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# Influence of Career Progression on Employee Performance in Large Commercial Banks in Nairobi City County in Kenya

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# **Abstract**

Employees are a major asset of an organization and play an active role towards the organization's success that cannot be underestimated. As a reward system, career progression is one of the policies and practices established by organization to improve career effectiveness of their employees as a sequence of related work experiences and activities during one lifetime. The study sought to determine the effect of financial reward on employee performance. Self-Efficacy Theory on career progression was used to inform the study. The study adopted a descriptive research design. Descriptive statistics was chosen since it utilizes data collection and analysis techniques that yield reports concerning the measures of central tendency, variation, and correlation. The combination of its characteristic summary and correlation statistics, along with its focus on specific types of research questions, methods, and outcomes necessitated the choice of this design. The study adopted a positivism philosophy. The target population was 22,856 employees working in the six selected Commercial Banks in Nairobi City County composed of both clericals and Management staff. Krejcie and Morgan sample size determination table was used to derive a sample of 377 respondents. Primary data was collected using structured questionnaires that had both close ended and open-ended questionnaires. Quantitative data were analyzed using SPSS. The study conducted various tests including normality test, multicollinearity, stationarity, heteroscedasticity and autocorrelation tests. Factor analysis was carried out among corresponding questions to allow formation of factors with the highest Eigen values. Test of hypothesis was done



at 95% confidence interval. The study found out that there was a positive and significant relationship between career progression and employee performance (r=0.588, p=0.000), the alternate hypotheses was not rejected. Based on the findings, the study concluded that career progression has a positive and significant effect on employee performance. The study recommended for management should also recognize and reward good performance, to help motivate and enhance employee engagement. An employee that has performed would feel that his or her effort is appreciated and recognized career wise, as a result would remain committed and engaged.

**Keywords;** Career Progression, Employee Performance, Commercial Banks & Nairobi City County, Kenya.

#### 1.0 Introduction

# 1.1 Background of the Study

Career progression has become one of the reward systems organization use to motivate their employees (Oduma & Were 2014). Career progress leads to personal growth and more responsibilities being given to an employee in an organization. Merchant (2012) defines career progression as getting to be the best an individual can be and finding a place in an organization where they can express excellence and contribute to the goals of the organization. The author further advances that Career progression encompasses "vertical" issues such as promotions, upward mobility, and also "horizontal" movement (lateral job transfers) within the organization. Career progression covers various policies and practices established by organization to improve career effectiveness of their employee as a sequence of related work experiences and activities during one lifetime.

Career progression is associated with satisfaction of employees in a way that they feel valued by their supervisors and organizations. As their goals are being focused and achieved, they get recognition because along with their own goals, organizational goals are also being satisfied. In that way, employees become more satisfied with their job and would never contemplate leaving the organization. Any progressive organization wants to retain its golden employees to achieve its objectives and long term corporate goals. That is why organizations should invest in ongoing employee career development programs to make both employee as well as organizations successful (Shujaat, San & Aftab, 2013). Previous studies demonstrate that individual tends to stay longer where they experience personal and professional growth (Chabbra & Mishra, 2008).

#### 1.2 Statement of the Problem

The success of any organization largely depends on the competency of its employees. Successful organizations are increasingly realizing that career progression is clearly the most critical element in ensuring employee commitment and engagement (Murray, 2008). However, career progression is one of the primary functions of human resource management that develop and motivate an effective, efficient and professional workforce that will meet the strategic objective of the organization. Morse and Babcock (2010) find that providing employees with access to training and development opportunities does more than improve their skills and abilities to progress in their careers: it also increases employee commitment and engagement to the organization. However Pfau and Kay (2002) expressed that it is logical to believe that there may be a

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negative impact on career development in instances where employees' expectations for career progression not met.

