

**EFFECTS OF WORKING CONDITIONS ON EMPLOYEE PERFORMANCE IN  
KENYA COMMERCIAL BANK HEAD OFFICE IN  
NAIROBI, KENYA**

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Dedan Kimathi University of Technology.**

**FEBRUARY, 2015**

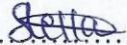
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## DECLARATION

This thesis is my original work and to my best of knowledge has not been presented to any other university or institution of higher learning for reward of degree or any other certification.

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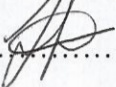
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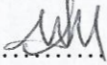
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I am forever grateful to the almighty God for endowing me with excellent health, knowledge and wisdom to complete this work successfully.

## **DEDICATION**

I dedicate the research to our lovely country Kenya, Dedan Kimathi University of Technology and all able bodied scholars who are my source of inspiration to fulfil my responsibility as a student and noble citizen.

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## ABSTRACT

The objective of this study was to explore the effects of working conditions on employee performance in Kenya Commercial Bank. Specifically the study sought to; assess the effect of physical conditions, explore the effect of occupational health and safety and analyse the effect of internal organisational communication on employee performance in Kenya Commercial Bank. The study targeted all 300 employees working at Kenya Commercial Bank head office. A sample of 172 employees was subjected to stratified random sampling. Primary data was collected by use of questionnaires. Data was analysed with the aid of Microsoft Excel and SPSS (version 20) and presented in the form of frequency distributions, means and standard deviations. A regression model was developed to establish the relationship between the independent variables and the dependent variable. The regression model showed that Physical Conditions ( $X_1$ ) had the greatest effects on the performance of employees of Kenya Commercial Bank with a coefficient of 0.48. This was followed by Internal Organisational Communication ( $X_3$ ) with a coefficient of 0.41 and Occupational Health and Safety ( $X_2$ ) with a coefficient of 0.20. Further, the regression model generated  $R^2$  value of 0.82 meaning 82% of the population can be explained by research variables. Working conditions have a positive effect on performance of employees. The study recommends that Kenya Commercial Bank should put effort in providing favourable working conditions in order to improve staff performance.

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## **ABBREVIATIONS AND ACRONYMS**

**BTIP**- Bonny Terminal Integrated Project

**CBK**- Central Bank of Kenya

**GDP**- Gross Domestic Product

**GNPC**- Ghana National Petroleum Corporation

**KCB**- Kenya Commercial Bank

**KNBS**- Kenya Bureau of Statistics

**OHS**- Occupational Health and Safety

**SPSS**-Statistical Package for Social Science

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the Study

In this era of 21<sup>st</sup> century, organisations are forced to change their focus from purely being concerned with financial matters of the organisation to realising that the employees are very important resources and they create the most profits (Svetlik, 2011). Due to stiff competition in the market, organisations are looking for competitive strategies that will keep them thriving. Most have opted to focus on technology to survive the stiff competition. Others have incorporated strategies such as; employing highly skilled personnel, automation of processes, diversification, formation of mergers and business partnerships, adoption of global business strategies, high salaries and turn around strategies (Griffin, 2011).

Strategies work but not always especially where the organisation tends to ignore the employees and assume they are of no much use and even retrench them without prior notices and valid reasons (Fletchl, 2010). Strategies made by organisations may turn to be disadvantageous for example the blame on Kenya Airways' employees for the poor performance of the company on claims that employees were redundant turned to work against the company (Walubengo, 2012). Firms should embrace employee performance management because organisational performance is determined by the performance of the employees (Griffin, 2011).

An Al-Anzi (2009) state that the quality of the workplace environment is what mostly influences the level of employees' motivation which consequently leads to their

performance. How comfortable and favourable an employee work environment is, determines the error rate, collaboration between employees, rate of innovation, absenteeism, turnover rate, speed in task accomplishment and the rate of illness.

The primary functions of commercial banks include; acceptance of deposits, advancing loans, encouraging use of cheques, financing internal and foreign trade, creation of credit and remittance of funds while the secondary functions involve agency services and general utility services (CBK (b), 2010).

Commercial banks play a critical role in enabling different countries in the world to carry out international trade (Gup, 2010). Through international trade, countries acquire different skills, technologies, products and create relationships which enhance unity (Arora and Harper, 2011). Commercial banks provide information to international investors on currency exchange rates of different countries and offer loans for export and import services to different individuals and corporates in different countries (Johnstone, 2010).

According to Brownbridge, Harvey and Gockel (2008), Commercial banks provide Africa with funds. Africa is under developed and most of its resources are scarcely exploited or not exploited at all because of lack of enough funds. The funds help Africa exploit the available resources such as; minerals, Agriculture and fishing activities, improvement in infrastructure and poverty eradication leading to economic growth.

The CBK (a) (2013) showed that revenue from commercial banks in Kenya to the government amounted to 112.4 billion Kenya shillings. Commercial banks provide

employment to approximately 35% of the population either directly or indirectly. 20% of the government revenue is from taxes of employees working in commercial banks. Government uses the revenue to develop the country by building hospitals and schools, supporting agriculture and improvement in infrastructure. According to KNBS (2013), financial intermediation GDP for 2012 and 2013 was 5.0% and 5.1% respectively.

### **1.1.2 Role of Kenya Commercial Bank**

Kenya Commercial Bank (KCB) was established in 1896 and it is the East Africa's largest commercial bank with total assets of 391.1 billion Kenya shillings and capitalisation standing at 131 billion Kenya shillings. The main shareholders include; the government of Kenya, National Social Security Fund, Standard Chartered nominees and CFC Stanbic nominees. KCB has subsidiaries in Kenya, South Sudan, Tanzania, Burundi, Uganda and Rwanda. Kenya has 177 branches which are spread in all the 47 counties and a total of 4,011 employees (KCB (b), 2013). Products and services provided by KCB include; saving accounts, easy pay loans, credit facilities, personal loans, custody services, trustee services, safe keeping services, asset finance, insurance premium services and foreign exchange services (KCB (c), 2013).

KCB taxes to the government in 2013 amounted to 5.8 billion Kenya shillings and the GDP was 4.6% and has provided job opportunities to over 4,000 employees (KCB (c), 2013). Employed individuals support their families and the community at large and therefore relieving the government the burden of taking care of its people. The taxes are a source of revenue to the government for development activities such as; infrastructure,

education, commerce and health services. Such development activities contribute to the country's gross domestic product (GDP) which consequently leads to economic development.

In Kenya, the GDP from the Agriculture sector is 24.7% and 75% of the Kenyan population depends on this sector both directly and indirectly (EPZA, 2011). KCB offers loans to farmers all over the country to support purchase of equipment, fertilizers and for export purposes (KCB (d), 2013).

Kenya Vision 2030, launched in June 2008, was put in place to ensure development in the country between the years 2008 to 2030. The agenda was to make Kenya a “newly industrialising, middle income country providing a high quality of life to all citizens by 2030 in a clean and secure environment” (Ministry of Planning and National Development, 2008). The Vision is anchored on three pillars; economic, social and political. KCB being a financial service sector is classified under the economic pillar and in the year 2013 growth rate in GDP was 4.6%, this shows that KCB is actively contributing towards achieving the target of 10% growth rate in GDP (KCB (c), 2013).

In the year 2007 KCB bank established the KCB foundation which was to put into action the corporate social responsibility programme. The foundation supports development projects in education, enterprise development, environment, health and Humanitarian intervention which are points of interest in the Vision 2030. In year 2013, KCB supplied 820,000 books to public schools, built 33 classrooms, equipped 51 secondary schools with computer laboratories and provided 600 secondary school scholarships. In



environment, 4 dams were constructed, planted 1.8 million trees across the region and reforestation of 530 hectares of Mau forest. In enterprise development 3000 youths were trained on financial literacy and agribusiness. In humanitarian 150,000 people were supplied with relief food and 615 children's home provided with food and household supplies. 139,000 people were treated in medical camps, supported 50 paediatric heart surgeries and kidney transplants (KCB (e), 2013).

### **1.2 Problem Statement**

Employee performance is vital towards an organisation's achievement of its objectives. Literature shows that working conditions have an impact on employee performance. KCB being the oldest bank in Kenya is currently ranked third in performance after Equity Bank and Cooperative Bank of Kenya. This study sought to assess the effects of working conditions on performance in KCB. Specifically the research analysed the effects of physical conditions, occupational health and safety and internal organisational communication on the performance of employees of KCB with an aim of advising the management on the same.

### **1.3 Objectives of the Study**

The general objective of this study was to explore the effects of working conditions on employee performance in KCB .The specific objectives of the research were:

- i.** To assess the effect of physical conditions on employee performance in KCB.
- ii.** To explore the effect of occupational health and safety on employee performance in KCB.

- iii. To analyse the effect of internal organisational communication on employee performance in KCB.

#### **1.4 Research Questions**

- i. What is the effect of physical conditions on employee performance in KCB?
- ii. What is the effect of occupational health and safety on employee performance in KCB?
- iii. What is the effect of internal organisational communication on employee performance in KCB?

#### **1.5 Significance of the Study**

The study will help the institutions to improve employee performance by ensuring that the working conditions are favourable. Employee performance contribute to organisational performance and ultimately to economic growth.

The study will help human resource managers and policy makers in organisations to come up with policies that value employees by incorporating working conditions in their policies and this will positively influence the performance of the organisation. The findings of the study will be of great assistance to scholars who will be interested in studying any subject related to working conditions and employee performance for it will form part of the literature review. The study results will help bridge the knowledge gap in the previous studies hence making contributions to the field of academics.

## **1.6 Scope of the Study**

The study covered the KCB head office which is located in Nairobi Central Business Division. KCB was preferred because besides its outstanding performance over the years, KCB is currently facing a very stiff competition from Equity bank. In year 2013 under banker awards it was awarded as the bank of the year in Africa and in Kenya. It was also awarded by the European African Banking and Business Awards as the best corporate Bank in East Africa (KCB (a), 2014).

## **1.7 Delimitations of the Study**

The management may have given information which does not disclose their weaknesses. In this case the managers may have given a good report concerning the working conditions so as to avoid possible consequences.

The study is limited in that it has only used three variables whereas there are more variables which influence employee performance. The study was conducted in only one bank hence results are limited to KCB.

## **1.8 Assumptions of the Study**

The study assumed that views of employees from one KCB branch were a reflection of all other KCB branches as what one branch does is a replication of what the other branches do.

