and content scope)

1.6.1 Geographical Area

The study was carried in Kampala at the Centenary Bank main branch located on Kampala road. This case study was chosen because it is accessible to the researcher and ties in very well with the operationalisation of the research problem under study.

1.6.2 Time Scope

The study focused on the time framed 2010-2015. This period has been chosen because this is when centenary bank adopted management by objectives in their methods of work (Centenary Bank annual report, 2013)

1.6.3 Subject Scope

This study limited itself to examining the relationship between management by objectives and employee performance. The study further examined how the constructs participative goal setting, participative decision making and extrinsic motivation related to employee performance measured in terms of quality of work, timeliness and productivity.

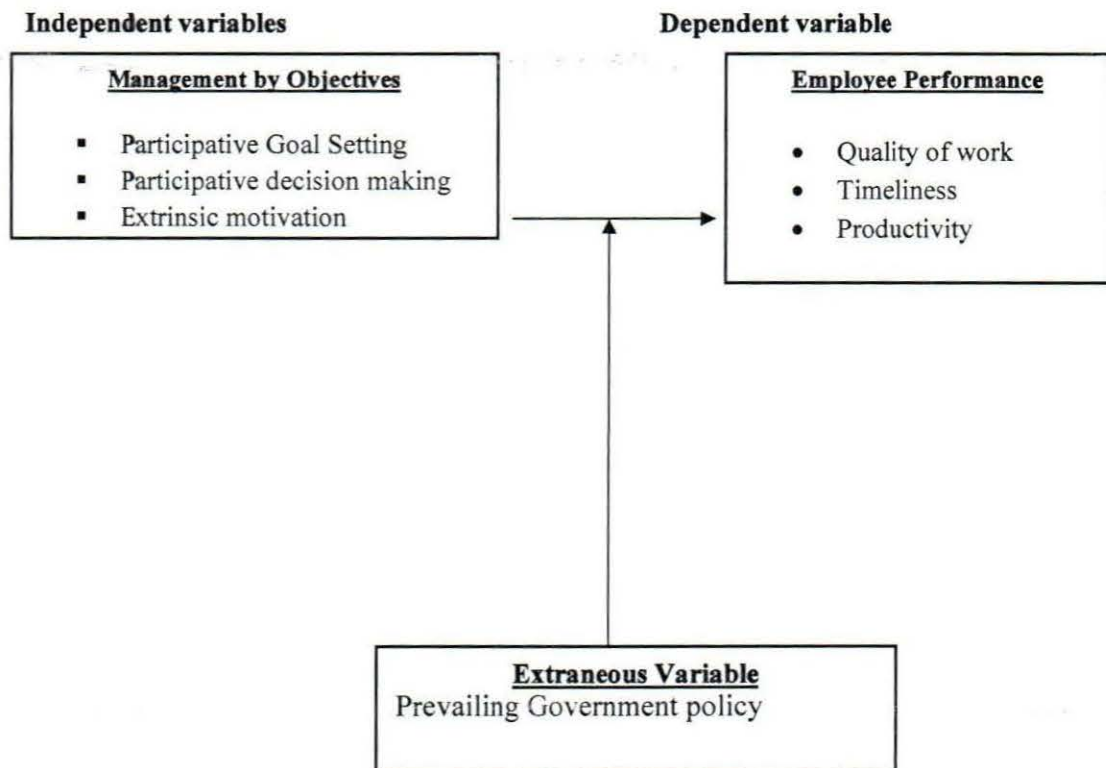
1.7 Significance of the study

The study may provide future reference points to Centenary Bank. Specifically the findings may benefit the following;

- Academic fraternity and the general research community might benefit from the findings that this report intended to provide once completed.
- This study might establish the relationship between management by objectives and employee performance. This will probably form the basis for future research.
- Internal administration of Centenary Bank might now improve in many areas since management by objectives may have been streamlined.
- The research might help Centenary Bank in formulating future plans.

1.7.1 Conceptual Framework:

Figure 1.1: Showing the relationship between Management by Objectives and employee performance



Source: Primary data (2016)

From the conceptual framework in Figure 1.1, it is conceptualized that management by objectives has a direct relationship with employee performance. The framework clearly hypothesizes that if management by objectives is applied and contracts management, participative goal setting, participative decision making and extrinsic motivation are in place, this can be reflected in the quality of their work, level of quality of work, timeliness plus productivity and this will be reflected by improving the image of the bank. However the framework also acknowledges that nature and direction of this relationship will be influenced by Government policy, central bank policy and organizational rules and regulations

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section covered an overview of related literature to the study problem. It first reviewed the theories on which this study was based and the key concepts of the study. It then portrayed how this research relates to the existing body of knowledge and identifies the existing gaps therein as related to the relationship between management by objectives and employee performance.

2.1 Theoretical perspective

Academic research in management by objectives is founded on several economic and management theories, the most often referred to is recorded in a thesis by Prasad (2002). The object of this thesis is to establish what unique contribution Drucker has made to the theory and practice of management. It examines Drucker's environment and development from his birth in Vienna, in 1909, up to and including the publication of his seminal management book *The Practice of Management* (1954). It shows how Drucker evolved his ideas for the new society that was essential to replace the European totalitarian model. It examines the influences that helped Drucker develop his management idea that was based on a Christian Protestant society, which would provide man with freedom, status and function. His experiences and development are tracked as he moved from Austria to work and also study at universities in Germany, before leaving for England after registering his opposition to Adolf Hitler and the Nazis in 1933. His stay in England until 1937 is recorded before his permanent migration to America, where his interest in management ideas was propagated and developed (Bhushan, 2008).

2.2 Management by Objectives

The "Management by Objective" (MBO) approach, in the sense that it requires all managers to set specific objectives to be achieved in the future and encourages them to continually ask what more can be done, is offered as a partial answer to this question of organizational vitality and creativity. As a term, "Management by Objectives" was first used by Peter Drucker in 1954. As a management approach, it has been further developed by many management theoreticians, among them Douglas McGregor, George Odiorne, and John Humble. Essentially, MBO is a process or system designed for supervisory managers in which a manager and his or her subordinate sit down and jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible (Prasad, 2002).

2.2.1 Participative Goal Setting

Locke first proposed the goal-setting theory in 1968. In this theory, Locke proposed that goals are immediate regulators of human action. People are consciously aware of their goals and are driven towards achieving them. According to Locke. Shaw, Saari and Latham (1981), when attention, effort, persistence, and strategy development are being directed in a goal setting process, it could affect the individual's performance. A specific goal may lead to a higher performance than just a "do your best" goal.

Goal setting involves the development of an action plan designed to motivate and guide a person or group toward a goal. Goal setting can be guided by goal-setting criteria (or rules) such as SMART criteria. Goal setting is a major component of personal-development and management literature. Studies by Deci (2004) and his colleagues have shown that more specific and ambitious goals lead to more

performance improvement than easy or general goals. As long as the person accepts the goal, has the ability to attain it, and does not have conflicting goals, there is a positive linear relationship between goal difficulty and task performance (Bhushan, 2008).

2.2.2 Participative Decision Making

Participative decision-making (PDM) is the extent to which employers allow or encourage employees to share or participate in organizational decision-making. The format of PDM could be formal or informal. In addition, the degree of participation could range from zero to 100% in different Participative Management (PM) stages. PDM is one of many ways in which an organization can make decisions. The leader must think of the best possible style that will allow the organization to achieve the best results. According to psychologist Abraham Maslow, workers need to feel a sense of belonging to an organization (Erdogan, 2013).

2.2.3 Extrinsic Motivation

A central tenet of economics is that individuals respond to incentives. *Employee rewards* is a construct that pertains whenever an activity is done in order to attain some separable outcome. Extrinsic motivation thus refers to doing an activity for its instrumental value (Deci, Connell and Ryan, 2011).

2.3 Employee Performance

According to Bourhis and Wils (2011) Job performance assesses whether a person performs a job well. Job performance, studied academically as part of industrial and organizational psychology (the branch of psychology that deals with the workplace), also forms a part of human resources management. Performance is an important criterion for organizational outcomes and success. The job related activities expected

of a worker and how well those activities were executed. Many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement.

2.3.1 Quality of work

The quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator. In a sales environment, the percentage of inquiries converted to sales is an indicator of salesmanship quality (Mouse, 2005).

2.3.2 Timeliness

Timeliness is defined as how fast work is performed and is considered a performance indicator that should be used with caution. In field service, the average customer's downtime is a good indicator of timeliness. In manufacturing, it might be the number of units produced per hour (Akintoye, 2000).

2.3.3 Productivity

Stewart, Carson, and Cardy (2012) define workforce productivity as the amount of goods and services that a worker produces in a given amount of time. It is one of several types of productivity that economists measure. Workforce productivity can be measured for a firm, a process, an industry, or a country. It is often referred to as labor productivity. The three most commonly used measures of input are: hours worked, workforce jobs and number of people in employment. There are only so many hours in the day, so making the most of your time is critical. There are two ways increase your output--either put in more hours or work smarter.

2.4 Participative Goal Setting and Employee Performance

Researchers who have found a positive relationship hypothesized that allowing participation in the goal setting process increases an individual's perception of control and fairness (Erez & Kanfer, 1983), which subsequently leads to greater goal performance. However, this suggestion has been challenged by researchers who believe that if a goal is difficult, and an individual has the ability and is committed to achieving it, then higher levels of performance will result regardless of the level of participation involved in setting the goal (Latham & Marshall, 1982; Latham & Yukl, 1976; Latham *et al* 1978, 1982).