Commercial banks require the input of employees in order to compete in the market and perform well. According to Aktar, Sachu and Emran (2012) motivation through career progression is the key of a successful organization to maintain the continuity of the work in a powerful manner and help organizations to survive. Motivated employees are more likely to stay, increase the organization productivity and reduce the cost of recruitment and training (Apeyusi, 2012). Therefore, this study sought to ascertain the influence of career progression on employee performance in Commercial Banks, in Nairobi City County in Kenya.

#### 1.3 Objective of the Study

The objective of the study was to investigate the influence of career Progression on employee performance in large Commercial Banks, in Nairobi City County in Kenya.

# 1.4 Research Hypothesis

**H**<sub>1</sub>: Career Progression have a positive significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya.

#### 2.0 Literature Review

#### 2.1 Theoretical Review: Self-Efficacy Theory on Career Progression

Self-efficacy also known as social cognitive theory developed by Bandura (1986) is one of the important aspects of human motivation and behaviour. Bandura, (2005) regards self-efficacy as beliefs in one's capabilities to organize and execute the courses of action required to manage prospective situations. Whereas Redmond and Mcloughlin (2015) explain that self-efficacy is what an individual believes he or she can accomplish using his or her skills under certain circumstances. On the same note, Pajares (2009) affirms that self-efficacy beliefs are judgments that individuals hold about their capabilities to learn or to perform courses of action at designated levels. Therefore, the basic principle behind self-efficacy theory is that individuals are more likely to engage in activities for which they have high self-efficacy and less likely to engage in those they do not (Lunenburg, 2011). According to Oduma and Were (2014) career progression increases an individual self-efficacy.

Amtmann, Bamer, Cook, Askew, Noonan and Brockway (2012) noted that self -efficacy belief influences course of action of an individual. They affirmed that, one's belief in one's ability to succeed influences his or her level of motivation. Cherian and Jacob (2013) argue that there is a link between an employee self-efficacy and his/her performance including the ability to adapt to advanced technologies in the workplace like internet or new software, ability to cope with current changes in career plan, ability to generate new ideas and mobility to a managerial level, ability to perform better as a team and ability to acquire more skills. The employees who have progressed much in their careers have high self-efficacy which motivate them to perform better.

According to Leon-Perez, Medina and Munduate (2011) an employee commitment to his career is associated with ability to link motivation to his performance level. An antecedent to this motivation is the self-efficacy. An employee who has the ability to show commitment to his career always is found to make an attempt to improve his skills and motivate himself to perform well. Such an employee is also found to spend time in terms of developing his skills and promoting his self-efficacy by showing better job involvement that improves his performance. Kurose (2013)

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identifies three way in which self-efficacy affects performance of an organization. One is that self-efficacy influences the goals that employees set for themselves. Employees with low levels of self-efficacy tend to set relatively low goals for themselves. Conversely, an individual with high self-efficacy is likely to set high personal goals. Secondly, self-efficacy influences learning and efforts a person exerts on the job. Employees with high self-efficacy will work hard to learn how to perform a new task and also share information with other employees. Lastly, self-efficacy influences the persistence with which people attempt new and difficult tasks.

Majer (2009) contends that self-efficacy is built through four sources; mastery experience, vicarious experience, social persuasions, and physiological reactions. Therefore, in the workplace employers can develop and improve self-efficacy beliefs in their employees by focussing on the four primary sources. The author further attests that mastery experience is the most influential source of self-efficacy. When one performs a task successfully due to mastery of experience, his self-efficacy is raised. But inability to perform the task results to failure and affects self efficacy. According to Mensah and Lebbaeus (2013) career progression influences self-efficacy positively. This theory supports the variable career progression by postulating that career progression increases employee self-efficacy that influences the goals employee set, efforts a person exerts persistence with which an employee attempts new and difficult task.

#### 2.2 Empirical Review

Workers in contemporary society are expresssing a strong desire to pursue more than just a job. They are seeking for employment opportunities that promise an extension of their interests, personality and abilities. They want a variety of things from their jobs besides a pay cheque and a few fringe benefits. Their loyalty to the organization depends upon the degree to which their employer satisfies these wants (Oduma & Were, 2014). They anticipate a career that expresses their interests, personality, abilities and that harmonizes with their total life situation. It is against this background that career progression has become one of the reward system organizations use to motivate their employees.