## 1.10 Operational Definitions

<b>Commercial banks:</b>	Financial institutions that act as financial intermediaries and are allowed by the law to collect and lend money to individuals and businesses (Bliss and Kaufman, 2012).
<b>Employee performance:</b>	Development of employees' abilities in order to make use of their potential (Houldsworth and Jirasinghe, 2011)
<b>Internal organisational communication:</b>	Exchange of information within the organisation (Downs, Adrian and Downs, 2009).
<b>Occupational health and safety:</b>	The promotion and maintenance of physical, mental and social well-being of workers (Stellman, 2006).
<b>Physical conditions:</b>	Facilities and the physical layout of the working space (Griffin, R.W. (2011).
<b>Working conditions:</b>	Environment, terms and conditions of workplace (Houldsworth and Jirasinghe, 2011).

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 INTRODUCTION

Organisations have various working conditions such as; remuneration, occupational health and safety, rewards and recognition, flexible work arrangements, employee training and development, workplace bullying and discrimination policies, physical conditions and organisational communication. These conditions influence the performance of employees towards the achievement of organisations goals. The literature study explains the effect of working conditions (physical conditions, occupational health and safety and internal organisational communication) on performance of employees.

#### 2.1.1 Employee Performance

Researches from different authors have shown that the performance of employees is influenced by different factors in the work place. According to Falcon (2010) employee performance cannot be separated from organisations performance. When employees fail to meet the targets set for them the overall objective of the organisation will not be achieved. Organisations meet their objectives through setting strategies that motivate, satisfy, protect and give comfort to employees making them perform tasks more effectively and efficiently.

Factors that affect employee performance are both supervisor driven and those that arise from offices or factory design. Supervisor driven include allocation of responsibilities, job description, working patterns, shift working, holidays and health and safety policies. Factors that arise from offices or factory designs are workspace availability, premises

hygiene/welfare facilities, light intensity, weather/temperature, ventilation/humidity, noise/vibration and furniture. Favourable work environment determines error rate, innovation, absenteeism, collaboration with other employees and turn over (Al-Anzi, 2009).

## **2.2 Theoretical Framework**

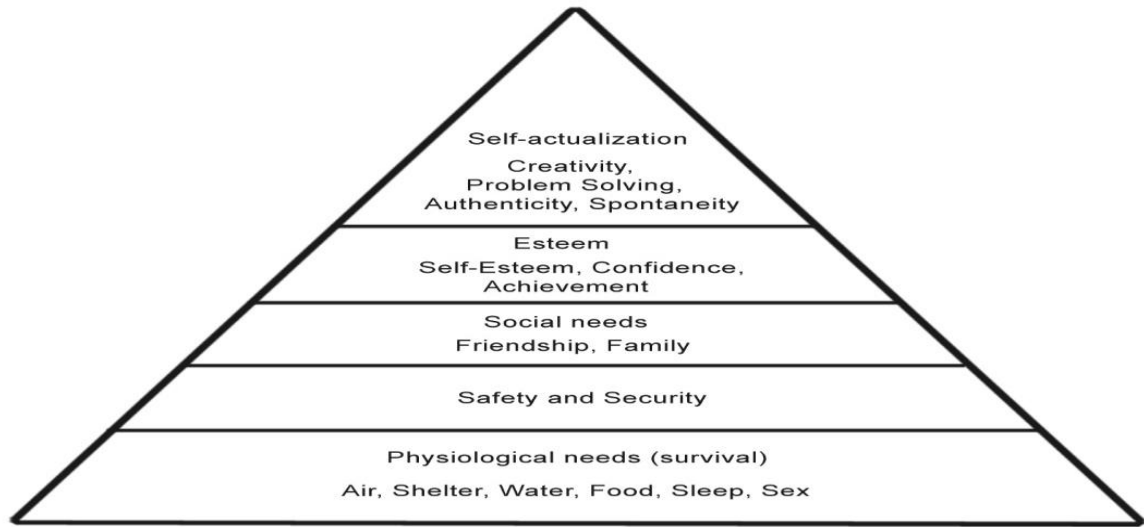
The theoretical framework explains the theories adopted in the study and are related to the study. The theories include; Maslow Hierarchy of Needs, Fredrick Herzberg Theory and Expectancy theory of Motivation.

### **2.2.1 Maslow's Hierarchy of Needs**

This theory was developed by Abraham Maslow in 1943 in a paper 'A Theory of Human Motivation'. Abraham Maslow classified human needs into five levels. These levels include; physiological, safety and security, social needs, esteem needs and self-actualisation needs. The four lower level needs are categorised as physiological needs and the higher level needs as growth needs. Maslow argues that the lower level needs have to be satisfied before higher level needs are satisfied. The lower level needs are also called deficiency or deprivation needs meaning that their want of fulfilment motivates people to meet such needs. Growth needs are the needs that are motivated by an individual's desire to achieve all the things a person is capable of achieving (Maslow, 1943).

Maslow hierarchy of needs theory is relevant to this study in that it has incorporated safety and security and social needs which form part of the working conditions in an

organisation. Maslow argues that lack of satisfaction of such needs demotivates employees and their productivity goes down. Employees will not be motivated to work unless they are assured that their needs will be met.



**Figure 2.1: Maslow Hierarchy of Needs**

**Source: (Maslow, 1943)**

***Knowledge gap***

Abraham Maslow's theory of needs has been critiqued by several authors arguing that it is not necessarily true that the needs follow a certain order as described by Maslow. The preferences of individuals come in to play in influencing which needs have the greatest value and thus highest priority at a particular point in time. For example, in the event that there is a threat to the life or health of individuals, the safety and security needs supersede the need for physiological needs such as shelter or sex for a specific period of time till the threat is dealt with. Otherwise, a dead or dying individual will not so much appreciate the

physiological needs that are being met in his dying state. On the other hand individuals may pursue self-esteem needs forfeiting their safety and security needs. People living in poverty have a higher need of love and belonging, and value friendship more than they would value shelter. Lack of basic needs does not hinder people from relating with one another and being happy (Tay and Diener, 2011). Whereas not fully rejecting Maslow's theory, this study critiqued the theory by showing how different need levels ought to be met concurrently so as to achieve the desired organisational goals.

### **2.2.2 Fredrick Herzberg Theory**

According to Herzberg (1974) Fredrick Herzberg interviewed a number of engineers and accountants in several companies in United States of America by asking them to describe the past work experiences that were critical to them. Herzberg analysed the results and established that there are two relatively distinct factors that lead to employees' satisfaction or dissatisfaction. These include satisfiers/ motivators and dissatisfies/ hygiene factors. Satisfiers are concerned with the job content and build motivation and job satisfaction. When ineffectively provided they hinder job motivation and satisfaction. These factors include; challenging tasks, work itself, recognition, advancement and achievement.

Hygiene/ dissatisfies support the mentality of the worker and are related to work environment. When improved they reduce dissatisfaction but they do not increase satisfaction. These factors include; salaries, supervision, working conditions, company policies, interpersonal relationship and job security. Hygiene factors are under the control



of the employer and not the employee. Herzberg saw satisfaction and dissatisfaction on a different perspective and not being on the opposite sides of the same line. Herzberg argues that to motivate employees an employer should give special attention to satisfiers and not on traditional hygiene factors which do not improve satisfaction.

### ***Knowledge Gap***

Herzberg views hygiene factors such as working conditions, interpersonal relations, job security and company policies as traditional and not very important to performance. This study showed how such factors affect the employee performance.

### **2.2.3 Expectancy Theory of Motivation**

Expectancy theory was developed by Victor Vroom in 1964 (Vroom, 1964). The theory states that employees are motivated by expectations of rewards from efforts they put at work. Employees expect to be rewarded for hard work and through these rewards employees are motivated to even work harder resulting to high performance. The theory analyses the relationship between efforts, performance and rewards ((Droar, 2006). When employees put maximum efforts their performance improves and employees are motivated when their efforts are acknowledged and awarded. Rewards include; pay rise, promotion, recognition and being assigned favourable tasks. This theory is relevant in this study in that it talks of ways of motivating employees such as recognition which were tackled in his study.

### ***Knowledge Gap***

Expectation theory focused only on rewards and overlooked the physical aspects of a work environment which were incorporated in this study.

## **2.3 Empirical Literature Review**

Empirical literature review explains other researches from various past studies which are related to this study. The past studies are related to the variables of this study which include; physical conditions, occupational health and safety and internal organisational communication.

### **2.3.1 Physical Conditions**

Physical conditions in this study are described as the work environment which include the quality of furniture, the lighting of the room, the spatial arrangement of the working space and the technology used.

Kingsley (2012) studied on the impact of office ergonomics on employee performance in Ghana National Petroleum Corporation (GNPC). The study aimed at finding out whether the workplace environment of GNPC had any impact on employees' performance. The parameters of study included office design and decor, office furniture, office equipment, room temperature, spatial arrangement and quality of lighting representing the independent variables and then employee performance represented the dependent variable. According to respondents' suggestions cellular offices hinder teamwork and communication; it is stressful, boring and hence discouraging employees leading to low

productivity. Office environment negatively affected employee's health and 15 percent had suffered from sicknesses and injuries. The furniture was poor quality causing employees neck pains and backaches and these made employees to stay out of office for a couple of days. The results showed that deficiencies in office ergonomics affected the performance of employees by varying degrees ranging from 20-80 percent.

Hameed and Amjad (2009) studied on the impact and significance of office design on employees' performance in banking sector of Abbotabad in Pakistan. The study considered five parameters of office design (Independent variable) which included; furniture, noise, lighting, temperature and spatial arrangements and performance of employees were the dependent variable. According to the study each of these factors showed a significant effect on employee performance. Lighting was found to be the major factor that affected performance of employees followed by temperature, noise, spatial arrangement, and finally furniture. The study results showed that natural and artificial light boost employee mood and give energy to the body. Dim light makes the eye to strain and hence causing headaches. Such problems lowered productivity because employees were not in a position to perform. Pearson correlation showed a direct relationship and a strong correlation of 58 percent between office design and employee productivity.

Leblebici (2012) researched on the impact of workplace quality on employee productivity a case study of a foreign private bank in Turkey. The study was to establish the relationship between the work physical conditions and employee performance. The

independent variables were physical components of the environment and behavioural components and the dependent variable was employees' productivity. The physical components included; furniture and furnishing, office space, interior surface and storage of materials. The behavioural components were level of interaction and destruction. Study showed that employees felt motivated while working in a modernised office, well decorated and well-arranged and with good storage facilities. In the study 58 percent of the respondents strongly agreed that favourable physical conditions motivated them to work harder and hence high productivity. Therefore the study concluded that workplace quality has impact on employee performance.