Participation in organizational decision making has been a central topic of research over the past 25 years (e.g., Vroom, 1964; Vroom & Yetton, 1973). An area in which the effect of participation has been of major interest is in the setting of goals and objectives. An unresolved question has been whether employees are more motivated (i.e., set higher goals and/or have higher performance) if they help set the goals on which they will be evaluated rather than having the goals assigned to them by their supervisor.

Few studies have systematically examined the effects of participation in goal setting. In a review of the literature, Latham and Yukl (1975a) found that those studies that empirically tested the effects of assigned versus participative goal setting have yielded mixed results. In one study, Latham and Yukl (1975b) found that a participatively set goal led to higher performance than an assigned goal for uneducated loggers, but that neither form of goal setting affected the performance of educated loggers. In another study, Latham and Yukl (1976) found no significant difference in the behavior of female typists who were either assigned goals or participated in the goal-setting

process. This finding supported a previous study by Meyer, Kay, and French (1968), who found that how a goal is set is not so important as the fact that a goal is set.

Where participative goal setting is superior to assigned goal setting, the question remains, why is it better? Likert (1967) and Latham and Yukl (1975b) have argued that the superiority of participative goal setting may be due in part to a higher goal being set. A higher goal should produce greater effort. A second hypothesis they suggested is that the acceptance of the goals and the motivation to attain them may be greater when the employee is allowed to participate in the goal setting process.

To date, only a study by Carroll and Tosi (1970) has specifically tested these two hypotheses. They found that participation did not correlate with either goal difficulty or goal acceptance. However, there were two problems with this study. First, goal difficulty was measured only in terms of the employee's perception. The goal level itself such as cubits of wood cut or number of lines typed (e.g., Latham & Yukl, 1975b, 1976) was not assessed. Second, the study was correlational. The degree of participation was not manipulated; hence questions about causality were unanswerable.

The importance of participation in goal setting is that it can lead to the setting of difficult goals. That participation affects goal difficulty is of theoretical as well as practical importance, since Locke's (1968) theory and empirical studies (Latham & Yukl, 1975a) suggest that the higher the goal, the higher the performance.

Previous studies (e.g., Carroll & Tosi, 1970) that have reported no significant relationship between goal difficulty and participation have used only the subject's perceptions as the criterion rather than a measure of the actual goal set. We would suggest that future studies on this topic include objective measures of goal difficulty.

That participation in setting the goal is no more effective than an assigned goal on goal acceptance is congruent with earlier findings that assigned goals (Latham & Baldes, 1975; Latham & Kinne, 1974; Latham & Yukl, 1976) can affect an employee's behavior positively provided that the goals are realistic and are not based on whim or caprice. It may be that both participative and assigned goal setting are effective with regard to goal acceptance.

A set goal has been found to have motivational effects similar to a conscious goal on performance. Both goals influence choice, effort and persistence (e.g., Bargh, Gollwitzer, Lee-Chai, Barndollar, & Troetschel, 2001). Second, given the limits of an employee's focal awareness, it is obvious that a person relies on the subconscious continually (Locke & Latham, 2004). Thus, a subconscious goal, relative to a conscious goal, consumes fewer cognitive resources (Anderson, 1985; Dijksterhuis & Nordgren, 2006). Hence a goal that is in the subconscious can increase an employee's efficiency. Finally, there is evidence that a conscious and a subconscious goal are not necessarily correlated. Their effect on job performance has been found to be additive (Shantz & Latham, 2009).

2.5 Participative Decision Making and Employee Performance

Employee involvement in decision making, sometimes referred to as participative decision-making (PDM) is concerned with shared decision making in the work situation (Mitchell, 1973). Shantz & Latham, (2009) defines it as 'joint decision making' between managers and subordinates. According to Noah (2008), it is a special form of delegation in which the subordinate gain greater control, greater freedom of choice with respect to bridging the communication gap between the

management and the workers. It refers to the degree of employee's involvement in a firm's strategic planning activities.

A deep employee involvement in decision making allows the influence of the frontline employees in the planning process. These are the people who are closest to the customer and who can facilitate new product and service recognition, a central element in the entrepreneurial process (Li et al., 2006). This means that employee participation in the planning process surrounding the potential innovations may facilitate opportunity recognition throughout the organisation (Kemelgor, 2002; Zivkovic et al., 2009).

There is an assumption held by many scholars and managers that if employees are adequately informed about matters concerning them and are afforded the opportunity to make decisions relevant to their work, then there will be benefits for both the organisation and the individual (Shadur et al., 1999).

However, any potential benefits from greater employee involvement in decision making require that employee interest be aligned with firm's interests (Ogden, 1992; Spreitzer & Mishra, 1999). Individual contingency factors which support or hinder participative decision-making have also been identified by Sashkin (1976).

According to Lam, Chen and Schaubroeck (2002) the relationship between perceived participative decision making and employee performance was examined in matched samples of employees from the Hong Kong and U.S. branches of one organization. Self-efficacy in regard to participating in decisions and idiocentrism moderated the relationship between perceived participative decision-making opportunity and individual performance. Perceptions of the participation efficacy of a work unit and

allocentrism moderated the relationship between participative decision-making opportunity and group performance. Idiocentrism and allocentrism appeared to explain regional differences in how participative decision making and efficacy perceptions interacted to predict performance.

A modern forward-looking business does not keep its employees in the dark about vital decisions affecting them. It trusts them and involves them in decision making at all levels. "Command and control" is no longer an adequate model. A more open and collaborative framework will exploit the talents of all employees (Hewitt, 2002).

Employees must be involved if they are to understand the need for creativity and if they are to be committed to changing their behaviour at work, in new and improved ways (Singh, 2009; Kingir and Mesci, 2010). Employee involvement in decision making serves to create a sense of belonging among the workers as well as a congenial environment in which both the management and the workers voluntarily contribute to healthy industrial relations (Noah, 2008).

Florence (2011) carried out a study on the relationship between employee's participation in decision making process and job satisfaction among university academic staff. The study discovered that there is a positively strong correlation between employee's participation in decision-making and job satisfaction in relation to general working conditions; pay and promotion potential; use of skills and abilities; job design; and job feedback.

Rathnakar (2012), reaches similar conclusions that there is significant relationship between participation of employees in decision making and the degree of employee's participation and consultation.

In another study by Owolabi and Abdul-Hameed (2011), the survey indicated a statistically significant relationship between employee participation in decision making and performance of firm. The study did a comparison between the performance of firms that involves employees fully or partly and discovered engaging employees fully increases performance.

Singh (2009) carried out a study on Malaysian managers in the private sector with the focus to analyze the influence of individual determinants on the participation of employees in decision making. The results revealed that trust is the only individual factor that has an influence on participation in decision making.

In a similar study by Omobude and Igbedu (2012), they investigated the influence of teacher's participation in decision making process and its impact on their job performances. The study discovered that participation in decision making influence performance as teachers who participated in decision making performed better, and the relationship between participation and performance varies on certain demographical factors and availed equal participatory opportunities in decision making.

In order to increase the workers commitment and humanise the workplace with the intention of improving work performance and good citizenship behaviour, managers need to permit a high degree of employee involvement (Cohen et al., 1997). Thus, the involvement of workers in decision making is considered as a tool for inducing

motivation in the workers leading to positive work attitude and high productivity (Noah, 2008).

Scholars have argued that employee involvement contributes to organisational efficiency because it has the capacity to enhance the quality of decision making by increasing the inputs and promotes commitment to the outcomes of the decision making process in the workplace (Miller & Monge, 1986; Markey, 2006).

According to Spreitzer et al. (1997), workers who have greater choice concerning how to do their own work have been found to have high job satisfaction and consequently high performance. A significant relationship between frequency of employee's consultation and organisation commitment has also been established (Noah, 2008).

While employee involvement may reside at the core of many contemporary practices and research, the extent to which organisational-level performance gains are actually achieved through decentralizing decision-making authority to lower level employee remains unclear (Richardson et al., 2004). Latham et al. (1994) contend that there is much less research evidence for the value of employee involvement on quality decision making. Scholars have also argued that employees' involvement in decision making may primarily serve to make them feel good about their jobs and organisations but do little to increase firm's performance (Wagner, 1994).

2.6 Extrinsic Motivation and Employee Performance

Since the advent of scientific management (Taylor, 1911), piece-rate payments (or wage incentives) have been commonly used for motivating employees. Such systems (which date back to preindustrial times) tie a person's financial rewards directly to his performance by paying him a set rate for each unit of output which he produces. The

motivational assumption underlying piece-rate payments as well as sales commissions, bonus plans, etc. is that a person will perform effectively to the extent that his rewards are made contingent upon effective performance (Vroom & Deci, 1970).

Furthermore, Kinicki and Williams (2008) stated that pay for performance is one of the popular monetary incentives, also known as merit pay. It pays based on the performance or results. Different salaried employees might get different pay raises and other rewards (such as promotions) depending on their overall job performance (Pfeffer 2006). Bonuses or profit sharing also are one of the monetary incentives that can be used to motivate the employees. Bonuses are cash awards given to employees who had achieved specific performance objectives (Kinicki and Williams, 2008).

2.7 Summary of Literature

The literary works reviewed discuss the major themes of this study which are about study aims to investigate the relationship between management by objectives and employee performance. The researcher established that the world over management by objectives differs in degrees, but most variations are marginal and tend to influence employee performance in much the same ways. However much of the available literature is more academic than empirical and may do little to inform this study.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section is the methodology of the study. It presented a description of research design, reasons for selection of the area of study, sample selection, data collection methods and analysis of data. The study investigated the relationship between management by objectives and employee performance.