Merchant (2012) defines career progression as getting to be the best an individual can be and finding a place in an organization where they can express excellence and contribute to the goals of the organization. The author further advances that Career progression encompasses "vertical" issues such as promotions and upward mobility, and also "horizontal" movement (lateral job transfers) within the organization. Career progression covers various policies and practices established by organization to improve career effectiveness of their employee as a sequence of related work experiences and activities during one lifetime. Merchant further contends that individuals who experience personal and professional growth tend to stay longer in an organization.

To formulate career progression actions, employees, managers and organization are involved. The employees make decision on what they want from their career and declare their objective. While managers identify their knowledge, skills and abilities to facilitate training and help them in identifying short term and long term goals. Then organizations provide employees with time, benefits and funds according to their requirements, support their goals, use knowledge, skills and abilities of each employee to realize organizational goals (Shujaat, San & Aftab, 2013). Career development is directly linked to the satisfaction of employees in a way that they feel valued from their supervisors and organizations as their goals are being focused and achieved. They get recognition because along with their own goals, organizational goals are also being satisfied. In



this scenario, employees become more satisfied with their jobs and would never want to leave the organization. While an organization wants to retain its golden employees to achieve its objectives and long term corporate goals. That is why organizations need to invest in ongoing employee career development programs to make both employee as well as organization successful (Shujaat, San, & Aftab, 2013). Previous studies demonstrate that individual tend to stay longer where they experience personal and professional growth (Chabbra & Mishra, 2008).

# 2.3 Conceptual Framework

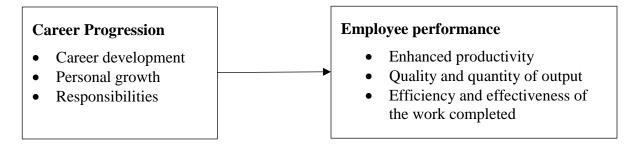


Figure 1: Conceptual Framework

### 3.0 Research Methodology

This study will adopted positivism research philosophy and a descriptive research design. the target population was 22,856 employees working in the six selected Commercial Banks in Nairobi City County composed of both clericals and Management staff. The study sampling frame will comprise of six commercial banks in Kenya entailing both the management and clerical staff. The study used a stratified sampling technique to obtain 377 respondents. Primary data was obtained from the respondents using structured questionnaire. A Likert scale of 1 to 5 (1= Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree) was were presented for answering by respondents.

Cronbach's alpha was used to test the reliability of the measures in the questionnaire (Cronbach, 1995). Data analysis was done using SPSS. The study conducted normal distribution test for the dependent variable for normality distribution. The particular descriptive statistics used included frequencies and percentages while the particular inferential statistics included Pearson correlation analysis and regression. Correlation analysis was used to establish either positive or negative relationships between the variables. The following diagnostic tests were conducted prior data regression analysis. Multicollinearity was tested using variance inflation factor VIF. The test for autocorrelation was performed to establish whether residuals are correlated across time (autocorrelation).

The regression model that was used was;

$$Y = \beta 0 + \beta 1X + \epsilon$$

Where:

Y = Employee Performance

X = Career Progression

 $\beta 1$  = Coefficient of the variable



 $\varepsilon$ = Error term

# 4.0 Results and findings

# **4.1 Descriptive Statistics**

The objective was to establish the influence of Career Progression on employee performance in large Commercial Banks in Nairobi City County. Numbers 4 & 5 (agree and strongly agree) were grouped together as agree, 1 & 2 (strongly disagree and disagree) were grouped as disagree while 3 was undecided. The results of this study are as depicted in table 1.