Ajala (2012) studied on the influence of workplace environment on workers' welfare, Performance and Productivity on government Parastatals of Ondo state in Nigeria. The parameters for the independent variable that is workplace environment included; lighting, noise, temperature/ ventilation, office plan, office space and clean and decorative office and dependent variables (workers welfare, performance and productivity. Lighting was ranked as the most influencing factor in employee performance the reason being that good lighting ensured good health and reduction of errors because employees could clearly see. Noise was ranked the second factor because a quiet environment encouraged workers to fully concentrate hence accurate work Findings showed that good ventilation and well-spaced office ensured proper circulation of air and reduced chances of air borne diseases and accidents caused by congestion in the working environment. Close office floor plan and clean and decorative office also showed significant influence on employee

performance. Finally the findings showed that work place features influenced workers welfare, morale, efficiency and productivity.

### ***Knowledge gap***

Various researches concentrated on effects of physical conditions such as; lighting, ventilation, office furniture, temperatures, floor plan, spatial arrangement, noise, office equipment but technology has not been considered as part of physical conditions. The researcher therefore considered technology as part of the parameters for measuring the effects of physical conditions on employee performance such as proximity to computers and the effect of using computers for long hours.

### **2.3.2 Occupational Health and safety**

Occupational health and safety in this study implied the health and safety policies used in KCB, medical services offered, training on health and safety matters and cultural beliefs and how they influence employee performance. The following are past studies related to occupational health and safety.

Nkudefe (2013) researched on the effects of occupational health and safety on labour productivity in selected firms of Greater Accra region in Ghana. The number of respondents was 324 in six selected sectors in Ghana and regression method was used and data was collected by use of questionnaires. The study looked at the impact of occupational and safety on quality, quantity, attendance, concentration and efforts of employees. The performance indicators for health and safety included; investment, management activities and training. From the study it was observed that improvements in

health and safety by one unit increased employee productivity by a margin value of 21 per cent and 27 percent respectively and 94.1 percent of the employees agreed that health and safety affected their performance. Marginal improvement in health and safety resulted to incremental improvements in quality, quantity, employee effort, concentration and attendance. This shows that a unit improvement in health and safety leads to improvements in productivity.

Makori, Nandi, Thuo, and Wanyonyi, (2012) a research on influence of occupational health and safety programmes on performance of manufacturing firms in western Kenya. The research covered all the manufacturing firms in Bungoma and Kakamega counties. Simple regression and Pearson's correlation were used for data analysis. The parameters for the independent variable included: health and safety policies, awareness of policies, protective clothing, ventilation, lighting, work environment, fire fighting equipment, first aid kit and medical services, enough toilets cleanliness in washrooms, Aids programs, clean drinking water, health and safety committee, health and safety promotion. The dependent variable (performance) parameters included: productivity, sales, target, order delivery, diversification, working capital, profitability, reputation, quality products, clients, supervision and satisfaction. The results showed a positive Pearson correlation of 0.57 and 0.47 which means that there was a moderate positive relation between occupational health and safety programmes and organisations performance.

Agwu (2012) studied on the impact of employee safety culture on organisational performance in shell bonny terminal integrated project (BTIP). The parameters for

measuring the independent variable included; safety measures, rules and regulation and trainings on safety and the dependent variable (organisational performance) included; efficiency, productivity, profitability, image and innovative capacity. The employees involved felt that safety culture to a large extent leads to improved organisational performance. The research concluded that practising safety culture leads to enhanced employee performance which results to reduced liabilities and less work process distractions. Improved performance leads to reduction in legal costs, medical expenses, less accidents, low absenteeism, low labour turn over and liabilities through having safety measures to reduce risks and rehabilitation in cases of injuries. Then enhanced performance leads to improvements in profitability levels, productivity, efficiency, quality, reputation and innovativeness of employees via training and motivation.

Dwomoh, Owusu, and Addo, (2013) researched on the impact of occupational health and safety policies on employees' performance in Ghana's timber industry. The independent variable (occupational health and safety policies) parameters included; occupational health and occupational safety and the dependent variable (performance) parameters included; reduced employee absenteeism, employee commitment, and job satisfaction, physical and mental health. The Pearson's correlation  $r = 0.42$  though weak showed a positive correlation between health and safety measures and performance of employees. It was evident that health and safety boosts employees' performance, this was attributed to reduced number of absentees as a result of illnesses, improved physical and mental health of an employee.

### ***Knowledge gap***

Studies conducted showed the effects of occupational health and safety on employees' performance by majoring on health and safety policies, awareness of the policies, training programs and medical services. This study improved on the previous studies by assessing how an individual's cultural beliefs affect their health and safety which ultimately affects their performance.

### **2.3.3 Internal Organisational Communication**

According to Quilan (2008) Communication is used as a tool for enhancing success and ensuring competence in any working environment. An organisation that has a good communication system performs its tasks efficiently and effectively as good internal communication enhances trust, co-operation and coordination, respect, better transmission of information, easy learning and this lead to employee job satisfaction and hence improved performance. Employees also discuss amongst themselves and help each other and this leads to more work being performed and objections are minimised. Tayler (2012) argues that communication makes workers comfortable and satisfied for any tension between the workers and employers or between the workers themselves is minimised.

Ebarefimia (2012) carried out a study on the impact of business communication on organisational performance in Nigerian companies. The independent variables parameters included; exchanging information, making plans and proposal, reaching agreement, exchanging opinions, executing decisions, sending and fulfilling orders, conducting sales,



provide feedback, encouraging two way communication, boost morale, increase efficiency, help in solving problem, help in accomplishing task and improving teamwork. The dependent variable was organisational performance measured by improved job satisfaction, safety, and productivity of business, profitability of business, decrease in grievances, public credibility, improved sales volume, operational efficiency, staff motivation, corporate image, achievement of organisational goal and achievement of customer satisfaction. Effective communication helps an organisation achieve its goals that is increase in sales, improved profitability, improved production, customer satisfaction. Achievement of organisational goal had the highest mean of performance implying that effective business communication helps the organisation achieve its goals. The study concluded that the extent to which companies encourage effective communication affects the overall performance positively or negatively.

Rajhans (2012) studied on effective organisational communication as a key to employee motivation and Performance. The study was done at Vanaz Engineers Ltd based at Pune in India and a sample of 10 percent of the employees was selected. The independent variables parameters included; upward communication and downward communication .The results showed that Vanaz had put in to place a two way communication practice which motivated its employees and improved their performance. The company ensured that information necessary to the employees was communicated through the right channels and was timely. Immediate action was taken in case of complains or problems that arose and staff meetings were regular. Managers encouraged honest and clear communication and this boosted the employees' productivity due to strong relationships

with managers. They had a training need register where the employees training needs are recorded. Then training experts were engaged or in house training was done. Final Results showed that a company that promotes a communication culture enhances unity and a team spirit.

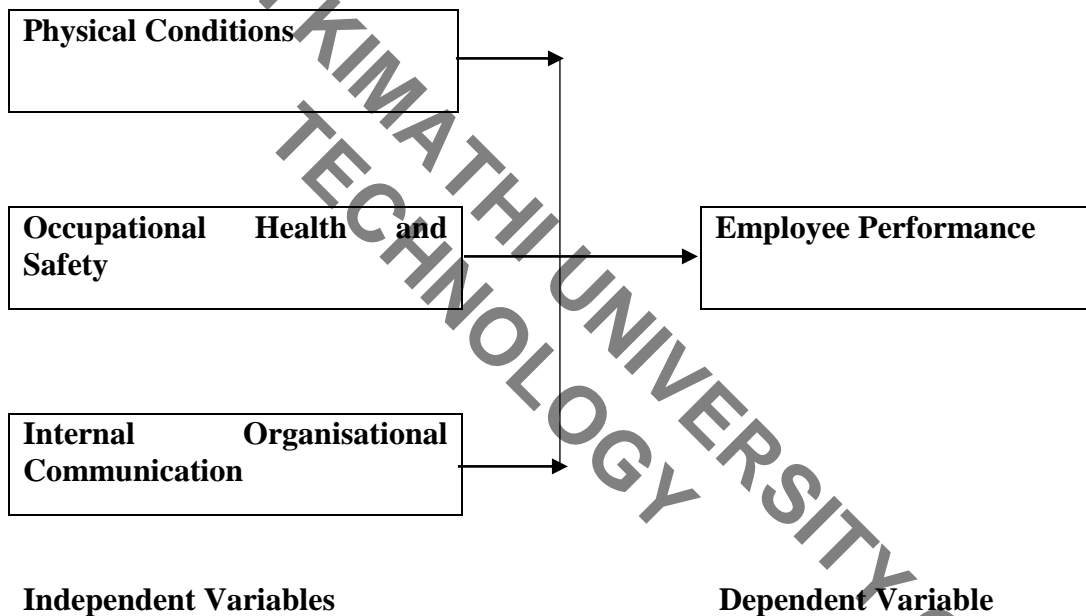
Ajala (2012) studied on the influence of workplace environment on workers welfare performance and productivity in government Parastatals of Ondo state in Nigeria. The research design was descriptive survey and a questionnaire was used to collect data from a sample of 350 respondents. The independent variable parameters involved; regular staff meetings, employee orientation, knowledge on a task should be done, flow of essential information, recognition for work well done, employee suggestions taken seriously, employee contributions to departmental goals, participation in decision making and feedback from managers. The study findings showed that good communication networks attract and boost employee morale at workplace and hence improvements in performance.

### ***Knowledge gap***

Several researchers focused on finding out the best communication strategies an organisation would use to enhance performance of employees but none of these researchers sought to find out the influence of social networks and websites such as; Facebook, Twitter, What Sapp, YouTube, Google+ and LinkedIn on communication in an organisation. Therefore this study contributed to knowledge by assessing the effect of social networking on internal organisational communication and the subsequent effects to employee performance.