3.2 Research Design

This study used a case study research design. case study research design enabled the researcher to collect data in order to establish the relationship between the study variables in the selected case study area of Centenary Bank. In this study, numerical figures and descriptive information was obtained, giving it both a quantitative and qualitative research approaches.

3.3 Area of study and Study Population

This study was conducted in Centenary Bank Uganda located on Kampala road in Uganda. The study population consisted of 130 respondents (Centenary Bank Human Resource Manual, 2014). These consist of 10 executives, 10 senior management staff, 10 supervisory staff and 100 junior staffs. The executive members were chosen because they have the responsibility of overseeing the implementation of the management by objectives strategy. The senior management was chosen in this study because they have that cardinal role to manage the strategy and to see whether it is resulting in improved employee performance. The supervisory staff was chosen since they have the immediate responsibility over the junior staff. The junior staff members were chosen because they had a direct role to play in this study as they were the very

people whose performance was being measured in relation to management by objectives.

3.4 Sample Size

The sample size was determined using the table in Appendix I from a study by Morgan and Krejcie (1970, as cited in Amin, 2005). This therefore meant that the sample included 110 respondents. The sample sizes are depicted in Table 3.1.

Table 3.1: Sample Size of Respondents and Sampling Technique

Category of Population	Population Size	Sample Size	Sampling Technique
Executives	10	10	purposive sampling
Senior Management	10	10	purposive sampling
Supervisors	10	10	purposive sampling
Junior staff	100	80	Simple Random sampling
Total	130	110	

Source: Centenary Bank Uganda Human Resource Manual (2014)

From Table 3.1, it can be observed that the researcher worked with a sample size of 110 respondents using a blend of purposive and simple random sampling techniques.

3.5 Sampling Techniques

3.5.1 Probability based Sampling Techniques

From the existing probabilistic sampling techniques, the study used simple random sampling technique. Simple random sampling was used to select junior staff in centenary bank. This technique was chosen because the category of junior staff has a large population size and as such warrant simple random sampling to minimize sampling bias (Mugenda & Mugenda, 2003).

3.5.2 Non-Probability based Sampling Techniques

From the existing non-probabilistic sampling techniques, purposive sampling was employed to select executives, senior management staff, and supervisors who were targeted due to their perceived knowledge arising out of known experience that they have. This technique was employed following the postulate that if sampling had to be done from smaller groups of key informants, there was need to collect very informative data, and thus the researcher needed to select the sample purposively at one's own discretion (Sekaran, 2003).

3.6 Data Collection Methods

3.6.1 Questionnaires

This was used to collect primary data from junior staff, and, it involved use of a semi-structured questionnaire. The method of survey using a semi-structured questionnaire was deemed appropriate since part of the questionnaire offers the junior staff a choice of picking their answers from a given set of alternatives while the other part of the questionnaire allows them to qualify their responses (Amin, 2005).

3.6.2 Interview

This was used to collect primary data from supervisors, senior management, and executives. The method of interview using a semi-structured interview guide was deemed appropriate since the aforementioned categories of staff have vital information yet no time to fill in questionnaires (Sekaran, 2003).

3.6.3 Documentary Review

This will be used to collect secondary data and will be guided by a documentary review checklist. Documents from bank of Uganda, CERUDEB, public and private libraries with literature relevant to the research topic was analyzed as secondary sources of data to supplement primary data from survey and interviews (Amin, 2005).

3.7 Data Collection Instruments

3.7.1 Self Administered Questionnaire

Questionnaires were used to collect data from the respondents in centenary bank Uganda. 110 questionnaires were randomly distributed to 110 respondents. The questionnaire was used in this case because it has proved to be an invaluable method of collecting a wide range of information from a large number of individuals especially when it comes to people like the junior staff at centenary bank Uganda (Sekaran, 2003). The questionnaires were popular because the respondents filled them in at their own convenience and are appropriate for large samples. The questionnaire was designed with both open and closed ended questions (Amin, 2005).

3.7.2 Interview guide

The researcher prepared and used a semi-structured interview guide to conduct several interviews with executive members, senior management, and supervisors at centenary bank. Interviews were chosen because they are thought to provide in-depth

information about a particular research issue or question. Still, interviews were chosen because they make it is easy to fully understand someone's impressions or experiences, or learn more about their answers as compared to questionnaires. According to Mugenda and Mugenda (2003), interviews were advantageous in that they provided in-depth data which is not possible to get using questionnaires.

3.7.3 Documentary Review Checklist

This consisted of a list of documents (Sekaran, 2003) particularly concerning management by objectives and employee performance which were directly relevant. Most of these documents were obtained from public libraries and Bank of Uganda and CERUDEB. In this case; textbooks, journals, magazines, theses, conference papers, newspaper articles, government reports, internet, and dissertations related to the topic under investigation as recommended by Amin (2005) were reviewed.

3.8 Quality control

3.8.1 Validity

Validity is the extent to which research instruments measure what they are intended to measure (Oso & Onen, 2008). The researcher used the expert judgment of his supervisors to verify the validity of the instruments. To assess this, the two supervisors were contacted to evaluate the relevance of each item in the instruments to the objectives. The experts then rated each item as either relevant or not relevant. Validity was determined using Content Validity Index (CVI).

CVI=Items rated relevant by both judges divided by the total number of items in the questionnaire as shown hereinafter.

CVI = No. of items rated relevant

Total no. of items

CVI= 38

41

CVI= 92.683

As recommended by Amin (2005), for the instrument to be valid, the CVI should be at least 0.7.

3.8.2 Reliability

Reliability is the extent to which a research instrument yields consistent results across the various items when it is administered again at a different point in time (Sekaran, 2003). To establish reliability, the instruments were pilot-tested twice on the same subjects at a time interval of four weeks. According to Amin (2005), test-retest reliability can be used to measure the extent to which the instrument can produce consistent scores when the same group of individuals is repeatedly measured under same conditions. The results from the pretest were used to modify the items in the instruments.

$$\text{Reliability} = \frac{K}{K-1} \left[1 - \frac{\sum sd_i^2}{SD_t^2} \right]$$

Where SD_t^2 = variance of the entire questionnaire.

K= number of items in the questionnaire.

$\sum sd_i^2$ = sum of variance of the individuals items in the questionnaire.

Table 1.2: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.833	.888	41

To ensure reliability of quantitative data, the Cronbach's Alpha Reliability Coefficient for Likert-Type Scales test was performed. In statistics, Cronbach's alpha is a coefficient of reliability. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. According to Sekaran (2003) some professionals as a rule of thumb, require a reliability of 0.70 or higher (obtained on a substantial sample) before they use an instrument. Upon performing the test, the results that was 0.7 and above was considered reliable. The result of the Cronbach test was provided in the appendix of the final report.

3.9 Data Analysis

Data was analyzed both quantitatively and qualitatively.

3.9.1 Quantitative data analysis

Quantitative data analysis involved use of both descriptive and inferential statistics in the Statistical Package for Social Scientists (SPSS). Descriptive statistics entailed determination of measures of central tendency such as mean; measures of dispersion such as standard deviation; frequency distributions; and percentages. Data was processed by editing, coding, entering, and then presented in comprehensive tables showing the responses of each category of variables. Inferential statistics that obtained correlation analysis and regression analysis was utilised to answer the research questions. According to Sekaran (2003), a correlation study is most appropriate to

conduct the study in the natural environment of an organization with minimum interference by the researcher and no manipulation. A correlation coefficient was computed because the study entailed determining correlations or describing the association between two variables (Oso & Onen, 2008). At bi-variate level, management by objectives as an independent variable was correlated with employee efficiency as the dependent variable using Pearson's Correlation Coefficient.

3.9.2 Qualitative data analysis

Qualitative data analysis involved both thematic and content analysis, and, was based on how the findings related to the research questions. Content analysis was used to edit qualitative data and reorganize it into meaningful shorter sentences. Thematic analysis was used to organize data into themes and codes were identified (Sekaran, 2003). After data collection, information of same category was assembled together and their similarity with the quantitative data created, after which a report was written. Qualitative data was interpreted by composing explanations or descriptions from the information. The qualitative data was illustrated and substantiated by quotation or descriptions.

3.10 Ethical considerations

The major ethical problem anticipated in this study was the privacy of the subjects and confidentiality of their information. To ensure privacy, the subjects were informed upfront that indeed their names would not be required, that they had the right to leave questions unanswered for which they did not wish to offer the requisite information, and that the researcher did not put the respondent under pressure if this happened (Mugenda & Mugenda, 2003). To ensure confidentiality, the respondents were informed upfront that the information they gave was solely used for academic

purposes and data obtained on private matters was treated in confidence (Amin, 2005).

3.11 Limitations of the Study

Against the issue of limited time, the researcher asked for some days of leave to allocate sufficient time to carry out his research. The study was scheduled to be completed and the dissertation submitted as soon as possible. Still the researcher experienced the following hindrances during the study: It was not be easy to access data especially textbooks which explicitly talked about the variables under study. This problem was solved by visiting a number of libraries and websites.

The time to complete a study of this magnitude was insufficient. The researcher however made sure that the work was given ample time and maximum concentration. There was a challenge of not getting easy cooperation from the study subjects as most of them tended be having busy schedules at their places of work. The researcher overcame this barrier by conducting a reminding exercise through telephone calls and face to face visits to their respective offices.