**Table 1: Career Progression** 

Strongly	ъ.	T7 1 11		G. 1	3.5	
Disagre	Disagre	Undecide		Strongl	Mea	C D
e	e	a	Agree	y Agree	n	S.D
			52.0			
2.20/	2.20/	10.00/		21.70/	2.0	0.0
3.3%	3.3%	18.8%	%	21.7%	3.9	0.9
			<b>7</b> C O			
2.20/	2 00/	24.20/		10.007	2.7	0.0
3.3%	2.9%	24.2%	%	12.8%	3.7	0.8
0.70/	4.40/	10.00		22 22/		^ <b>-</b>
0.7%	1.1%	10.3%	%	22.3%	4.1	0.7
2.2%	3.3%	13.3%	%	17.0%	3.9	0.8
1.5%	2.6%	13.6%		18.8%	4.0	0.7
1.8%	5.2%	20.7%		14.8%	3.8	0.8
2.2%	4.9%	26.1%	%	15.3%	3.7	0.9
0.7%	4.4%	10.0%	%	15.6%	3.9	0.7
			66.2			
1.8%	4.0%	9.6%	%	18.4%	4.0	0.8
			63.8			
2.2%	4.9%	14.9%	%	14.2%	3.8	0.8
	2.2%  1.5%  1.8%  2.2%  1.8%	e       e         3.3%       3.3%         3.3%       2.9%         0.7%       1.1%         2.2%       3.3%         1.5%       2.6%         1.8%       5.2%         2.2%       4.9%         0.7%       4.4%         1.8%       4.0%	e       e       d         3.3%       3.3%       18.8%         3.3%       2.9%       24.2%         0.7%       1.1%       10.3%         2.2%       3.3%       13.3%         1.5%       2.6%       13.6%         1.8%       5.2%       20.7%         2.2%       4.9%       26.1%         0.7%       4.4%       10.0%         1.8%       4.0%       9.6%	e         d         Agree           3.3%         3.3%         18.8%         %           3.3%         2.9%         24.2%         %           56.8         56.8         %           0.7%         1.1%         10.3%         %           2.2%         3.3%         13.3%         %           1.5%         2.6%         13.6%         %           57.6         57.6         57.6         51.5           2.2%         4.9%         26.1%         %           0.7%         4.4%         10.0%         %           1.8%         4.0%         9.6%         %           63.8	e         e         d         Agree         y Agree           3.3%         3.3%         18.8%         %         21.7%           3.3%         2.9%         24.2%         %         12.8%           0.7%         1.1%         10.3%         %         22.3%           2.2%         3.3%         13.3%         64.1         17.0%           1.5%         2.6%         13.6%         %         18.8%           57.6         57.6         57.6         14.8%           1.8%         5.2%         20.7%         %         14.8%           51.5         51.5         51.5         51.5           0.7%         4.4%         10.0%         %         15.6%           1.8%         4.0%         9.6%         %         18.4%	e         d         Agree         y Agree         n           3.3%         3.3%         18.8%         %         21.7%         3.9           3.3%         2.9%         24.2%         %         12.8%         3.7           0.7%         1.1%         10.3%         %         22.3%         4.1           2.2%         3.3%         13.3%         %         17.0%         3.9           1.5%         2.6%         13.6%         %         18.8%         4.0           57.6         57.6         14.8%         3.8         51.5         3.7           2.2%         4.9%         26.1%         %         15.3%         3.7           0.7%         4.4%         10.0%         %         15.6%         3.9           1.8%         4.0%         9.6%         %         18.4%         4.0

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The respondents were asked whether their organization has instituted career progress strategies. A majority of 74.6 %( 21.7% + 52.9%) agreed, 18.8% were undecided, 3.3% disagreed and 3.3% strongly disagreed. The result shows that majority of the respondents are of the view that Commercial Banks have career progression strategies. This is consistent with a study conducted in Kenya by Kelley(2012), which revealed that there are several career development practices among Commercial Banks in Kenya.