## 2.4 Conceptual Framework of the Effects of working conditions in Employee Performance in KCB

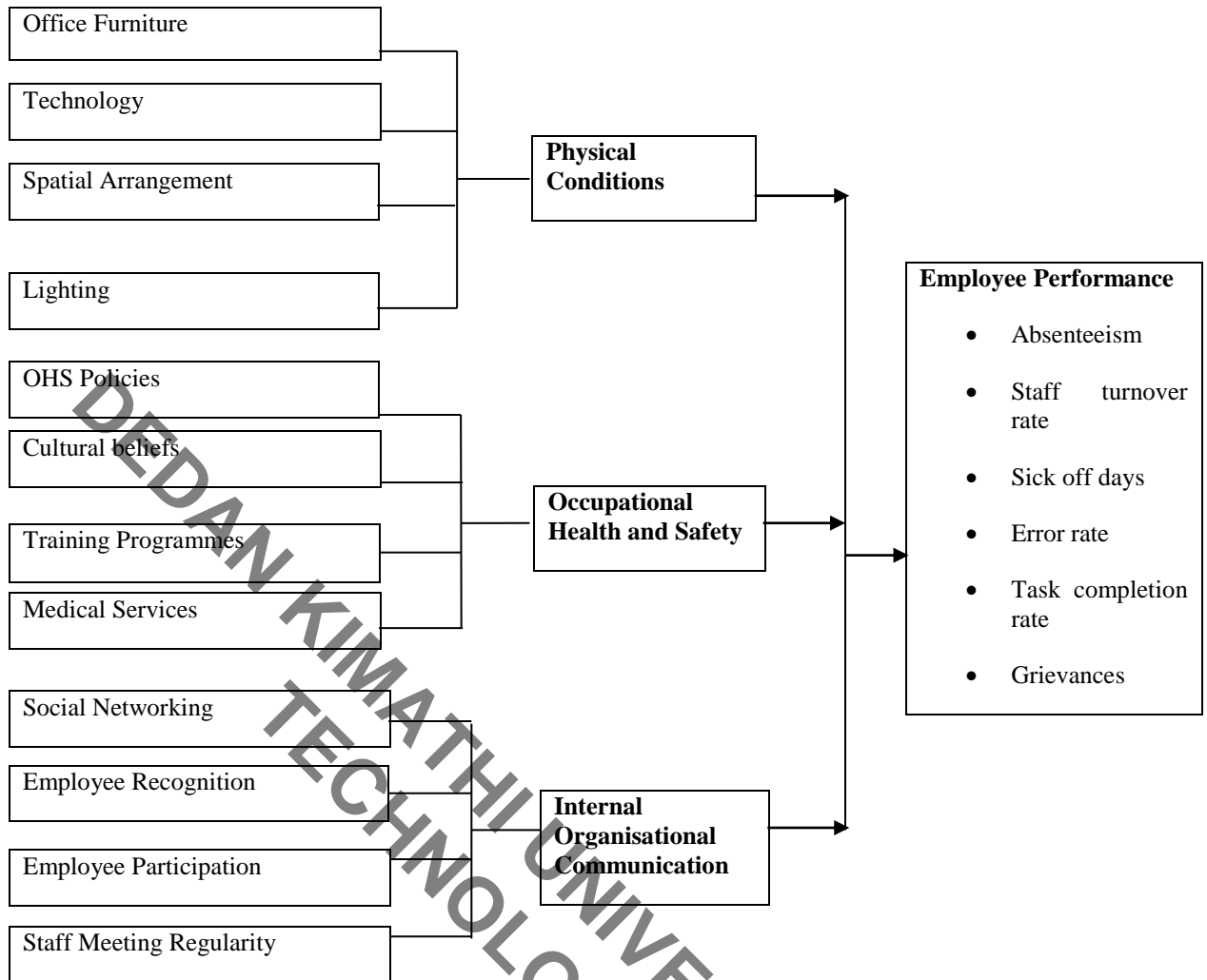
The conceptual framework reflects the effects of the independent variables on the dependent variable. Figure 2.3 shows that physical conditions, occupational health and safety and internal organisational communication have influence on the performance of employees. For example, when working conditions are favourable performance of employees will be high depicting a positive impact and when working conditions are unfavourable performance will be low meaning a negative impact.



**Figure 2.2: Conceptual Framework of the Effect of Working Conditions on Employee Performance in KCB**

## **2.5 Operational Framework of the Effect of Working Conditions on Employee Performance in KCB**

The operational framework provides the measuring parameters for both the dependent and the independent variables. The dependent variable (employee performance) were measured by the rate of absenteeism, sick off days, staff turnover rate, error rate, task completion rate and grievances in the organisation. Parameters that were used to measure the Physical Conditions included; office furniture, technology, spatial arrangement and lighting. Occupational Health and Safety was measured by evaluating the Occupational Health and Safety policies, the cultural beliefs on health and safety, training programs and medical services. Internal Organisational Communication was measured by considering the social networking, employee recognition for work well done, participation of employees in decision making and the regularity of staff meetings.



**Parameters**

**Independent Variables**

**Dependent Variable**

**Figure 2.3: Operational Framework of the Effects of Working Conditions on Employee Performance in KCB**

## 2.6 Measurements of Variables

This a summary of measurement of the independent and dependent variables as depicted in the empirical literature review. It shows the parameters used by various researchers to measure the independent and dependent variable.

<u>Variables</u>	<u>Source</u>	<u>Objectives</u>	<u>Findings</u>	<u>Parameters</u>
<b>Employees' Performance</b>	(Ebarefimia, 2012)  (Agwu, 2012)	Impact of business communication on organisational performance in Nigerian companies.  Impact of employee safety culture on organisational performance in shell bonny terminal integrated project	The extent to which companies encourage effective communication affects the overall performance.  Practising safety culture leads to enhanced employee performance.	Job satisfaction, grievances, staff motivation and customer satisfaction.  Number of accidents, absenteeism, labour turn over.
<b>Physical Conditions</b>	Dwomoh, Owusu, and Addo, 2013)  (Kingsley, 2012)  (Hameed and Amjad, 2009)  (Leblebici, 2012)	Impact of occupational health and safety policies on employees' performance in Ghana's Timber Industry.  The impact of office ergonomics on employee performance in Ghana National Petroleum Corporation  The impact and significance of office design on employees' performance in banking sector of Abbotabad in Pakistan  The impact of workplace quality on employee productivity a case study of a foreign private bank in Turkey.	Health and safety policies boost employees' performance.  Deficiencies in office ergonomics have a negative impact on employee performance  Direct relationship and a strong correlation of 58 percent between office design and employee productivity  High productivity and workplace quality has impact on employee performance.	Quality, quantity, employee effort, concentration and attendance.  Office design and décor, office furniture, office equipment, room temperature, spatial arrangement and lighting.  Furniture, noise, lighting, temperature and spatial arrangements  Furniture and furnishing, office space, interior surface and storage of materials

<p><b>Occupational Health and Safety</b></p>	<p>(Nkudefe, 2013)</p> <p>(Makori, <i>et al.</i>, 2012)</p> <p>(Agwu, 2012)</p> <p>(Dwomoh, <i>et al.</i>, 2013)</p>	<p>The effects of occupational health and safety on labour productivity in selected firms of Greater Accra region in Ghana.</p> <p>Influence of occupational health and safety programmes on performance of manufacturing firms in western Kenya.</p> <p>The impact of employee safety culture on organisational performance in shell bonny terminal integrated project.</p> <p>The impact of occupational health and safety policies on employees' performance in Ghana's Timber Industry</p>	<p>A unit improvement in health and safety leads to improvements in productivity.</p> <p>Moderate positive relation between occupational health and safety programmes and organisations performance.</p> <p>Practising safety culture leads to enhanced employee performance.</p> <p>Health and safety policies boosts employees' performance.</p>	<p>Investment, management activities and training.</p> <p>Health and safety policies, awareness of policies, protective clothing, ventilation, lighting, fire-fighting equipment.</p> <p>Safety measures, rules and regulation and trainings on safety.</p> <p>Occupational Health and Safety measures.</p>
<p><b>Internal Organisational Communication</b></p>	<p>(Ebarefimia, 2012)</p> <p>(Rajhans, 2012)</p> <p>(Ajala, 2012)</p>	<p>The impact of business communication on organisational performance in Nigerian companies</p> <p>Effective organisational communication as a key to employee motivation and Performance. The study was done at Vanaz Engineers Ltd based at Pune in India</p> <p>The influence of workplace environment on workers welfare performance and productivity in government Parastatals of Ondo state in Nigeria</p>	<p>The extent to which companies encourage effective communication affects the overall performance positively or negatively</p> <p>Company that promotes a communication culture enhances unity and a team spirit.</p> <p>Good communication networks attract and boost employee morale at workplace and hence improvements in performance.</p>	<p>Agreement, exchanging opinions, executing decisions, sending and fulfilling orders,</p> <p>Upward communication and downward communication</p> <p>Regular staff meetings, employee orientation, knowledge on a task, flow of essential information,</p>

**Table 2.1: Measurement of Variables**

## **2.7 Summary of Contribution to Knowledge**

Several studies conducted on the effects of working conditions on employee performance overlooked some crucial aspects of working conditions which influence performance of employees. These crucial aspects which were be looked at in this study include; technology as part of physical conditions, cultural beliefs and its impacts on occupational health and safety and social networking as part of internal organisational communication.

Abraham Maslow's theory of needs has been critiqued by several authors arguing that it is not necessarily true that the needs follow a certain order as described by Maslow. The preferences of individuals come in to play in influencing which needs have the greatest value and thus highest priority at a particular point in time. This study critiques Maslow by showing how different need levels ought to be met concurrently so as to achieve the desired organisational goals.

The study contribute to Fredrick Herzberg theory and Expectation theory by showing that working condition such physical conditions, occupational health and safety and internal organisational communication affect the performance of employees.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter explains the methodology of the research, the target population, the size of sample and the sampling technique, data collection and instruments to be used, data analysis methods and finally the ethical considerations. The main aim of this chapter was to provide the statistical analysis to be used and also the instruments that helped the researcher get the answers to the research questions and the objectives.

### **3.2 Research Design**

Research design is the framework that has been created to seek answers to research questions (Sekaran and Bougie, 2010). The research study adopted descriptive research design. This is a research design whereby collection of information is done without manipulating the environment (Kothari, 2014). It shows the relationships and describes the way things are in regard to study objective and the target population. This design was used because it helped determine opinions, attitudes, preferences and perceptions of the target population which helped the researcher in exploring and presenting a description (Kathuri and Pals, 1993).

### **3.3 Target Population**

The target population for a survey is the entire set of units for which the survey data are to be used to make inferences (Kathuri and Pals, 1993). The target population consisted of all the 300 employees working at KCB headquarters annual (KCB (e), 2013).

Headquarters was considered as all the bank's major decisions regarding employees' working conditions are made there. Thus the employees who work there are well acquainted with the operations of the bank.

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### 3.4 Sampling Design and Sample size

Sampling design is a design, or a working plan, that specifies the population frame, sample size, sample selection, and estimation method in detail. Objective of the sampling design is to know the characteristic of the population (Sekaran and Bougie, 2010). Stratified random sampling method was used to select a sample of 172 from the 300 employees. Yamane's (1964) formula was used to determine the sample size of the total target population:

$$n = \frac{N}{1 + N(\alpha)^2}$$

Where  $n$  is the sample size,  $N$  is the total target population, 1 is the constant and  $\alpha$  is the error margin determined at 5% level of significance.

$$\begin{aligned} n &= 300 / 1 + 300(0.05)^2 \\ &= 172 \end{aligned}$$

Proportional sample apportioning:

$$n = N_i / N * n_i$$

$n$  represents the sample size for each department,  $N_i$  is the total target population sample size,  $N$  is the total target population and  $n_i$  is the total population for the  $i^{\text{th}}$  stratum.