The cost of this research was high since it involved stationery, printing costs, photocopying, binding, transport, telephone charges, among other expenses. This was overcome by soliciting financial assistance from friends, relatives and well-wishers and some respondents required going and reading the questionnaires at their leisure time, and these requests were granted though they might led to collection delays that affected the schedule for the completion of the report.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents findings of the study which was conducted to find or establish the relationship between management by objectives and employee performance. The findings were presented according to the objectives of the study. In the first section, the social background of the respondents is given. In the second section, the empirical analysis of the study findings was conducted (the relationship between management by objectives and employee performance in Centenary bank in terms of participative goal, participative decision making and extrinsic motivation and these constructs influenced employee performance in Centenary Bank) and the last section handles the answers to the research questions that this study sought to answer.

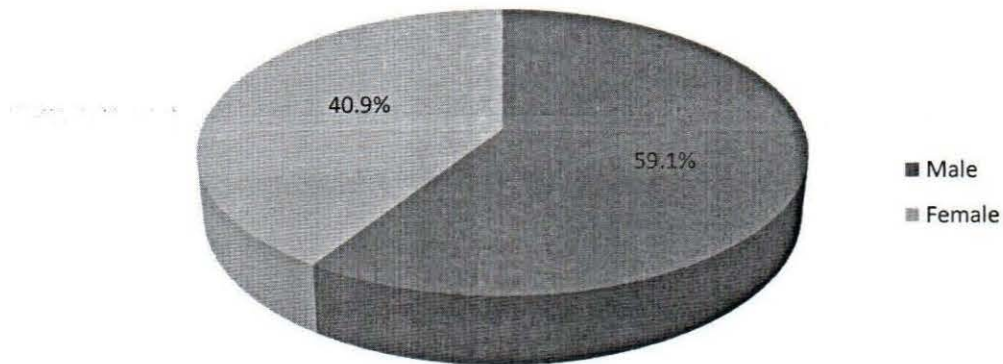
4.1 Bio data of the Respondents

This theme handles the background information on the respondents that were used in the study. Among these characteristics included, gender, age, highest level of education, marital status, the period respondents had spent in Centenary Bank as well as their status in the institution.

4.1.1 Gender of the Respondents

To show the gender of the respondents, the researcher recorded their gender and below is the results that were recorded in figure 4.1.

Figure 4.1: Gender of the respondents



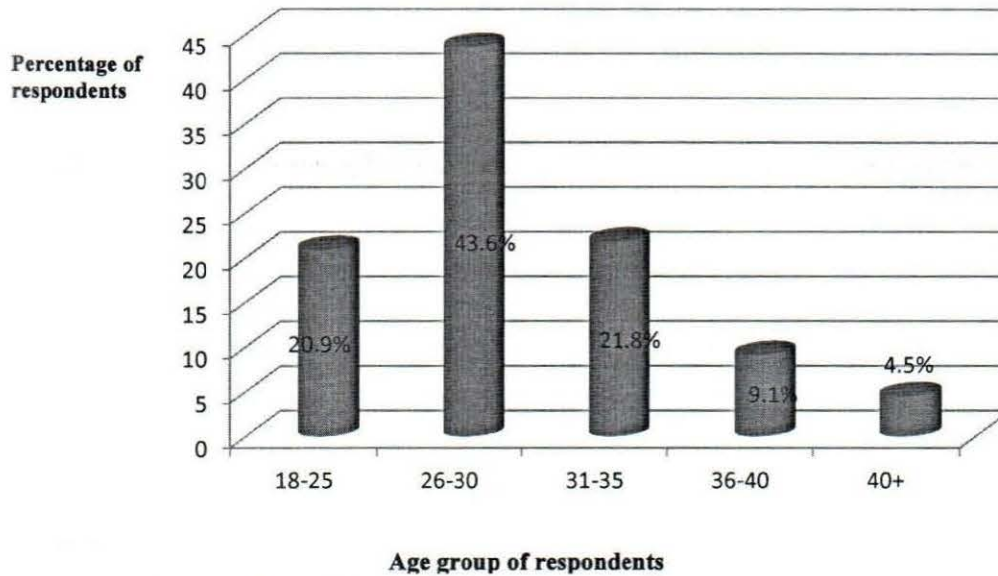
Source: Primary Data 2016

From figure 4.1 above, of the respondents who attended the study, 40.9% were female. Male respondents on the other hand, were 59.1%. The implication of this to the study is that irrespective of the head count of the genders, who participated in the study, all sexes were represented and their individual views the relationship between management by objectives and employee performance were tapped into.

4.1.2 Age of the Respondents

To ascertain their respective age distribution, the respondents were asked to furnish the study with their ages. Figure 4.2 below has this information.

Figure 4.2: Age of the Respondents



Source: Primary Data 2016

From figure 4.2, it was seen that the biggest portion of the respondents had 26 to 30 years with a score of 43.6%. Next in size was the group of 31-35 comprised of 21.8%, 36-40 years were represented by 9.1%, while 18-25 was represented by 20.9% and 40 plus years constituted a rather small 4.5%. The above portrays the fact that the overwhelming percentage of those who participated in the study were 25 years and above (a collective percentage of 79.1%). People who are 25 and above are considered in their prime with vast experience and able to furnish this study with dependable information on the relationship between management by objectives and employee performance.

4.1.3 Marital status of the Respondents

Marital status of the respondents indicated in figure 4.3 below.

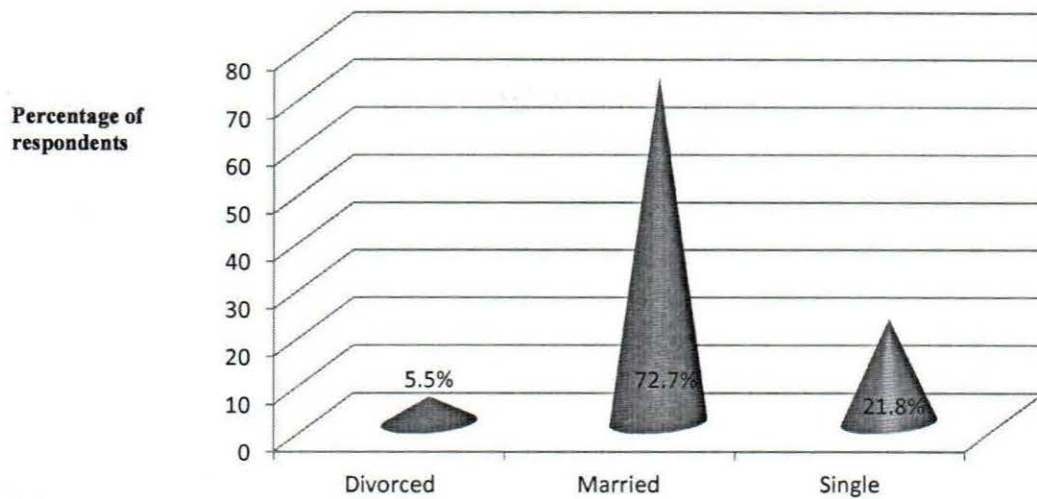


Figure 4.3 Marital status of the Respondents

Source: Primary data 2016

The study findings in figure 4.3 show that the largest portions of the respondents were married constituting a sizable percentage of 72.7 %, 21.8% were single and 5.5% were divorced. Therefore, as a good deal of the respondents were married and such respondents considered mature enough to divulge their vast experiences concerning the relationship between management by objectives and employee performance.

4.1.4 Highest Level of Education of the Respondents

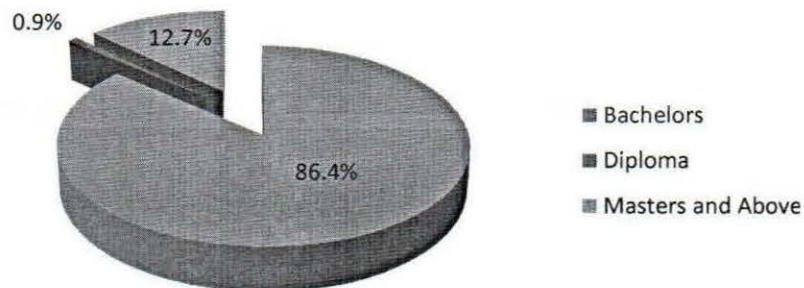


Figure 4.4: The level of education of the respondents

Source: Primary data 2016

Figure 4.4 portrays the fact that the largest part of the respondents had attained a bachelor's degree (86.4%) while Diploma holders were 0.9% and those with Master's degree holders and above were 12.7 %. Basing on the above findings, it can be discerned that the respondents who took part in the study were by and large highly educated. The study can rely on such respondents to furnish it with useful information.