The major reason banks encourage career progression is to ensure that there is development of employees for future positions. Moreover, an organization is assured of a supply of qualified, committed employees to replace the higher-level employees. Half (2016) alludes that career progression practices enable organizations to develop and place employees in positions compatible with their individual career interests, needs and goals. This promotes employees satisfaction and optimal use of their abilities.

The study sought to find out whether there are opportunities for personal and professional growth in all position. A Majority of 69.6% agreed, 24.2% were undecided, 2.9% disagreed and 3.3% strongly disagreed. This is an indication that Commercial Banks in Kenya offer opportunities to their staff to grow personally and professionally. Similar results were also obtained concerning opportunities for career growth. This is in agreement with Monis and Sreedhara (2011) who contend that high performing organizations pay close attention in developing their employees' career in order to ensure that they achieve optimum performance both in the present and in future. The outcome is in line with a study conducted by Koech (2003) indicating that Commercial Banks employees were satisfied with the career growth opportunities given to them by their organizations.

Koech (2003) further stressed that Commercial Banks in Kenya were doing all they could to provide various forms of development opportunities to their employees in order to satisfy them. Granting employees opportunities to grow professionally in their career is an advantageous strategy. This is because employees are no longer eager to remain loyal to their organization if they can get better employment package elsewhere that can help them to fulfill their career aspirations especially career progression.

The study also sought to find out whether employee who have progressed in their career are given more responsibilities. The result showed that a majority of 87.9% agreed, 0.3% were undecided, 1.1% disagreed and 0.7% strongly disagreed. This is an indication that Commercial Banks have endeavored to add more responsibilities to employees who have progressed in their careers as a way of rewarding their efforts. According to Hughes(2016) employees get bored in repeating same tasks, due to lack of a challenge in doing the task assigned. Continued boredom can encourage an employee to find another job elsewhere. To curb boredom, Hughes recommend that an organization should give more responsibility, set more difficult challenges and to offer workers different task, jobs and even new projects. Commercial Banks in Kenya seems to have implemented this strategy.

An opinion from the respondents was sought to determine whether employees were willing to put extra effort in their work because of opportunities in career growth. 18.8% strongly agreed, 63.6% agreed, 13.6% were undecided, 2.6% disagreed and 1.5% strongly disagreed. This is an indication that career growth opportunities encourage employees to work extra hard. The result are consistent with a study conducted in USA by Belk(2017) which revealed that 76% of high performance

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employees prefer trade mastery rather than money. Belk stresses that trade mastery which is achieved through giving employee opportunity in career growth encourages them to be more productive and boost employees morale than giving money.

The study sought to find out if there is are mentorship programs for all employees. The result shows that a majority of 72.4% agreed, 20.7% were undecided, 5.2% disagreed and 1.8% strongly disagreed. This is an indication that there are mentorship programs in Commercial Banks because majority agreed with the statement in giving their opinion. This corroborates the finding of a study conducted in Kenya by Abubakarr (2014), which revealed that coaching and mentoring is moderately to highly practice in most firms in Kenya.

Mentoring involves pairing a new employee with an experienced professional to help the employee adapt to the environment and culture of the workplace. It is done with an intention to help the new employee settle into the surrounding and get off to a good start. According to Kelchner(2016) mentoring programs help professionals grow, develop and learn new skills under the direction and advice of a seasoned expert. Organizations implement mentoring programs to align the goals of the company with the professional development of its employees. Long (2016) alludes that mentoring provides a supportive atmosphere to the new employee and this improves morale and loyalty, thereby boosting productivity.