Employees were grouped according to their departments and a sample size from each department was proportioned. Purposive sampling was used to identify the specific

respondents to represent each sample. This method focused on the specific characteristics of the target population that helped the research get the relevant information.

**Table 3.1: Sample Size**

Department	Employees	Sample size
Management	13	8
Finance	29	16
Human Resource	20	11
Information Technology	30	18
Sales and Marketing	77	44
Operations and customer Service	83	48
Audit ,Risk and Credit	25	14
Logistics	23	13
<b>Total</b>	<b>300</b>	<b>172</b>

### 3.5 Data Collection Instruments and Procedure

#### 3.5.1 Data Collection Instruments

A questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents (Gillham, 2008). A structured questionnaire was used as the main tool for data collection. A questionnaire was preferred because it allowed for a large sample of data to be collected within a short time and chances of biasness are minimised. The questionnaire consisted of both closed ended questions and open ended questions. The closed ended questions restrained the respondent to the main objective of the study and hence relevant information for study was acquired.

The questionnaire consisted of four sections; section A (employee performance), section B (physical conditions), section C (occupational health and safety) and section D (internal organisation communication). A 5 point Likert scale was used to rate the respondents opinions. A Likert scale is an ordered scale from which respondents choose one option that best aligns with their view. It is often used to measure respondents' attitudes by asking the extent to which they agree or disagree with a particular question or statement (Goodwin, 2010).

### **3.5.1 Data Collection Procedure**

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes (Jupp and Sapsford, 2006).

The researcher sought permission to collect the information from KCB headquarters Human Resource Manager. Then the respondents were informed in advance the purpose of the study and the need for their assistance in answering the questions. The questionnaires were then hand delivered to the specific respondents and guidelines on what is required were given. The respondents were allowed to answer the questionnaires within a period of one month and afterwards the researcher picked the questionnaires for data analysis.

### **3.6 Reliability and Validity**

Reliability is the degree to which an assessment tool produces stable and consistent and Validity refers to how well a test measures what it is purported to measure. (Carmines and Zeller, 1999).

The questionnaires were tested for validity and reliability through a pilot test. Kothari (2014) states that a pilot test is trial run done prior to the major study to assist the researcher to test whether the questionnaire will give valid and reliable information. For validation the questionnaire was presented to the project supervisors and two Equity Bank managers for discussion. Suggestions given included; adjusting the levels of education to cover certificate and adding years of experience.

Reliability was tested by issuing questionnaires to a sample size of 20 employees of Equity Bank who work at the headquarters. Statistical Package for Social Sciences (SPSS) was used to get Cronbach's Alpha Correlation Coefficient which states the degree of reliability. Cronbach alpha ranges from 0 to 1, a range of 0 to 0.6 shows a low degree of reliability while a range of 0.7 to 1 shows a high degree of reliability and internal consistency (Cronbach and Shavelson, 2004).

### **3.6 Data Analysis**

Descriptive statistics such as mean, standard deviation and frequency distribution were used. Regression analysis is one of the most important statistical techniques for business applications. It's a statistical methodology that helps estimate the strength and direction of the relationship between two or more variables (Montgomery, 2011). The analyst may use regression analysis to determine the actual relationship between these variables. The regression results show whether this relationship is valid. The dependent variable for this study is performance of employees (Y) and the independent variables include; physical conditions ( $X_1$ ), occupational health and safety ( $X_2$ ) and internal organisational

communication ( $X_3$ ). The mathematical function showing the relationship between the variables is represented as;

$$Y = f(X_1, X_2, X_3)$$

The above function implies that  $Y$  (Dependent variable) is a function of  $X_1$ ,  $X_2$  and  $X_3$  (independent variables), meaning changes in  $Y$  are determined by changes in  $X$ . The regression model to be used is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

$Y$ : Performance of Employees

$\beta_0$ : Constant Factors

$X_1$ : Physical Conditions

$X_2$ : Occupational Health and Safety

$X_3$ : Internal Organisational Communication

$\beta_1$ : Coefficient for Physical Conditions

$\beta_2$ : Coefficient for Occupational Health and Safety

$\beta_3$ : Coefficient for Internal Organisational Communication

A correlation analysis was performed to determine the degree and direction of relationship between variables. Coefficient of determination adjusted ( $R^2$ ) was used to measure the proportion of variation in the dependent variable that is explained by the variation in the independent variable. Multi-collinearity exists when the independent variables are strongly correlated and was measured by comparing the coefficients of the

independent variables. There were no closely related independent variables hence no multi-collinearity.

Microsoft Excel and SPSS (version 20) were used to carry out the computations so as to ensure accuracy the various values of coefficients of correlation. Then data was presented using charts, tables and graphs where appropriate.

### **3.7 Ethical Considerations**

Ethics is defined as values relating to human conduct, with respect to the rightness and wrongness of actions and the goodness and badness of motives and ends. (Aristotle, 2012). Respondent's anonymity and confidentiality was observed and no respondent was coerced to give responses. Before administering the questionnaires permission was sought from relevant authorities. The respondents were informed in advance of the purpose of the research and the date when the questionnaires were to be issued.



## CHAPTER FOUR: RESEARCH FINDINGS, INTERPRETATIONS AND DISCUSSIONS

### 4.1 Introduction

This chapter sets out to present the analysis of the primary data that was gathered from 172 respondents of this study. All of these respondents are employees working at the Kenya Commercial Bank headquarters. The analysis and findings address the research objectives of the study.

### 4.2 Response Rate

The researcher administered 172 questionnaires to the employees sampled from each department in the bank. Out of the sample size of 172, 146 respondents (85%), were fully responsive, 12 questionnaires (7%) were incomplete and hence could not be used for data analysis while 14 respondents did not respond at all (8%). Hence the researcher validated 172 questionnaires which were used for the data analysis and presentation. This was presented in the Table 4.1 below.

**Table 4.1: Response Rate**

Response	Frequency	Percentage (%)
Full Responses	146	85
Incomplete Responses	12	7
No responses	14	8
<b>Totals</b>	<b>172</b>	<b>100</b>

A response rate of 60% is good for analysis and reporting and a response rate of 70% and above is excellent and reliable (Shuttleworth, 2009). The excellent rate of 85% responses

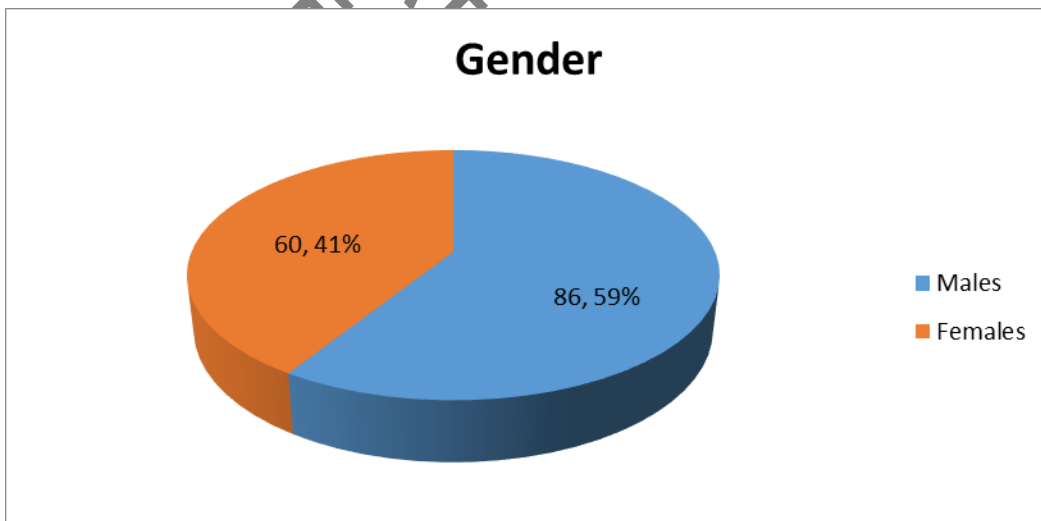
was a product of relentless follow up on the respondents through phone calls as personal visits to the bank.

### 4.3 Characteristics of Respondents

Upon collection of the data the researcher analysed the characteristics of the respondents and classified the outcome into the respective categories of gender, age of the respondents, education level of the respondents, the departments in which the respondents serve and their length of service.

#### 4.3.1 Gender

The chart below clearly shows the gender of the respondents that participated in this study. There were a total of 86 males (59%) and 60 Females (41%)

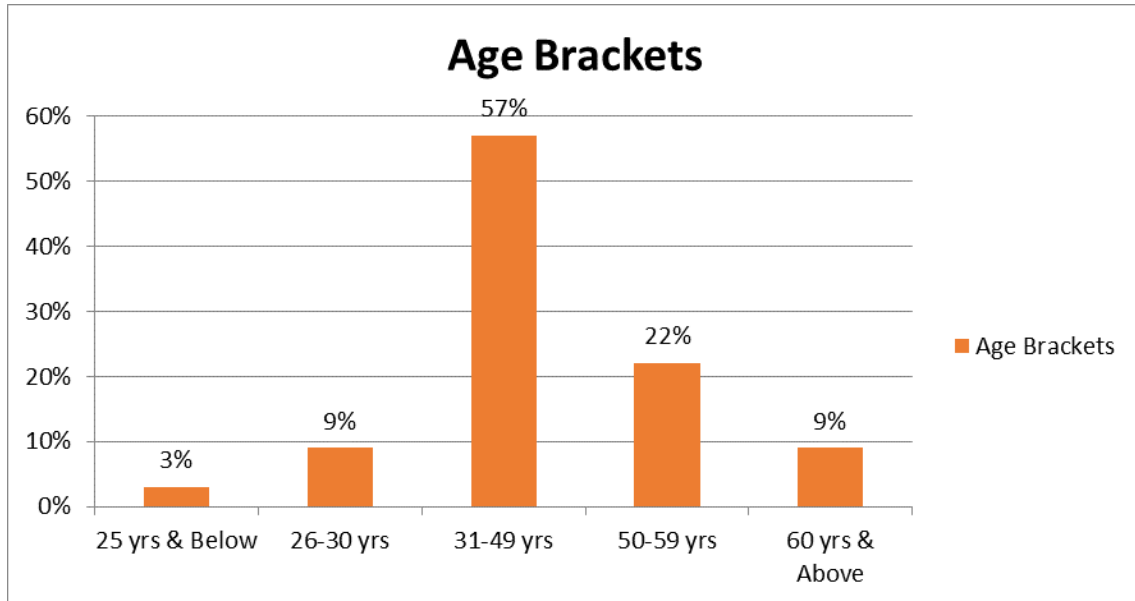


**Figure 4.1: Gender of the respondents**

There was adequate participation of both genders in the study proving that the study was not biased along gender lines.