4.1.5 Period spent in Centenary Bank

The researcher also wanted to find out period spent in Centenary Bank. The findings are shown in figure 4.5 below;

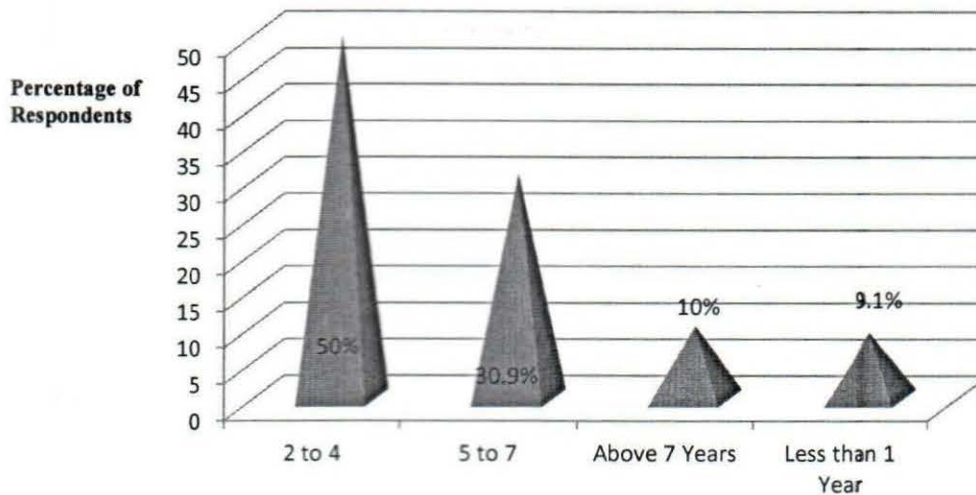


Figure 4.5 Period spent in Centenary Bank

Source: Primary data 2016

From figure 4.5 above, 9.1% have been in working in Centenary Bank less than one year, 50% between 2 and 4 years, and 30.9% 5 to 7 years while 10% have worked in Centenary Bank for seven years and above. The majority of respondents has spent long period in Centenary Bank and can authoritatively comment on the relationship between management by objectives and employee performance.

4.1.6 Position Held in Centenary Bank

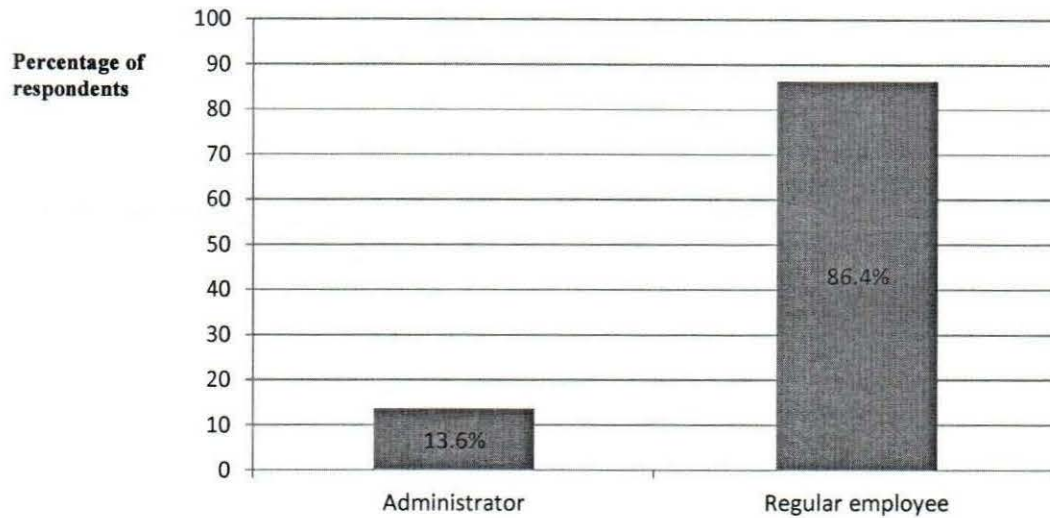


Figure 4.6 showing Position held in Centenary Bank

Source: Primary data 2016

From figure 4.6 above it becomes immediately clear that 13.6% of the respondents were administrators while 86.4% were regular employees doing non administrative duties. The overall majority of the respondents were in position to offer qualified positions on the relationship between management by objectives and employee performance.

4.2 Empirical Findings on the relationship between management by objectives and employee performance.

This section provides a detailed account of the descriptive and inferential statistics obtained from the field of study based on the specific objectives of the study. It further presents and answers the research questions. These findings were thus obtained on the relationship between management by objectives and employee performance in terms of participative goal, participative decision making and extrinsic motivation and how they relate to employee performance in Centenary Bank.

4.2.1 Findings participative goal setting and employee performance in Centenary Bank

The first objective of the study was to establish the relationship between participative goal and employee performance in Centenary Bank. The respondents were introduced different items to voice their opinion. Their responses were computed by making an aggregate of responses given by respondents to the 5 point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Not sure, 4=Agree and 5=Strongly Agree), which were categorized according to their means as follows:

Table 4.1: Statements on participative goal setting & employee performance in Centenary Bank

Items	1	2	3	4	5	Mean	S.D
Participative goal setting involves accepting input from employees in goal definitions and determination	0%	3.6%	47.3%	39.1%	10.0%	3.55	0.724
Participative goal setting improves the quality of work through enhanced morale.	0.9%	0%	24.5%	58.2%	16.4%	3.89	0.695
Participative goal setting improves employees ability to articulate their needs and preferences	0%	4.5%	25.5%	50.0%	20.0%	3.85	0.788
Participative goal setting enables employees have easy access to a wide range of information and knowledge in order to make informed decisions.	0%	1.8%	11.8%	63.6%	22.7%	4.07	0.646
Participative goal setting has resulted in improved performance	0%	1.8%	6.4%	64.5%	27.3%	4.17	0.619

Primary data 2016

For clarification purposes, it can be said that the standard deviation scores less than one reveal commonalities. Furthermore, mean scores above three reveal (agreement) and the scores below three reveal (disagreement).

Table 4.1 contained items; “Participative goal setting involves accepting input from employees in goal definitions and determination”; 10.0% strongly agreed, 39.1% agreed respectively while 3.6% disagreed and 47.3 % were not sure. This meant there exists a modest lack of awareness indicated by 47.3% of participants who were unsure of the definition.

One supervisor legislator intimated that, *“possibly the employees understand the terminology differently as he was aware of the fact that participative goal setting happens during appraisal cycles”*

“Participative goal setting improves the quality of work through enhanced morale.”; 16.4% strongly agreed, 58.2% agreed respectively while 0.9% strongly disagreed while 24.5 % were not sure.

A currency exchange officer commented that, *“Through our own assessment we are aware of the massive improvement in the quality of work; which can only be a reflection of sky high morale!”*

“Participative goal setting improves employees’ ability to articulate their needs and preferences”; 20.0% strongly agreed, 50.0% agreed respectively while 4.5% disagreed and 0% strongly disagreed while 25.5% were not sure.

The bank branch assistant remarked that; *"A lot of people are vague about actual benefits of such HR initiatives, but as employee communication gap with admin narrows, they will articulate their needs and preferences more fluently..."*.

"Participative goal setting enables employees have easy access to a wide range of information and knowledge in order to make informed decisions." 22.7% strongly agreed, 63.6% agreed respectively while 1.8 % disagreed and 11.8% were not sure.

A bank board member commented that, *"while debating in the AGM, many members are now open to transparency of information flow both vertical and horizontal"*.

"Participative goal setting has resulted in improved performance"; 27.3% strongly agreed, 64.5% agreed respectively while 1.8% disagreed while 6.4% were not sure. meaning most respondents from Centenary Bank are on board with participative goal setting in principle.

An administrative assistant to the Managing Director said, *"It is no longer a subject up for debate. Participative goal setting benefits are clearly resulting in improved employee performance"*.

4.2.1.1 Correlation results for participative goal setting and employee performance in Centenary Bank

In order to ascertain the existence of relationship between participative goal and employee performance in Centenary Bank, the study computed Pearson's coefficient between the above variables;

Table 4.2 showing Correlation results for participative goal setting and employee performance in Centenary Bank.

Correlations

		Participative goal Setting	Employee Performance
Participative goal Setting	Pearson Correlation	1	.320**
	Sig. (2-tailed)		.001
	N	110	110
Employee Performance	Pearson Correlation	.320**	1
	Sig. (2-tailed)	.001	
	N	110	110

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

Source: Primary data 2016

From the table 4.2, the researcher witnessed a moderate positive relationship between participative goal setting and employee performance in Centenary Bank whereby Pearson's r coefficient was 0.320 and it was statistically significant (Correlation is significant at the 0.01 level (2-tailed). This means that when Centenary Bank uses

participative goal setting in their operations performance will most likely increase than decline.

One elderly Member of Centenary Bank remarked that: *“new HR techniques like participative goal setting take time to get integrated in the system. Management of old used not involve employees at all in participative goal setting. Give it time, it will succeed.. For now its influence is still small... ”.*

Helpful as computation of Pearson’s coefficient is, it does not give us the full picture as far as magnitude and depth of the relationship between variables; for this the study proceeded to conduct a simple linear regression.

4.2.1.2 Regression results on participative goal and employee performance in Centenary Bank

To establish the detailed nature of the relationship between participative goal and employee performance in Centenary Bank, the study carried out a simple linear regression.

Table 4.10: Simple regression results between participative goal setting and employee performance in Centenary Bank

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.320 ^a	.103	.094	.3961

a. Predictors: (Constant), Participative goal Setting

Source: Primary data 2016

The adjusted R square value of 0.094 indicates that participative goal setting contributed a small 9.4% in influencing employee performance in Centenary Bank according to the findings of the study. This means that the remaining 90.6% of employee performance in Centenary Bank is influenced by other factors other than participative goal setting.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.939	1	1.939	12.359	.001 ^a
	Residual	16.941	108	.157		
	Total	18.879	109			

a. Predictors: (Constant), Participative goal Setting

b. Dependent Variable: Employee Performance

Source: Primary data 2016

The F value of 12.359 is statistically significant (P value of $0.001 < 0.05$). This implies that participative goal setting influences employee performance in Centenary Bank.

A regression value of 1.939 out of a possible 18.879 (10.27%) further clarifies that participative goal setting explains only 10.27% of the variations noted in employee performance in Centenary Bank, and other factors (represented by a residual value of 16.941(89.73%)) explains the rest of the variations noted in employee performance in Centenary Bank.

