Role of Employee-related Factors for Employee Performance in Private Sector Banks of Sindh, Pakistan

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ABSTRACT

The achievement of robust employee performance (EP) is a critical issue for every organization due to its significant contribution to organizational success. This study aims to examine the impact of employee-related factors on EP at private banks in Sindh, Pakistan. The researchers used quantitative methods to obtain data from private banks in Sindh at random using a survey questionnaire. The researchers distributed or delivered 528 survey forms to the various branches of Sindh's private banks. The researcher returned 318 valid surveys with a 60% response rate. The overall reliability of the questionnaire is noticed as greater than 0.60. The researchers used the structural equation model (SEM) to assess the hypothesized paths by analysis of moment structures (AMOS). The study findings suggest that the employee-related factors, i.e., proactivity (PA), adaptability (AD), intrinsic motivation (IM), skills flexibility (SF), commitment (CMT) and skill level (SL) significantly and positively affect EP. This study contributes to the HRM literature, particularly in the area of EP and assists the management and practitioners of human resources management and development in increasing organizational performance.

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1. Introduction

Employee performance (EP) is strongly linked to organizational success. An organization’s success is a barometer for its good or bad performance; in every business, higher performance is a victory. Numerous factors studied while conducting EP research influence the path to success. To survive in a continually changing market environment, and because of the firms' specific dynamic qualities, they may achieve a competitive advantage. Boxall and Purcell (2011) establish that EP is crucial in keeping organizations functioning smoothly by examining the well-defined implementation process. According to Rynes et al. (2000) empirical evidence, the essential goal is to consider EP for the firm and decide what can become more "valid." and efficient. Furthermore, what methods can organizations employ to analyses performance? It is ideally suited to improving their ability to discriminate between "good" and "bad" personnel (those who display genuine performance).

As a result, the researchers identified a significant problem in the literature as there are many factors such as one is training culture, second management support, and third environmental dynamism, organizational climate, JA, JC, IM, SF, JS, SL, PA, OC, AD, entrepreneurial orientation, and CMT to EP at the global level (Diamantidis & Chatzoglou, 2019; Soomro & Shah, 2019; Nikolova et al., 2022; Wijayati et al., 2022). These factors are confirmed in several sectors, i.e. education, SMEs and health (Otoo & Mishra, 2018; Takeuchi et al., 2022).
However, among the bankers of the private sector, specifically in Sindh, Pakistan, it needs further confirmation.

Based on this problem, the study aims to explore the role of employee-related factors for employee performance in private sector banks of Sindh, Pakistan. Based on the aim, the specific objectives of the study are to investigate the effect of employee-related factors such as proactivity (PA), adaptability (AD), intrinsic motivation (IM), skill flexibility (SF), commitment (CMT) and skill level (SL) on employee performance (EP).

The paper's organization is based aside from the introduction section; the paper includes the sections such as literature review and hypotheses, methods, data analysis and results, discussion and conclusion, limitations, importance, and future research.

2. Literature Review, Model and Hypotheses
2.1. Proactivity (PA)
Proactive conduct at work is defined as deliberate acts that are internally (driven by a person) and externally (driven by others) compensatory. Proactive behaviours are multifaceted, implying that they impact individual, team, and organizational efforts due to team members' integration with supervisors, managers, peers, or subordinates, as Western labour cultures perceive. Proactive work practices actively seeking to outstretch managerial jobs outside one's regular job duties, routinely questioning questions, assuming informal and formal leadership roles, and offering institutional service Gryphon 2007. Talluri et al. (2022) provide a serial indirect effect model in which proactive career practices and flexibility expresses an aggressive personality's impact on work sustainability. According to Parent and Lovelace (2018), organizational engagement benefits an individual's ability to adapt to changes, but job engagement has the opposite effect, exposing potential barriers to organizational change management. According to Pajic et al. (2018), adaptable readiness (a proactive attitude and conscientiousness), career AD, adjusting activities (career planning and proactive skill development), and adaption results all have favourable associations (employability and in-role performance).