### 4.3.2 Age of the Respondents

The respondents were requested to disclose their age brackets to further aid in the findings of the research. The findings are presented in the graph below.



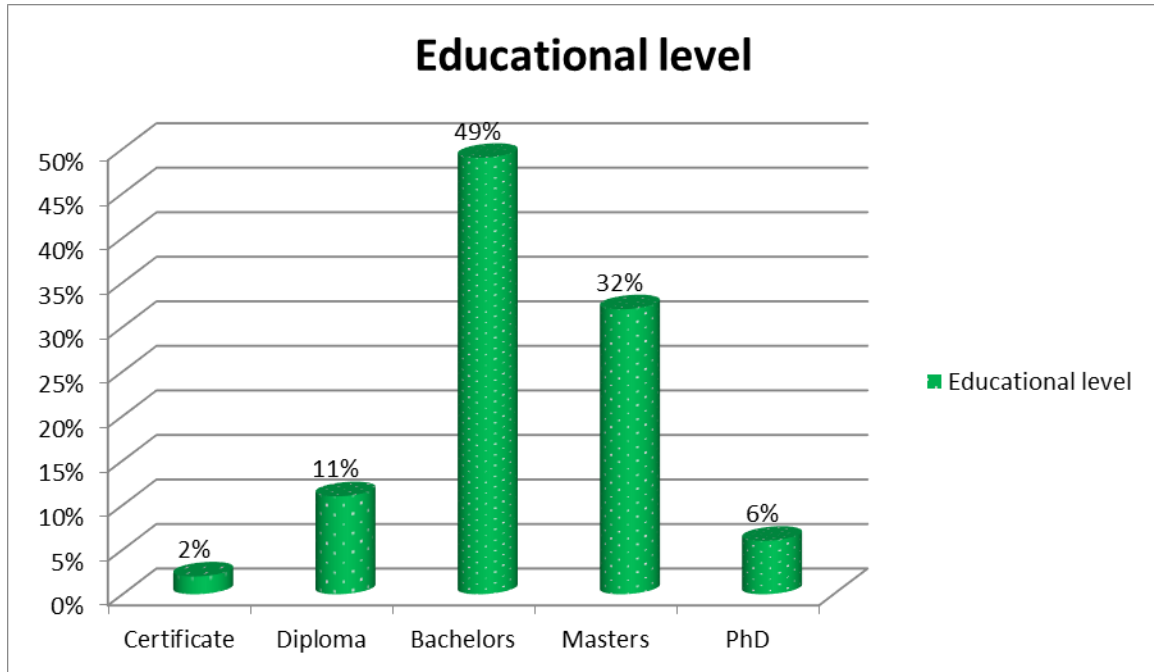
**Distribution of Respondents**

#### Figure 4.2 Age bracket

The study found out that 4 respondents (3%) were 25 years and below, 14 respondents (9%) were 26 to 30 years old, 83 respondents (57%) were 31 to 49 years, 32 respondents (22%) were 50 to 59 years and finally 13 respondents (9%) were 60 years and above. This indicates that all the required age groups are represented in the study majority of them being middle aged (31-49 years) according to this research. Respondents with 31 years and above constituted 88% of the total number of respondents. This would give a clear and objective view on the operations of the organization as far as employee performance is concerned.

### 4.3.3 Educational level

The study requested the respondents to indicate the highest level of education attained and the findings were as indicated in the figure below.



**Figure 4.3: Level of education**

The study found out that 3 respondents (2%) had certificate level as their highest level of education. The study also found out that 16 respondents (11%) had diploma levels as their highest educational level attained, 72 respondents (49%) had Bachelor's degree as their highest level of education, 47 respondent (32%) had Masters as their highest education level and 9 respondents (6%). The respondents who had at least an undergraduate degree as part of their qualifications constituted 87% of the total number of respondents. This shows that the respondents in the organization were well educated.

The research also found out that the respondents willingly provided the required information regardless of their level of education.

#### 4.3.4: Department

The respondents were asked to indicate the department in which they served so as to ensure that all the departments were adequately represented in the research. This is shown in the Table 4.2 below.

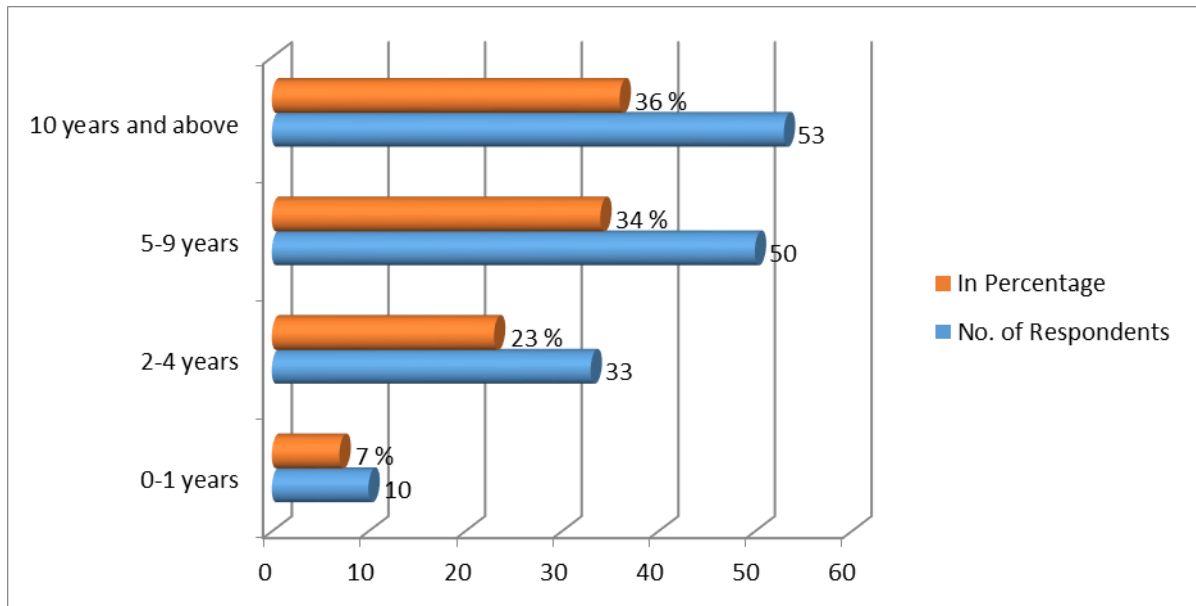
**Table 4.2: Departmental Response Rate**

Department	Sample size of Employees	Respondents	Response rate (%) (Respondents/sample)
Management	8	7	88
Finance	16	13	81
Human Resource	11	10	91
Information Technology	18	15	83
Sales and Marketing	44	39	89
Operations and customer Service	48	42	88
Audit ,Risk and Credit	14	11	79
Logistics	13	9	69
<b>Total</b>	<b>172</b>	<b>146</b>	

The table above shows that 6 departments had over 80% response rate. This shows that the study took into account the unbiased views from all the departments and that all the departments were well represented. Only two departments had a response rate of 79% and 69% being accounted for majorly by incomplete questionnaires.

#### 4.3.5: Length of Service

The respondents were requested to truthfully state the cumulative number of years that they have served as employees at the Kenya Commercial Bank Headquarters. The findings were as presented on the figure below.



**Distribution of Respondents**

**Figure 4.4: Length of Service**

The findings reveal that a majority of the respondents, 53 to be exact (36%) had been employed in the Kenya Commercial Bank headquarters for 10 years and above. Respondents that had served within the range of 5-9 years were 50 (34%), 33 respondents (23%) had served within the range of 2-4 years and only 10 respondents (7%) had served a maximum of one year in the organization. This indicates that 70 per cent of the respondents had served for more than 4 years and therefore gave credible information regarding the effect of working conditions on the performance of the employees.

#### 4.4 Descriptive Statistics

The respondents were given sets of statements with regard to their opinion on the effects of working conditions on employee performance. They were asked to indicate their level of agreement with the statements in the questionnaire. The responses were rated on a five point Likert scale where: 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree.

##### 4.4.1 Employee Performance

The study collected information on the dependent variable by administering questionnaires to the respondents. The analysis of the responses from the respondents is as tabulated in the Table 4.3 below.

**Table 4.3: Employee Performance**

Statements on Employee Performance	N	Mean	Variance	S. D
Employee absenteeism is high.	146	3.46	1.28	1.13
Staff turnover rate in departments is high.	146	3.42	1.29	1.14
I frequently ask for sick off days.	146	3.40	1.61	1.27
I rarely get complains of errors for my work.	146	2.86	1.19	1.09
I always complete my tasks on time.	146	3.03	1.17	1.08
Employee collaboration keeps on improving.	146	2.56	1.32	1.15
There are no grievances in the organisation.	146	2.35	0.95	0.97

The study found out that 56 respondents (38%) agreed that employee absenteeism is high and 26 respondents (18%) strongly agreed on the same ( $\bar{x}$ =3.46). The study also found that 59 respondents (40%) agreed that staff turnover in the departments is high ( $\bar{x}$ =3.42) and 48 respondents (33%) agreed that they frequently ask for sick off days whereas 31

respondents (21%) strongly agreed that they frequently ask for sick off days ( $\bar{x}=3.40$ ). A total of 58 respondents (40%) were indifferent as to whether they get complains of errors on their work, 26 respondents (18%) agreed that they rarely get complaints on their work whereas 33 respondents (23%) disagreed ( $\bar{x}=2.86$ ).

Respondents that agreed that they complete their work on time were 38 (26%) whereas 32 respondents (22%) disagreed ( $\bar{x}=3.03$ ). When ask of collaboration between employees, 54 respondents (37%) disagreed that employee collaboration keeps on improving whereas 34 respondents (23%) were indifferent. However, 22 respondents (15%) agreed and 10 (7%) strongly agreed that employee collaboration was improving ( $\bar{x}=2.56$ ). When asked concerning grievances in the organization, 79 respondents (54%) disagreed to the statement that there are no grievances in the organization and 21 (14%) strongly disagreed. However, 25 respondents (17%) were indifferent and only 5 respondents (3%) strongly agreed that there were no grievances in the organization ( $\bar{x}=2.35$ ).

#### **4.4.2 Physical Conditions**

The findings of the study with regard to the effect of physical conditions on the employee performance are as tabulated in Table 4.4 below.