An inquiry was sought to find out the opinion of the respondents as to whether there is a clear promotion criteria. A majority of 66.8 agreed, 26.1% were undecided, 4.9% disagreed and 2.2% strongly disagreed. The outcome reveals that there is a clear criteria followed for an employee to be promoted. Armstrong (2012) argues that it is very important for an organization to give equal chance to all employees to be promoted. This can be accomplished when there is a clear criteria-outlining basis on which promotion will be done. When an organization gives equal an opportunity for promotion employees will be satisfied and it will boost employee motivation to put extra effort in assigned task (Armstrong, 2012). This is in line with a study conducted in Uganda by Mwanje (2010) which revealed that setting clear and transparent policies on promotion can minimize constrain on career advancement. Additionally, Mwanje argued that when promotion is based on favoritism or on unclear policies employee will not be motivated to put extra effort in their assigned task.

The study sought to find out whether promotion of employee increases morale to help others. 15.6% strongly agreed, 69.3% agreed, 10% were undecided, 4.4% disagreed and 0.7% strongly disagreed. This is an indication that promotion boost morale of majority of the employees. Mwanje (2010) emphasizes that an organization should practice providing internal promotion to motivate employees in order to remain in the industry. Promotions boost employee morale and productivity because the employee feel to be part of the organization. Therefore, a promoted employee will be willing to help others in the organization.

An opinion was also sought as to whether career progression in the organization attract innovative and creative employees. A majority of 84.9% agreed, 9.6% were undecided, 4% disagreed and 0.7% strongly disagreed. The results indicate that majority are of the view that career progression attracts innovative and creative employees. This agrees with Gomez (2014) who alludes that career progression programs can be attractive to job seekers and can help retain staff. This is because employees will develop a sense of loyalty for employers who are willing to invest in them. When employees perceive that their organizations encourage career development, they feel more confident about their long-term career path. Talented and competent employees will be satisfied



and will be ready to provide their innovative and creative ideas to provide solution in their organization.

Finally, on career progression respondents were asked their opinion as to whether employees' improvement in performing their task and duties assigned is recognized and appreciated through promotion. A majority of 80% agreed, 14.9% were undecided, 4.9% disagreed and 2.2% strongly disagreed. This is an indication that Commercial Banks employees who improve their performance in task assigned are likely to be promoted. According to Kirsten (2011) performance is one of the factors that make an employee eligible for a promotion in an organization. Strong performance is a good indicator an employee will continue to deliver great result in the new role. Therefore, past performance is usually reviewed before promotion to determine how an employee has been doing his/her job responsibilities.

Overall, the average mean of the responses was 3.8 which means that majority of the respondents were agreeing to the statements in the questionnaire. The standard deviation was 0.8 meaning that the responses were clustered around the mean response.

#### **4.2 Correlations Analysis**

Correlation analysis was carried out to detect the association between the dependent variable, employee performance and the independent variable of career progression as shown in table 2.

**Table 2: Correlation Analysis** 

Variable		Employment Performance	Career Progression	
Employment	Pearson	1.000		
Performance	Correlation	1.000		
	Sig. (2-tailed)			
Canaan Duaanaasian	Pearson	.648**	1 000	
Career Progression	Correlation	.048***	1.000	
	Sig. (2-tailed)	0.000		
**. Correlation is signi	ficant at the 0.01 level (2	2-tailed).		

The results in table 2 indicated that Career Progression was positively and significantly associated to employee performance(r=0.648, p=0.00<0.05).

#### 4.3 Diagnostic Tests

The study conducted various tests and these tests included test for normality, test for multicollinearity, unit root test, heteroscedasticity test and test for autocorrelation

#### **4.3.1 Test for Normality**

To test the normality of turnover intention (dependent variable) was done by use of Kolmogov-Smirvov test. The hypothesis was tested at a critical value at 0.05, where the rule is that reject H0 if the probability (P) value is less than 0.05 or else fail to reject. The dependent variable should be normally distributed because the study was analyzed using a multiple regression model where the condition of normality must be satisfied (Quataroli & Julia, 2012).



**Table 3: Test for Normality** 

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Employment Performance	0.106	273	0.000	0.954	273	0.000
Career Progression	0.178	273	0.000	0.892	273	0.000

Table 3 indicates that using the of Kolmogov-Smirvov and Shapiro-Wilk test of normality, variables data are normal since the p-values are 0.000 which are below 0.05 for the variables and thus we reject the null hypothesis (H0) and accept the alternative hypothesis (H1). The study concluded that career progression and Employment Performance are normal in distribution and hence subsequent analysis could be carried out.