This finding is not very surprising considering that one teller remarked that; “*much as participative goal setting is an official bank policy, there are still instances when we are not consulted...and some goals are still handed down by the board...*”.

4.2.2.1 Participative decision making and employee performance in Centenary Bank

Objective two of the study was to establish the relationship between participative decision making and employee performance in Centenary Bank. The respondents were introduced different items to voice their opinion. Their responses were computed by making an aggregate of responses given by respondents to the 5point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Not sure, 4=Agree and 5=Strongly Agree), which were categorized according to their means and standard deviations as follows:

Table 4.2 Statements on Participative decision making and employee performance in Centenary Bank

Items	1	2	3	4	5	Mean	S.D
Participative decision making involves accepting input from employees in making decisions	0.9%	3.6%	22.7%	58.2%	14.5%	3.82	0.756
Participative decision making improves the quality of work through enhanced morale.	0%	0%	28.2%	35.5%	36.4%	4.01	0.803
Participative decision making improves employees chances of realizing their needs and preferences	0%	1.8%	21.8%	57.3%	19.1%	3.94	0.694
Participative decision making enables employees have greater access to a wide range of information and knowledge in order to make informed choices.	0.9%	4.5%	9.1%	51.8%	33.6%	4.15	0.825
Participative decision making has resulted in improved performance	0%	0%	6.4%	52.7%	40.9%	4.31	0.597

Primary data 2016

For clarification purposes, it can be said that the standard deviation scores less than one reveal commonalities. Furthermore, mean scores above three reveal (agreement) and the scores below three reveal (disagreement).

Participative decision making and employee performance in Centenary Bank is presented in table 4.2 above: On the statement “Participative decision making involves accepting input from employees in making decisions”; 14.5% strongly agreed, 58.2% agreed respectively while 3.6% disagreed and 0.9% strongly disagreed while 22.7% were not sure. The bank staff was aware of roles as per their appointment letters. For each of their specific jobs, there are detailed job tasks and responsibilities. The classification of these ranges from strategic, managerial, and operational detailing the inclusion and importance of participative decision making.

One teller interviewed commented that, *“This more relaxed environment realizing you were actively involved in participative decision making can help employees perform better as they feel less under pressure to perform”*.

On the statement “Participative decision making improves the quality of work through enhanced morale.” 36.4% strongly agreed, 35.5% agreed respectively while 28.2% were not sure. Based on one of the documents reviewed by the researcher, it was found out the Centenary Bank management every financial year allocated resources to enable staff training detailing Participative decision making.

One respondent indicated; *“These targeted training have ensured continuous improvement in quality”*.

Discussing the statement “Participative decision making improves employees’ chances of realizing their needs and preferences”; 19.1% strongly agreed, 57.3% agreed respectively while 1.8% disagreed while 21.8% were not sure. Given the large number of respondents who were in agreement, the bank scored admirably on that count.

One veteran teller that has been in the bank more than 6 years said, *“When I was first recruited all those many years ago the bank simply set performance targets without any guidance. Now all that is behind us as we have embraced modern HR practices”*.

On the statement “Participative decision making enables employees have greater access to a wide range of information and knowledge in order to make informed choices.” 33.6% strongly agreed, 51.8% agreed respectively while 4.5% disagreed, 0.9% strongly disagreed and 9.1% were not sure. Meaning that Centenary bank has several channels including informal and formal one through which communication is made to the subordinates. Some of the formal channels include: memos and circulars among others. One of the interviewees from a clerks department said,

“Communication from management is clearer as we are involved in participative decision making”

On the statement “Participative decision making has resulted in improved performance”; 40.9% strongly agreed, 52.7% agreed respectively while 6.4% were not sure. This means the resources put aside by Centenary Bank were put to good use.

One supervisor remarked that, “...Initially the board members of Centenary Bank were concerned about the huge financial out lay earmarked for staff improvement but performance of employees from recent appraisal reports are encouraging... ”.

4.2.2.2 Correlation results on Participative decision making and employee performance in Centenary Bank

In order to ascertain the existence of relationship between participative decision making and employee performance in Centenary Bank, the study computed Pearson’s coefficient between the above variables;

Correlations

		Participative Decision Making	Employee Performance
Participative Decision Making	Pearson Correlation	1	.612**
	Sig. (2-tailed)		.000
	N	110	110
Employee Performance	Pearson Correlation	.612**	1
	Sig. (2-tailed)	.000	
	N	110	110

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

Source: Primary data 2016

From the table above, the researcher witnessed a fairly strong positive relationship between participative decision making and employee performance in Centenary Bank whereby Pearson’s r coefficient was 0.612 and it was statistically significant

(Correlation is significant at the 0.01 level (2-tailed). This means that when Centenary Bank utilizes participative decision making in their operations employee performance in Centenary Bank will most likely increase than decline. This finding is in agreement with results published in Centenary Bank Staff performance report 2014 -2015.

An assistant branch manager acknowledged as much; *"We as Centenary bank are proud of how we involve staff in decision making on a regular basis"*.

Helpful as computation of Pearson's coefficient is, it does not give us the full picture as far as magnitude and depth of the relationship between variables; for this the study proceeded to conduct a simple linear regression.

4.2.2.2 Simple regression results on Participative decision making and employee performance in Centenary Bank

To establish the detailed nature of the relationship between participative decision making and employee performance in Centenary Bank, the study carried out a simple linear regression.

Table 4.11: Simple regression results between Participative decision making and employee performance in Centenary Bank

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.612 ^a	.374	.368	.3307

a. Predictors: (Constant), Participative Decision Making

Source: Primary data 2016

The adjusted R square value of 0.368 indicates that participative decision making contributed 36.8% in influencing employee performance in Centenary Bank according to the findings of the study. This means that the remaining 63.2% of employee performance in Centenary Bank is influenced by other factors other than participative decision making.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.065	1	7.065	64.581	.000 ^a
	Residual	11.815	108	.109		
	Total	18.879	109			

a. Predictors: (Constant), Participative Decision Making

b. Dependent Variable: Employee Performance

Source: Primary data 2016

The F value of 64.581 is statistically significant (P value of $0.000 < 0.05$). This implies that participative decision making influences employee performance in Centenary Bank.

A regression value of 7.065 out of a possible 18.879 (37.4%) further clarifies that participative decision making explains up to 37.4% of the variations noted in employee performance in Centenary Bank, and other factors (represented by a residual value of 11.815 (62.6%)) explains the rest of the variations noted in employee performance in Centenary Bank.

One head of department intimated that; “*we are not there yet in terms of participative decision making... but there has been a marked improvement in recent years*”.

4.2.2.3 Extrinsic motivation and employee performance in Centenary Bank

Objective three of the study was to establish the relationship between extrinsic motivation and employee performance in Centenary Bank. The respondents were introduced different items to voice their opinion. Their responses were computed by making an aggregate of responses given by respondents to the 5 point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Not sure, 4=Agree and 5=Strongly Agree), which were categorized according to their means and standard deviations as follows:

Table 4.3: Descriptive Statistics on Extrinsic motivation and employee performance in Centenary Bank

Items	1	2	3	4	5	Mean	S.D
Extrinsic motivation helps me work harder	0.9%	5.5%	46.4%	40.9%	6.4%	3.46	0.738
Centenary Bank uses extrinsic motivation to motivate me	0.9%	6.4%	25.5%	47.3%	20.0%	3.79	0.868
When being extrinsically motivated my work improves	0%	3.6%	31.8%	42.7%	21.8%	3.83	0.811
Extrinsic motivation caters for most of my needs	6.4%	34.5%	20.9%	32.7%	5.5%	2.96	1.075
Am happy with the current pay level	4.5%	21.8%	17.3%	50.9%	5.5%	3.31	1.020

Primary data 2016

For clarification purposes, it can be said that the standard deviation scores less than one reveal commonalities while those above one reveal varied responses. Furthermore, mean scores above three reveal (agreement) and the scores below three reveal (disagreement).

Extrinsic motivation and employee performance in Centenary Bank in table 4.3 above: On the statement “Extrinsic motivation helps me work harder” 6.4% strongly agreed, 40.9% agreed respectively while 5.5% disagreed and 0.9% strongly disagreed while 46.4% were not sure. Predictably many respondents were unsure of the exact correlation between pay and performance.

One teller that had worked in other branches of Centenary Bank said, *“Given how pay is occasionally increased and the inflation rate visa vise the dollar rate am not so sure that increased pay always helps me work harder”*.

On the statement “Centenary Bank uses extrinsic motivation to motivate me” 20.0% strongly agreed, 47.3% agreed respectively while 6.4% disagreed and 0.9% strongly disagreed while 25.5% were not sure. Given the competitive nature of the banking sector in Uganda, this was perhaps the expected response.

One junior staffer offered that, *“the salaries and allowances offered by Centenary Bank may not be the highest in the country but certainly one of the better ones; and yes, they intend to motivate me with the salary ”*.

On the statement “When being extrinsically motivated my work improves” 21.8% strongly agreed, 42.7% agreed respectively while 3.6% disagreed while 31.8% were not sure.

One head of department when asked to comment on this said; *"...how do you measure the value of money and correlate it to my performance at work...that's a hard one but.. I suppose I am active in the week when we are paid!"*

Discussing the statement "Extrinsic motivation caters for most of my needs"; 5.5% strongly agreed, 32.7% agreed respectively while 34.5% disagreed and 6.4% strongly disagreed while 20.9% were not sure. This is in line with classic literature on this subject which disagrees on the "right" amount of pay.

An administrative assistant concurred, *"I am not sure if there is such a thing as enough salary... I am one of those whose major needs are catered for by salary!"*.