**Table 4.4: Physical Conditions**

<b>Statements on Physical Conditions</b>	<b>N</b>	<b>Mean</b>	<b>Variance</b>	<b>S.D</b>
Lack of comfortable and adjustable office furniture reduce employee performance	<b>146</b>	3.77	0.39	0.62
Strong, quality and clean office furniture improve employee performance	<b>146</b>	3.57	0.94	0.97
Usage of computer continuously for long hours reduces employee performance	<b>146</b>	4.03	0.29	0.54
Poor proximity to computer reduces employee performance	<b>146</b>	3.96	0.54	0.73
Computers with updated software improve performance	<b>146</b>	3.71	0.79	0.89
Computers with security codes and back-ups improve performance	<b>146</b>	3.84	0.82	0.9
Office privacy and quietness boost employee performance	<b>146</b>	3.79	0.57	0.76
Sufficient storage facilities for employee data improve performance	<b>146</b>	3.63	0.97	0.98
Improper lighting and frequent power outage reduces performance	<b>146</b>	4.46	0.31	0.56
Access to natural light improves employee performance	<b>146</b>	3.31	1.19	1.09

According to the findings 112 respondents (77%) agreed that lack of comfortable and adjustable office furniture ( $\bar{x}=3.77$ ) reduce employee performance. Respondents that agreed that Strong, quality and clean office furniture improve employee performance were 76 (52%) whereas 17 respondents (12%) strongly agreed. Moreover, 109 respondents (75%) agreed that usage of computers continuously for long hours reduces employee performance ( $\bar{x}=4.03$ ). The respondent further found that 96 respondents (66%) agreed that poor proximity to computers reduces employee performance ( $\bar{x}=3.96$ ) whereas 79 respondents (54%) agreed that computers with security codes and back-ups improved employee performance. 30 respondents (21%) strongly agreed whereas 25 (17%) of them were indifferent as to whether computer security codes and back-ups

affected employee performance ( $\bar{x}=3.84$ ). A total of 98 respondents (67%) agreed that office quietness and privacy boosts employee performance ( $\bar{x}=3.79$ ).

Respondents that agreed that computers with updated software improved employee performance were 85 (58%). However, 30 respondents (21%) were indifferent ( $\bar{x}=3.7$ ). Furthermore 76 respondents (52%) agreed that sufficient storage facilities for employee data improve performance whereas 32 respondents (22%) were indifferent ( $\bar{x}=3.63$ ). However, 35 respondents (24%) were indifferent to the arrangement of the office electronics ( $\bar{x}=3.57$ ) whereas 71 respondents (49%) agreed that improper lighting and frequent power outages reduce employee performance, whereas 72 (49%) strongly agreed ( $\bar{x}=4.46$ ). The researcher also found that 61 respondents (42%) agreed that access to natural light improves employee performance to a great extent. However 36 respondents (25%) were indifferent and 23 respondents (16%) disagreed ( $\bar{x}=3.31$ ).

#### **4.4.3 Occupational Health and Safety**

The respondents were given various statements on occupational health and safety and their responses were analysed as shown on Table 4.5 below.

**Table 4.5: Occupational Health and Safety**

Statements on Occupational Health and Safety	N	Mean	Variance	S. D
Adequate occupational health and safety policies boost employee performance	146	3.78	0.48	0.69
Lack of awareness of all the above policies reduces employee performance	146	3.8	0.56	0.75
Regular practices such as praying to God for health and safety improves employee performance	146	3.84	1.08	1.04
Seeking Divine intervention for recovery from sickness and injury improves employee performance	146	3.81	1.47	1.21
Cultural practices such as appeasing the spirits for health and safety boost performance	146	1.71	0.92	0.96
Lack of regular training programs on health and safety reduces employee performance	146	3.53	0.85	0.92
Knowledge on what to do when exposed to health hazards improves performance	146	3.81	0.35	0.59
Adequate and quality medical services improves employee performance	146	3	0.75	0.87
Regular medical check-ups boosts employee performance	146	2.19	0.68	0.82

The researcher found that 102 respondents (70%) agreed that adequate occupational health and safety policies boost employee performance ( $\bar{x} = 3.78$ ), 96 respondents agreed and 17 strongly agreed that lack of awareness of all the above policies reduces employee performance ( $\bar{x} = 3.80$ ). Additionally, 69 respondents (47%) agreed that praying to God for health and safety improved employee performance and 39 respondents (27%) strongly agreed ( $\bar{x} = 3.84$ ) whereas 53 respondents (36%) strongly agreed and 47 respondents (23%) agreed that seeking divine intervention for recovery from sickness and injury improves employee performance ( $\bar{x} = 3.81$ ). Respondents that agreed that knowledge on what to do when exposed to health hazards improves performance were 98 (67%) ( $\bar{x}$

=3.81). The study found out that 79 respondents (54%) strongly disagreed and 42 respondents (29%) disagreed that cultural practices such as appeasing the spirits for health and safety boost performance ( $\bar{x} = 1.71$ ).

Moreover, 75 respondents (51%) agreed that lack of regular training programs on health and safety reduces employee performance ( $\bar{x} = 3.53$ ). A number of 78 respondents (53%) were indifferent to be exact who neither agreed nor disagreed as to whether adequate and quality medical services affect their performance. On the other hand 29 respondents (20%) disagreed but 25 respondents (17%) agreed ( $\bar{x} = 3.00$ ). Finally, 69 respondents (47%) disagreed that regular medical check-ups boosts employee performance, 43 respondents (29%) were indifferent whereas 28 respondents (19%) strongly disagreed ( $\bar{x} = 2.19$ ).

#### **4.4.4 Internal Organizational Communication**

The respondents were issued with various statements regarding Internal Organizational Communication and their responses were analyzed as shown on Table 4.6 below.

**Table 4.6: Internal Organizational Communication**

Statements on Internal Organizational Communication	N	Mean	Variance	S. D
Team building via social networking within the organisation improves employee performance	146	3.72	0.66	0.81
Making urgent announcements via social networks boosts performance	146	3.86	1.01	1
On-line meetings such as video conferencing increase efficiency and performance	146	3.8	0.98	0.99
Appreciation for work well done improves employee performance	146	3.95	0.63	0.79
Recognition for contributing new ideas improved employee performance	146	2.64	1.59	1.26
Taking employee suggestions seriously improves employee performance	146	4.2	0.66	0.81
Social sites and networks boosts employee performance by allowing room for participation in decision making	146	3.73	1.03	1.01
Regular staff meetings can be conducted through social networks thus improving employee performance	146	3.81	0.92	0.96
Opportunities and freedom to express oneself improve employee performance	146	4.06	0.67	0.82

According to the study 75 respondents (51%) agreed that team building via social networking within the organisation improves employee performance and 28 respondents (19%) were indifferent ( $\bar{x}=3.72$ ).The study found out that 69 respondents (47%) agreed that making urgent announcements via social networks boosts employee performance ( $\bar{x} =3.86$ ). A total of 71 respondents (49%) agreed while 33 (23%) strongly agreed that on-line meetings such as video conferencing increase efficiency and performance ( $\bar{x} =3.80$ ). Furthermore, 98 respondents (67%) agreed to the statement that appreciation for work well done improves employee performance and 27 respondents (18%) strongly agreed ( $\bar{x}=3.95$ ). The study also found out that 63 respondents (43%) disagreed that recognition

for contributing new ideas improved employee performance while 24 of them (16%)strongly disagreed ( $\bar{x}$  =2.64).

Respondents that agreed that taking employee suggestions seriously improves their performance were 72 (49%) and 56 of them (38%) strongly agreed ( $\bar{x}$  =4.20). On the other hand 85 respondents (58%) agreed that social sites and networks boosts employee performance by allowing room for participation in decision making( $\bar{x}$  =3.73).

The researcher also found that 76 respondents (52%) agreed that regular staff meetings can be conducted through social networks improving employee performance ( $\bar{x}$  =3.81) whereas 78 respondents (53%) agreed and 43 (29%) strongly agreed that opportunities and freedom to express feelings improve employee performance ( $\bar{x}$  =4.06).

#### 4.5 Reliability Statistic

When using Likert scales it is very important to calculate and report Cronbach's alpha coefficient for internal consistency reliability for any scales or subscales one may be using. The analysis of the data then must use these summated scales or subscales and not individual items.

**Table 4.7: Reliability Coefficient**

Reliability Statistics			
Measurement Scale	Cronbach's Alpha( $\alpha$ )	Cronbach's Alpha Based on Standardized Items	N of Items
Physical Conditions	.752	.739	10
Occupational Health and Safety	.734	.726	9
Internal Organizational Communication	.747	.731	9

The internal consistency provides the degree to which items in a particular model are inter-correlated. When the items have a high inter-item correlation it means that the items of a scale have a strong relationship with the latent construct and therefore a high possibility of measuring the same thing. Usually, the internal consistency of a measurement scale is assessed by using Cronbach's coefficient alpha. If a measurement scale has a Cronbach's coefficient of above 0.70 it is acceptable as an internally consistent scale and further analysis can be possible. On the other hand if the coefficient alpha is below 0.70 the scale is not reliable and prone to errors arising from sources such as administration errors, sampling errors, the number of item errors and theoretical errors (Gable, & Wolf, 1993).

#### 4.6 Inferential Statistics

##### 4.6.1 Analysis of Variance

The table below shows the summary of the basic logic of ANOVA which is the discussion of the purpose and analysis of the variance.

**Table 4.8: Analysis of Variance**

	Df	ANOVA			Sig. F
		SS	MS	F	
Regression	3	12.64029	4.213431	98.79673	0.000
Residual	142	6.055941	0.042647		
Total	145	18.69623			

The purpose of the analysis of the variance is to test differences in means (for groups or variables) for statistical significance. The accomplishment is through analysing the variance, which is by partitioning the total variance into the component that is due to true random error and the components that are due to differences between means.

The basis for ANOVA is to analyse the variations in the sample results as compared to estimated population parameters. The ANOVA results indicate that the independent variables significantly in the F-Statistics produced (F=23.97) was significant at the 0 per cent level (Sig. F<.005) thus confirming the fitness of the model. The analysis in the table above shows that the coefficient of determination is the percentage variation in the dependent variable being explained by the changes in the independent variables.

#### 4.5.2 Regression analysis

The following was the multivariate regression model that was used to determine the weight or importance of each of the three variables with regard to their effect on the performance of employees.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

The table below shows the strength of the model and the coefficients of physical conditions, occupational health and safety and internal organisational communication.

**Table 4.9: Coefficients of Determination and Model Summary**

	<b>Coefficients</b>	<b>Standard Error</b>	<b>t Stat</b>	<b>P-value</b>	<b>Lower 95%</b>	<b>Upper 95%</b>
Intercept	0.56	0.15	3.87	0.00	0.27	0.85
Physical Conditions	0.48	0.09	5.14	0.00	0.29	0.66
Occupational Health and Safety	0.20	0.05	2.28	0.02	0.01	0.29
Internal Organisational Communication	0.41	0.11	3.73	0.00	0.19	0.62
<b>Regression Statistics</b>	<b>Multiple R</b>	<b>R Squared</b>	<b>Adjusted R Squared</b>	<b>Standard Error</b>	<b>Observations</b>	
	0.87	0.85	0.82	0.12	146.00	



The resultant variation in the dependent variable accounted for by a change in the independent variable is captured by a coefficient of determination known as the adjusted R squared. R-squared cannot determine whether the coefficient estimates and predictions are biased and also does not indicate whether a regression model is adequate and that is why adjusted R<sup>2</sup> is preferable. From Table 4.7 above, the coefficient of determination equals to 0.82 (R<sup>2</sup>=82%). This means that, changes in employee performance can be explained by changes in the variables physical conditions, occupational health and safety and internal organizational communication to a degree of 82 % leaving only 18% unexplained.