# **4.3.2** Test for Linearity

Linearity assumes a straight-line relationship between the predictor variables and the criterion variable. This was assessed by examination of a scatter plot of independent variable against the dependent variable to measure if there is a straight-line relationship. The independent variable depicted a straight-line relationship with the dependent variable as shown in Figure 2.

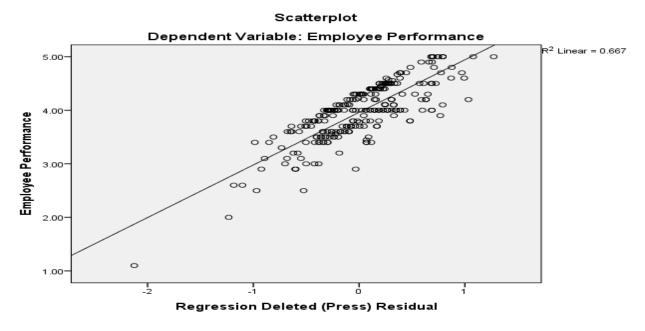


Figure 2: Linearity

#### 4.3.3 Test for Heteroscedasticity

Heteroscedasticity test was run in order to test whether the error terms are correlated across observation in the cross sectional data (Long & Ervin, 2000). The null hypothesis is that the data does not suffer from Heteroscedasticity since the p-value is greater than the 5%. The null hypothesis was not rejected at a critical p value of 0.05 since the reported value was 0.184>0.05.



Thus, the data did not suffer from heteroscedasticity. The results in Table 4 indicate that the null hypothesis of constant variance is not rejected as supported by a p-value of 0.184.

**Table 4: Heteroscedasticity Results** 

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity					
Ho: Constant variance					
Variable: fitted values of Employee Performance	2				
chi2(1)	=	5.56			
Prob > chi2	=	0.184			

#### 4.3.4 Test for Autocorrelation

In Table 5, the dependent variable must be independent and this was tested using Durbin-Watson (d) test which state that d=2 indicates that there is no autocorrelation. The value of (d) always lies between 0 and 4 where 0 indicates autocorrelation while above 1 indicates the residuals are interdependent, the results from the study presented 1.728 which indicates that the residuals are not autocorrelated.

**Table 5: Durbin Watson test** 

R	R Square	Adjusted R Square	Std. Error of the Estimate	<b>Durbin-Watson</b>
.722a	0.522	0.515	0.37816	1.728

# 4.3.5 Test for Multicollinearity

Multicollinearity is a statistical phenomenon in which two or more predictor variable in a multiple regression model are highly correlated, the undesirable situation where the correlations among the independent variables are strong. A set of variables is perfectly multicollinear if there exists one or more exact linear relationship among some of the variables. Tolerance of the variable and the VIF value were used where values more than 0.2 for Tolerance and values less than 10 for VIF means that there is no multicollinearity.

For multiple regressions to be applicable there should not be collinearity among variables. Statistics used to measure multicollinearity include tolerance and variance inflation factor. From the findings, the all the variables had a tolerance values >0.2 and VIF values <10 as shown in Table 6. Indicating that there is no multicollinearity among the independent variable (career progression)

Table 6: Multicollinearity test using Tolerance and VIF

	Collinearity Statistics			
Variable	Tolerance	VIF		
Career Progression	0.441	2.265		



# **4.4 Regression Analysis**

#### 4.4.1 Fitness of Model

Regression analysis was conducted to determine whether there was a significant relationship between career progression and employee performance. Table 7 presents the regression model on career progression versus employee performance. As presented in the table, the coefficient of determination R Square is 0.420 and R is 0.648 at 0.01 significance level. The model shows that career progression explain 42% of the variation in employee performance. This implies that there exist a positive significant relationship between career progression and employee performance.