On the statement "Am happy with the current pay level" 5.5% strongly agreed, 50.9% agreed respectively while 21.8% disagreed and 4.5% strongly disagreed while 17.3% were not sure.

One teller confided that; *"we all wish for pay hikes here... rent and school fees are always being hiked...not to mention food prices!"*

4.2.3.1 Correlation results on Extrinsic Motivation and employee performance in Centenary Bank

In order to ascertain the existence of relationship between extrinsic motivation and employee performance in Centenary Bank, the study computed Pearson's coefficient between the above variables;

Correlations

		Extrinsic Motivation	Employee Performance
Extrinsic Motivation	Pearson Correlation	1	.031
	Sig. (2-tailed)		.745
	N	110	110
Employee Performance	Pearson Correlation	.031	1
	Sig. (2-tailed)	.745	
	N	110	110

Source: Primary data 2016

From the table above, the researcher witnessed no relationship between extrinsic motivation and employee performance in Centenary Bank whereby Pearson's r coefficient was 0.031 and it was statistically insignificant (Correlation is insignificant at the 0.01 level (2-tailed). This means that when Centenary Bank utilizes extrinsic motivation in their operations employee performance in Centenary Bank will likely not change in a meaningful manner.

A board member concurred with this finding: “... we try to pay our people as much as the bank can afford but let’s face it.. it is hard to pay enough to please everyone... performance using extrinsic motivation may be hard for the bank to realise...”.

Helpful as computation of Pearson’s coefficient is, it does not give us the full picture as far as magnitude and depth of the relationship between variables; for this the study proceeded to conduct a simple linear regression.

4.2.3.2 Simple linear regression on extrinsic motivation and employee performance in Centenary Bank

To establish the detailed nature of the relationship between extrinsic motivation and employee performance in Centenary Bank, the study carried out a simple linear regression.

Table 4.12: Simple regression results between Extrinsic Motivation and employee performance in Centenary Bank

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.031 ^a	.001	-.008	.4179

a. Predictors: (Constant), Extrinsic Motivation

Source: Primary data 2016

The R square value of 0.001 (when tested at the 100 percent test level: $0.001 * 100$) indicates that extrinsic motivation increases employee performance in Centenary Bank by 0.1 % according to the findings of the study. This means that employee performance in Centenary Bank is influenced by other factors other than extrinsic motivation.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.019	1	.019	.106	.745 ^a
	Residual	18.861	108	.175		
	Total	18.879	109			

a. Predictors: (Constant), Extrinsic Motivation

b. Dependent Variable: Employee Performance

Source: Primary data 2016

The F value of 0.106 is statistically insignificant (P value of 0.745 > 0.05). This implies that extrinsic motivation does not influence employee performance in Centenary Bank.

A regression value of 0.019 out of a possible 18.879(0.1%) further clarifies that motivation explains some of the variations noted in employee performance in Centenary Bank, but in a very small way; and other factors (represented by a residual value of 18.861 (99.9%) explains the rest of the variations noted in employee performance in Centenary Bank.

One supervisor on this topic commented that; *"Maybe one day Centenary Bank may be able to pay enough... you see it is very hard to give people "enough money", I do not think performance of our employees are fueled by salary alone..."*.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summaries of the findings, discussions of objectives set for the study, conclusions derived from the findings, and the recommendations that will help in increase contribution of management by objectives towards improvement in employee performance.

5.1 Summary of the findings

5.1.1 The relationship between participative goal setting and employee performance

The study set out to establish the relationship between participative goal and employee performance in Centenary Bank. It was revealed that after computing Pearson's coefficient results proved that the participative goal activities were employed in Centenary Bank, the more performance of employees improved but in a moderate fashion.

After further analysis involving simple linear regression noted that improvements in employee performance in Centenary Bank were predicted by other factors other than participative goal.

5.1.2 The relationship between participative decision making and employee performance

The study set out to establish the relationship between participative decision making and employee performance in Centenary Bank. After computing Pearson's coefficient the study came up with conclusion that proved that as more participative decision

making was utilized by Centenary Bank, the more performance of bank employees improved.

After further analysis involving simple linear regression the study concluded that noted improvements in employee performance in Centenary Bank are predicted by other factors other than participative decision making.

5.1.3 The relationship between Extrinsic Motivation and employee performance

The study set out to establish the relationship between extrinsic motivation and employee performance in Centenary Bank. After computing Pearson's coefficient the study came up with a conclusion that proved that as more extrinsic motivation was adopted by Centenary Bank, it would have no effect on increasing employee performance in Centenary Bank.

After further analysis involving simple linear regression the study concluded that improvements in employee performance in Centenary Bank are predicted by other factors other than extrinsic motivation.

5.2 Discussion of the findings

This section provides a detailed discussion revealing the association between the findings and the literature that was reviewed. The discussion is presented according to the study objectives.

5.2.1 The relationship between participative goal setting and employee performance

The study findings revealed that participative goal and employee performance had a moderate and positive relationship indicated by the two variables moving in the same direction. This statement can be supported by the copious publications and studies

from other scholars. For instance, a substantial number of respondents agreed that participative goal improves employee performance by making them feel included and important, and their work has meaning and Centenary Bank finds them relevant and useful. This is in line with conclusions arrived at by Bhushan (2008) that employees who find themselves involved in key decision making processes like participative goal are likely more productive as they feel stakeholders.

On defining participative goal, some respondents were aware of it. However, a sizable number were unsure. This is significant and indicates the need to invest in additional formal training of bank employees in basic HR tools like participative goal setting to get the best out of this resource. This suggestion is similar to that by Lam, et al.(2002) who affirms that employees ability to grasp basic principles of participative goal can help them appreciate them better and put them to better use.

The contribution potential of participative goal is further cemented by the majority of respondents who opine that participative goal setting enables employees have easy access to a wide range of information and knowledge in order to make informed decisions. This is very much in agreement with Deci et al. (2011).who emphatically said that it is crucial that employees have easy access to a wide range of information and knowledgeable resources in order to make informed decisions.

More to this point the majority of the respondents agreed that participative goal setting improves employees' ability to articulate their needs and preferences. Employees can have efficient access to bank team leaders. This finding is largely in agreement with conclusions arrived at by Taiwo (2013) in which he asserts participative improves employees' ability to articulate their needs and preferences.

Pearson's r coefficient indicated moderate and positive relationship indicated by the two variables moving in the same direction which was partly in agreement with findings by Lam, Chen and Schaubroeck (2002) published in a journal article entitled "Participative decision making and employee performance in different cultures: The moderating effects of allocentrism/idiocentrism and efficacy"; published in the journal: *Academy of Management Journal*, Vol.45, Issue 5 Pages 905-914 where they reiterated that participative decision making in an organization creates a "family feeling" when employees feel true stakeholders.

To establish the detailed nature of the relationship between participative decision making and employee performance in Centenary Bank, simple linear regression adjusted R square value indicates that participative decision making contributed little in influencing employee performance in Centenary Bank which was in agreement in a small way with findings arrived at by Korsgaard and Roberson (2012) in a study entitled "Procedural Justice in Performance Evaluation: The Role of Instrumental and Non-Instrumental Voice in Performance Appraisal Discussion"; published in *Journal of management* which they demonstrated that participative decision making is a known game changer in industries that are in a highly competitive environment; much in the same way as the Ugandan banking sector.

5.2.2 The relationship between participative decision making and employee performance

The study findings revealed that fairly strong positive relationship exists between participative decision making and employee performance. When the researcher enquired whether participative decision making improves the quality of work through enhanced morale. However the majority disagreed while a sizable number were not sure. This finding is partly in convergence with the findings in a study conducted by

Bourhis and Wils (2011) in which they gave several case studies where participative decision making improves the quality of work through enhanced morale. This underlines the urgent need to train bank employees in these new HR techniques if they are to realise their full benefits.

On whether the Participative decision making enables employees have greater access to a wide range of information and knowledge in order to make informed choices, the majority of the respondents agree but a small minority remain unsure again reiterating the need for further training in HR. This position is in line with one sighted in a study by Robertson (2012) which details how participative decision making enables employees have greater access to a wide range of information and knowledge in order to make informed choices.

When testing for detailed knowledge of participative decision making the researcher inquired whether participative decision making involves accepting input from employees in making decisions; the vast majority agreed with the statement. However a notable number were unsure, indicating room for further education in this area. The researcher noted that this position is not contrary to that held by Bartel (2011) who opined that participative decision making involves accepting input from employees in making decisions.

Bourhis and Wils (2011) illustrated in 105 case studies the fact that that participative decision making has resulted in improved performance. This position was upheld by the vast majority of respondents who feel that participative decision making has resulted in improved performance.

Pearson's r coefficient was statistically significant and is in agreement with those findings arrived at by Deci, Connell and Ryan (2011) in a journal article entitled "*Self-determination in a work organization*"; published in *Journal of Applied Psychology*, 74(1), 580-90.

To establish the detailed nature of the relationship between participative decision making and employee performance in Centenary Bank, simple linear regression results indicates that participative decision making contributed moderately in influencing performance of employee performance in Centenary Bank. These findings are partly in agreement to those arrived at by Lam et al. (2002) in a study entitled "Participative decision making and employee performance in different cultures"; published in *Academy of Management Journal*, Vol.45, Issue 5 in which they concluded that participative decision making almost always culminates in improved employee performance.