The established multiple linear regression equation becomes:

$$Y = 0.56 + 0.48X_1 + 0.20X_2 + 0.41X_3$$

The Constant which is 0.56 explains that if physical conditions, occupational health and safety and internal organization communication are all rated as zero, employee performance would be 0.56. The coefficient for physical conditions (X<sub>1</sub>) is 0.48, this means that one unit change in physical conditions results to 0.48 units increase in employee performance. The coefficient for occupational health and safety (X<sub>2</sub>) is 0.20, which means that one unit change in occupational health and safety results to 0.20 units increase in employee performance. The coefficient for Internal Organisation Communication is 0.41, this shows that one unit change in Internal Organizational Communication results in 0.41 units increase in employee performance.

## **4.7 Discussions**

### **4.7.1 Effect of Physical Conditions on Employee Performance in KCB**

According to the study comfortable, adjustable, strong, quality and clean office furniture improve employee performance as a result of reduction in absenteeism which might be caused by accidents and increased task completion rate as a result of comfort. The findings concur with Leblebici (2012) that employees felt motivated while working in a modernised office, adjustable, quality and well-arranged office.

Respondents agreed that office privacy and quietness boosted their performance because of increased concentration which gives room for innovation and reduction in error rates. This differs with Mubex (2010) who advocates for an open office plan that helps employees to engage with one another on a more regular and informal basis and supports an environment of mutual support and cooperation.

The findings of the study shows that proper lighting improves employee performance because of reduction in eye strain and accidents for employees are able to see what they are doing. This leads to low error rate, reduced sick off days and low absenteeism. This is in line with the findings of Hameed and Amjeed (2009) that accomplishing daily task with dim light by employees causes eye strain, headaches and irritability which greatly reduces employee performances a result of high absenteeism rate, increased sick off days and increased error rate.

From the empirical literature review the researcher identified that technology was not factored in the previous researches conducted with regard to employee performance. The findings above clearly shows how technology as pertaining computer and other office electronics affects the present day employees and may either reduce or boost employee performance. According to the study poor technology resulted to increased error rate and low task completion rate. Integrating technology to provide favourable physical conditions for optimum employee performance is thus paramount for any organization.

#### **4.7.2 Effect of Occupational Health and Safety on Employee Performance in KCB**

According to this study adequate Occupational Health and Safety policies, awareness of the policies and well elaborated policies positively impacts the performance of employees. This is through reduced sick off days, and low absenteeism. This is in consonance with Dwomoh, Owusu, and Addo, (2013) a study on the impact of occupational health and safety policies on employees' performance in Ghana's timber industry. It was evident that health and safety boosts employees' performance, this was attributed to reduced number of absentees as a result of illnesses, improved physical and mental health of an employee.

Respondents agreed that lack of training programs negatively influences their performance. This is because lack of the required skills leads to increased error and slow completion of tasks given. This is in line with Agwu (2012) the research concluded that training programs lead to enhanced employee performance which results to reduced liabilities and less work process distractions. Improved performance leads to reduction in legal costs, medical expenses, less accidents, low absenteeism, low labour turn over and

liabilities through having safety measures to reduce risks and rehabilitation in cases of injuries.

This study reveals that adequate and quality medical services and regular check-ups improve employee performance. This reduces the absenteeism rate and the sick off days as a result of good health and effective preventive measures. This study is supported by Nkudefe (2013) Marginal improvement in health and safety resulted to incremental improvements in quality, quantity, employee effort, concentration and attendance. This shows that a unit improvement in health and safety leads to improvements in productivity

From the empirical literature review the researcher identified that cultural and religious beliefs of individual employees was not factored in the previous researches conducted with regard to employee performance. The findings of this study clearly show that belief in Deity and praying to Deity for health and safety improves employee performance. Performance improves because of reduced sick off days, low absenteeism and high task completion rate as a result of good health, surety of safety and confidence to face every day with new strength. The two highest means in this study have to do with belief in Deity and Divine intervention in improving employee performance as far as health and safety is concerned.

#### **4.7.3 Effect of Internal Organisation Communication on Employee Performance in KCB**

Respondents believed that appreciation for work well done, regular staff meetings, involvement in decision making, freedom of expression and recognition for contributing

new ideas positively influences their performance. This is because they feel honoured and part of the organisation which leads to reduced turnover rate and low absenteeism. This was in line with Ajala (2012) that regular staff meetings, employee orientation, knowledge on how a task should be done, flow of essential information, recognition for work well done, employee suggestions taken seriously, employee contributions to departmental goals, participation in decision making and feedback from managers greatly improves performance of employees.

Various past researches overlooked the aspect of social networking, the research revealed that social networking promotes teamwork, urgent announcements are effectively communicated through social networks and Video conferencing enhances communication. Effective communication enhances performance of employees because employee turnover rate is minimised and grievances are easily handled through team building activities.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents a summary of the findings as discussed in chapter four and the conclusions and recommendations based on these findings. The main objective of the study was to explore the effects of working conditions on the performance of employees. The main objective was accomplished by examining the effects of Physical conditions, Organizational Health and Safety and Internal Organizational Communication on Employee Performance.

### **5.2 Summary of Findings**

The summary of findings explains the effects of physical conditions, occupational health and safety and internal organisational communication as per the results obtained from the study. The findings are supported from past researches as depicted in the literature review.

#### **5.5.1 Effects of Physical Conditions on Employee Performance in KCB**

The research majorly focussed on technology and how technology in relation to physical conditions affects employee performance. The study established that one unit change in Physical conditions results in 0.48 units increase in employee performance. There was a positive relation between physical conditions and performance of employees. This implies that favourable physical conditions lead to improvement in performance of employees. This was in line with Ajala (2012) that favourable working conditions improve the performance of employees.

### **5.5.2 Effects of Occupational Health and Safety on Employee Performance in KCB**

The findings of this study clearly show that belief in Deity and praying to Deity for health and safety improves employee performance. The two highest means in this study have to do with belief in Deity and Divine intervention in improving employee performance as far as Occupational Health and safety is concerned. The study established that one unit change in Occupational Health and Safety results in 0.21 units increase in Employee performance.

The study showed a positive relationship between Occupational Health and Safety and performance of employee. one unit of Occupational health and Safety influences performance by 0.20 units. This is in agreement with Makori, Nandi, Thuo, and Wanyonyi, (2012) a research on influence of occupational health and safety programmers on performance of manufacturing firms in western Kenya. The results showed a positive Pearson correlation of 0.57 and 0.47 which means that there was a moderate positive relation between occupational health and safety programmes and organisations performance.

### **5.5.3 Effects of Internal Organisational Communication on Employee Performance in KCB**

The findings discovered that internal organizational communication has a large bearing on the performance of employees. The research discovered that social networks and other networking websites provide effective platforms for giving feedback and concerns thus

improving employee performance. The study established that one unit change in Occupational Health and safety results in 0.20 units increase in Employee performance.

### 5.3 Conclusions

The variable were Ranked based on coefficients is as follows;

**Table 5.1: Rank of Principles**

	MODEL	
	Co-efficient	P-value
Physical Conditions	0.48	0.00
Internal Org. Communication	0.41	0.00
Occupational Health & Safety	0.20	0.00

This study established that physical conditions increase employee performance by a large degree. The study shows that one unit change in physical conditions results in 0.48 units increase in employee performance. Internal organizational communication was next and the study found out that one unit change in internal organizational communication results in 0.41 units increase in employee performance. Occupational health and safety came third and the study found out that one unit change in occupational health and safety results in 0.20 units increase in employee performance. This shows that the study variables had a positive relationship and all the P values were less than 5% hence statistically significant to make a conclusion on the population.

By establishing that there is a linear relationship between physical conditions, occupational health and safety and internal organizational communication and the performance of employees of Kenya Commercial Bank, the study achieved the general objective which was to explore the effects of working conditions on performance of



employees' of KCB. This study concludes that physical conditions, occupational health and safety and internal organizational communication all have a large effect on performance of employees. For an organization to achieve its objectives the employees' performance is of prime importance.

The challenges that many companies face include a multigenerational workforce that is affected differently by the independent variables stated in the study. This results in widely varying communication and learning styles; miscommunications associated with assumed levels of professionalism and resistance to change especially in the acceptance of new technology. Communication is the most important aspect of any organization and therefore when proper policies are laid down to govern internal communication in organizations improved employee performance is guaranteed.

This study concluded that social networks such as Facebook, Twitter, and Whatsapp enhance communication and reduce the probability of distortion of information as it is during communication via numerous linked channels. These platforms serve to provide real time information and responses and in instances where the management is communicating to staff in the organization, internal memos could be posted on pages dedicated to the organization thereby saving both time and money by reducing the costs that would have been incurred in other modes of communication.

Finally, the study concludes that the variables in the study cannot be handled exclusively because as stated earlier, all the three variables have to be considered for the optimum performance of employees in any organization.

#### **5.4 Recommendations**

Working conditions have positive effects on overall business performance. Improving working conditions is important to organisations since the benefits accumulated include; low absenteeism, reduced staff turnover rate, few sick off days, low error rate, high task completion rate and minimal or no grievances. It is in the best interest of KCB to incorporate the following recommendations so as to enjoy the mentioned benefits and hence achieving their overall organisational objective.

- i)** The study recommends that KCB should consider improving their physical conditions. Specifically the study recommends that the organisation should use technology to enhance performance.
- ii)** The study also recommends that KCB should ensure their occupational health and safety conditions are favourable. Specifically the organisation should implement health and safety policies to boost employees' performance.
- iii)** The study further recommends that KCB should maximize the potential of the social networks. However, this should be controlled to prevent counter productivity and wastage of time on the networks by ensuring the networks and social sites and other social pages are adequately monitored strictly so as to be used in the best interest of the organization.

#### **5.5 Areas for further studies**

The study recommends further research to be conducted to establish the effect of other variables which influence employee's performance and are not included in this study.

Such variables include; remuneration, work place bullying, sexual harassment at work place, flexible work time and performance appraisal techniques.

Further research should be conducted in other banks besides KCB, this is to establish whether the same variables used in this study will give the same results or different results.

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