**Table 7: Model Fitness for Recognition Schemes** 

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.648	0.42	0.418	0.41135

The Analysis of Variance (ANOVA) result are shown in Table 8. The finding further confirm that the regression model of performance on career progression index is significant for the data F =196.330, p<0.01) since p-values was 0.00 which is less than 0.05.

**Table 8: Analysis of Variance for Career Progression** 

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	33.22	1	33.22	196.33	.000a
Residual	45.855	271	0.169		
Total	79.075	272			

# 4.4.2 Analysis of Variance

Table 9 shows the coefficiency for career progression. The fitted model from the result is  $Y = \beta 0 + \beta_1 X_1 + \epsilon$ 

 $Y = 1.683 + 0.588X_1$ 

This implies that a unit change in career progression will increase employee performance by the rate of 0.588

**Table 9: Career Progression and Employee Performance** 

	Unstandardized Coefficients		Standard	lized Coefficie	nts
Model	В	Std. Error	Beta	t	Sig.
(Constant)	1.683	0.164		10.235	0.000
Career Progression	0.588	0.042	0.648	14.012	0.000

The results are in line with a study conducted by Chepkosgey (2015) which revealed that career progression highly influence employee performance in Kenya Commercial Bank. Chepkosgey recommended that financial institution should focus more on trainings and career development in enhancing their employee performance in order to reduce the employee turnover.



# 4.4.3 Hypothesis Testing for Career progression

The hypothesis to be tested was:

# H<sub>1</sub>: Career Progression have a positive significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya

The hypothesis was tested by using a linear regression and determined using p-value. The acceptance/rejection criteria was that, if the p value is less than 0.05, we reject the H<sub>1</sub> but if it is more than 0.05, the H<sub>1</sub> is not rejected. Therefore, the alternate hypothesis is that Career Progression have a positive significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya. Results in Table 9 shows that the p-value was 0.000. This was supported by a calculated t-statistic of 7.441 that is larger than the critical t-statistic of 1.96. The alternate hypothesis was therefore not rejected. The study therefore adopted the alternative hypothesis that Career progression has a positive and significant influence on employee performance in large Commercial Banks in Nairobi City County in Kenya.

#### 5.0 Conclusions

The objective of the study was to establish the influence of career progression on employee performance, in large Commercial Banks in Nairobi City County in Kenya. Regression of coefficient revealed that there was a positive and significant relationship between career progression and Employee Performance (r=0.433, p=0.000). This was supported by a calculated tstatistic of 7.441 that is larger than the critical t-statistic of 1.96. This means that a unitary improvement in career progression leads to an improvement in employee performance by 0.433 units holding other factors constant. This agrees with Gomez (2014) who alludes that career progression programs can be attractive to job seekers and can help retain staff. This is because employees will develop a sense of loyalty for employers who are willing to invest in them. When employees perceive that their organizations encourage career development, they feel more confident about their long-term career path. Talented and competent employees will be satisfied and will be ready to provide their innovative and creative ideas to provide solution in their organization. According to Kelchner (2016), mentoring programs help professionals grow, develop and learn new skills under the direction and advice of a seasoned expert. Organizations implement mentoring programs to align the goals of the company with the professional development of its employees. Long (2016) alludes that mentoring provides a supportive atmosphere to the new employee and this improves morale and loyalty, thereby boosting productivity.

#### **6.0 Recommendations**

The researcher recommends that management Commercial Banks should embrace performance evaluation system and ensure procedures are done objectively and fairly. Both the organization and the employee benefit from knowing exactly where they stand in relation to each other's expectations. By monitoring and sharing results, it becomes clear which employees are meeting (or not meeting) performance expectations. The management should also recognize and reward good performance, to help motivate and enhance employee engagement. An employee that has performed would feel that his or her effort is appreciated and recognized career wise, as a result would remain committed and engaged.

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