5.2.3 The relationship between Extrinsic Motivation and employee performance

The study findings revealed that extrinsic motivation had no effect on employee performance in Centenary Bank. A case in point was when the researcher sought to establish whether extrinsic motivation caters for most of the employees needs; the majority disagreed. This finding is contrary to the findings in a study conducted by Taiwo (2013) in which it concluded that wages and salaries are the most effective motivators when it came to getting the best performance from employees.

When the respondents were quizzed on whether employees were happy with their current pay level, a big number agreed, but a notable number were unsure, again reiterating the need to further train employees on how best to get the best out of their

pay if optimal benefits are to be realised. This position is in line with one sighted in a study by Mouse (2005) which details how when pay is properly structured it can benefit all concerned.

Pearson's r coefficient was not statistically significant. This means that when Centenary Bank utilizes extrinsic motivation in their operations employee performance in Centenary Bank will likely not improve by much. These findings are partly in disagreement with those arrived at by Bartel (2011) in a journal article "Training, Wage Growth and Job Performance: Evidence from a Company Database", published in the journal *National Bureau of Economic Research* in which he concluded that wages when improved attract more interest from employees manifested in improved performance.

To establish the detailed nature of the relationship between extrinsic motivation and employee performance in Centenary Bank, the study carried out a simple linear regression, and results indicates that extrinsic motivation did not contribute by much influencing improved performance employees of Centenary Bank. These findings are partly contrary to those arrived at by Erdogan (2013) in a study entitled "Antecedents and consequences of justice perceptions in performance appraisals"; published in *Human Resource Management Review* in which he concluded that newer and innovative payment salary and wage scales lead to better employee performance.

5.3 Conclusion

Conclusions are made using findings as a basis and are presented according to the study objectives.

5.3.1 The relationship between participative goal setting and employee performance

The study concluded that participative goal had a moderate but positive significant relationship with employee performance in Centenary Bank. As a matter of fact the more Centenary Bank adopt use of participative goal in their operations; the more performance of employees will improve albeit marginally. However let it be noted that the improvement in performance will not be at a rapid pace.

5.3.2 The relationship between participative decision making and employee performance

The study concluded that use of the participative decision making influenced performance of employees in Centenary Bank as the two variables had a positive statistically significant relationship. Implying that use of the participative decision making methods led to improvement performance of employees of Centenary Bank, and the study proved that use of the participative decision making proved more influential in performance of employees in Centenary Bank than participative goal.

5.3.3 The relationship between Extrinsic Motivation and employee performance

The study concluded that extrinsic motivation did not influence improvement in employee performance in Centenary Bank by much. Should Centenary Bank continue adopting extrinsic motivation in its operations, performance of employees of Centenary Bank will not improve by.

5.4 Recommendations

This section provides the recommendations on the conclusions based on the specific objectives of the study.

5.4.1 The relationship between participative goal and employee performance

The study recommends that to get the best out of participative goal, bank employees need to have targeted training preferably by consultants outsourced and not senior bank employees. These trainings need to be regular and customized to meet the specific needs of Centenary Bank and not grafted from another bank and imposed on the staff of Centenary Bank. There should also be follow-up mechanisms whose feedback will help define the curriculum of subsequent training if the harnessing of participative goal by Centenary Bank is to improve.

5.4.2 The relationship between participative decision making and employee performance

Participative decision making needs to happen routinely and not something management fails to implement in practice. This will encourage employees to improve on performances as they will feel duty bound as decisions are taken jointly with management.

5.4.3 The relationship between Extrinsic Motivation and employee performance

Centenary bank management and board need to consider the entire payment structure. employees of the bank are not responding to extrinsic motivation as expected; so management may need to consider alternative options like investing in intrinsic motivation on top of the extrinsic motivation, and perhaps the employees may respond to this fresh approach as they will feel better appreciated by the bank and feel part and parcel of the system and not just “workers”.

5.5 Areas recommended for further study

The study was limited to variables of the effect of management by objectives in performance of employees of Centenary Bank. There is need for an independent study to adopt other variables that may be influencing performance of employees of Centenary Bank.

The study was also restricted to few tenets and assessments of the effect of management by objectives and performance of employees of Centenary Bank. There is a need for future research to duplicate the study while considering other factors and measures of performance of performance of employees of Centenary Bank because it is likely that conditions exclusive to Centenary Bank may change in other financial institutions.

This study was limited to Centenary Bank. There is a need also for other studies to be duplicated in other areas to implement a comparative study.

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**APPENDIX I: DETERMINING SAMPLE SIZE FROM A GIVEN
POPULATION BY SMALL SAMPLE TECHNIQUE FOR SELECTION OF
SAMPLE**

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
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	1000000	384

APPENDIX II

QUESTIONNAIRE FOR EMPLOYEES OF CENTENARY BANK

Dear Respondent,

I am RubahimbyaInnocent Alekua student of Kyambogo University pursuing a master's degree in Organisation public policy and management, I am carrying out a study on the relationship between management by objectives and employee performance in centenary Bank Uganda, I kindly request you to spare a few moments in your busy schedule to respond to this questionnaire. Your response will be treated with confidentiality and will only be used solely for research.

Thank you so much for your valuable time.

SECTION A: BACK GROUND INFORMATION-BIO DATA

In this section, please feel free to provide your answers by ticking as required.

1. Gender Male ☐ Female ☐

2. Age group 18-25 ☐ 26-30 ☐ 31-35 ☐

36-40 ☐ 40 and above ☐

3. Marital status Single ☐ Married ☐ Divorced ☐
Others specify _____

4. Highest level of education
Primary ☐ Secondary ☐ Certificate ☐ Diploma ☐
Bachelor ☐ Masters and above ☐

5. Period worked in the bank
Less than 1 year ☐ 2-4 ☐ 5-7 ☐ above 7 years ☐

6. Position in the bank
Admin ☐ Employee ☐ any other please specify.

SECTION B - CURRENT BEHAVIOUR

1. Did Centenary bank implement management by objectives? Yes ☐ No ☐

2. Has it helped in your day to day work? Yes ☐ No ☐

3. if yes how has it helped you?

SECTION C - OPINION

INDEPENDENT VARIABLES:

ICT INFRASTRUCTURE

To what extent do you agree with the following statements on the relationship between management by objectives and employee performance in Centenary bank? Evaluate each statement and tick the appropriate box using the following scale where 1= strongly disagree, 2 =Disagree, 3 =Not sure, 4=agree and 5= strongly agree

No	Management By Objectives	1	2	3	4	5
A	Participative goal Setting					
A 1.1	Participative goal setting involves accepting input from employees in goal definitions and determination					
A 1.2	Participative goal setting improves the quality of work through enhanced morale.					
A1.3	Participative goal setting improves employees ability to articulate their needs and preferences					
A 1.4	Participative goal setting enables employees have easy access to a wide range of information and knowledge in order to make informed decisions.					
A 1.5	Participative goal setting has resulted in improved performance					
B	Participative Decision Making	1	2	3	4	5
B 1.1	Participative decision making involves accepting input from employees in making decisions					
B 1.2	Participative decision making improves the quality of work through enhanced morale.					
B 1.3	Participative decision making improves employees chances of realizing their needs and preferences					
B 1.4	Participative decision making enables employees have greater access to a wide range of information and knowledge in order to make informed					

	choices.					
B 1.5	Participative decision making has resulted in improved performance					
C	Extrinsic Motivation	1	2	3	4	
C 1.1	Extrinsic motivation helps me work harder					
C 1.2	Centenary Bank uses extrinsic motivation to motivate me					
C 1.3	When being extrinsically motivated my work improves					
C 1.4	Extrinsic motivation caters for most of my needs					
C 1.5	Am happy with the current pay level					

What are your suggestions to improve the management by objectives approach in Centenary Bank?

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SECTION D: DEPENDENT VARIABLE:

EMPLOYEE PERFORMANCE

To what extent do you agree with the following statements on employee performance? Your answers should range from a minimum of 1 for strongly disagree to 5 for strongly agree. Valuate each statement and tick the appropriate box using the following scale where 1=strongly disagree 2=Disagree 3=Not sure 4= agree 5= strongly agree

No	Employee Performance	1	2	3	4	5
D	Quality of work					
E 1.1	Centenary Bank keeps records to be able to asses quality of work					
E 1.2	Centenary Bank quality of work improves every year					
E 1.3	Centenary Bank often sets quality of work targets					
E 1.4	We emphasize quality of work in our operations					
E 1.5	Plans are in place to increase Centenary Bank quality of work					
F	Timeliness	1	2	3	4	5
F 1.1	The timeliness existing is in line with Centenary Bank expectations					
F 1.2	Our current timeliness has attracted new clientele					
F 1.3	As a result of MBO timeliness has improved in the last 2 years					
F 1.4	Emoluments have increased due to improvement in timeliness					
F 1.5	Plans are in place to improvement in timeliness in Centenary Bank					
G	Productivity	1	2	3	4	5
G 1.1	Our productivity has improved as a result of MBO					

G 1.2	Our productivity has resulted in greater pay					
G 1.3	Our productivity has exceeded expectations					
G 1.4	We are penalized in case productivity falls					

What are your suggestions to ensure that performance of employees improve?

Thank you for your time and God bless

APPENDIX III

In depth interview guide for Centenary Bank Administrators

1. Can you tell me when you started working in your current position?

2. Was management by objectives (MBO) introduced in Centenary bank?

If yes when and why? Probe: was it easy to introduce and implement MBO?

3. Prior to implementing MBO did you endeavor to carry out a needs assessment? If yes what needs did you identify?

4. Since introducing MBO what are the major challenges you have faced?

Probe to establish those linked to employee performance.

5. What are the key benefits of introducing MBO in Centenary bank?