2.2. Adaptability (AD)
AD is a multidimensional concept at the individual, team, and organizational levels. It is described as a person's or an organization's ability to adapt to changing market conditions (Basadur et al., 2014). Individual AD is associated with EP (Gibson & Birkinshaw, 2004) with particular tasks and resources to provision specific organizational directions (Andriopoulos and Lewis, 2009). Organizational AD, known as exploratory learning and strategic innovation, has enhanced firm performance at the macro-organizational level (Schildt et al., 2005). Through process innovation, it was also discovered that AD culture influences both process and product innovation (Do et al., 2016). According to Feizabadi and Alibakhshi (2022), supply chain AD has a significant impact on organizational performance, as well as a relationship between governance (i.e. collaboration), customer relationship, and integration (i.e. coordination).

2.3. Intrinsic motivation (IM)
The performance management system can be affected by employee motivation in addition to determining the accuracy of extrinsic and IM (Berdicchia et al., 2022). According to the findings of Karatepe and Tekinkus (2006), high IM was linked to higher JP, pleasure, and affective attachment to the company. Kusumah et al. (2021) confirm transformational leadership's significant and favourable impact on EP. The findings also show that IM moderates the relationship between self-efficacy and EP and that gender moderates the association between transformational leaders and EP, and the association between self-efficacy and EP. On the other hand, IM, external regulation, and inserted regulation had no noticeable impact on the performance (Zhang et al., 2016). In the perception of Li et al. (2015), IM can modulate the relationship between psychological enabling and JP. Only those with minor IM and, intriguingly, those who felt little distributive justice showed a positive link between job insecurity and overall performance as measured by the administrator. Likewise, Hur et al. (2016) found that rudeness from coworkers and customers increases service professionals' emotional exhaustion, which lowers their IM for the job and, eventually, their originality.
2.4. Skill flexibility (SF)

The findings demonstrate that internal HR flexibility enhances business effectiveness. However, the results of external flexibility differ based on the degree of expertise required for each dimension. The main finding, however, is that environmental changes and cooperation favourably moderate the relationship between functional flexibility and financial performance as well as the relationship between external high-skill expertise and performance (at the overall level and its subcategories), which emphasizes the importance of flexibility in their role in accessing and deploying knowledge into the firm (Vela-Jiménez et al., 2014). Businesses prioritizing strategic flexibility are more likely to embrace cutting-edge HR practices, according to the mediation connection presented in a foundational work by Xiu et al. (2017). A strong CMT and the absence of powerlessness were additional factors related to position flexibility, Organizational ambidexterity mediates the link between performance and HR flexibility. Functional flexibility and job satisfaction had a positive connection, but quantitative elasticity either had no effect or had a detrimental impact (Origo & Pagani, 2008).

2.5. Commitment (CMT)

CMT affects happiness and well-being, both of which are favourable to EP. The impacts of CMT and satisfaction on performance are also favourably moderated (indeed, strengthened) by employee well-being (Sharma et al., 2016). Effective CMT and perceived organizational support greatly enhance EP, claim Sabir et al. (2022). According to an empirical study by Rita et al. (2018), the associations between CMT, transformational leadership, work motivation, and EP were not significantly altered by organizational citizenship behaviour moderation. Demographic characteristics significantly impact CMT (Maiti et al., 2021). By discovering that justice has a greater impact on emotional CMT than specific aspects of justice, Swalhi et al. (2017) provide evidence supporting the idea that affective CMT mediates the relationship between organizational justice and JP. There is a significant positive link between group culture and individual JP (Kasim & Mishra, 2023). A supportive culture only affected the relationship between commitment and fulfilment (Yiing & Ahmad, 2009). An advantageous link was partially mediated by CMT and innovative work conduct (Vuong et al., 2022). According to Sharma and Dhar’s (2016) research, affective CMT positively correlated with perceived organizational support and procedural justice. Employee soft skill development, the instructor's instructional approach, and professional achievement are interconnected. According to the authors (Ibrahim et al., 2017), firms should modernize their approach to soft skill training.

2.6. Skill level (SL)

Qualifications' rigour, relevance, and usefulness vary greatly and are vitally important to individuals and organizations (Dearden et al., 2000; & Grugulis, 2003). However, these differences cannot be reflected by merely measuring levels of formal attainment schooling differs even more. As mentioned, competence is a multifaceted paradigm that is difficult to characterize and even harder, to begin with acceptable proxies. While crucial in the workplace, some aspects of expertise—job competence, soft skills, and social competence present particular difficulties for academic scholars. At the level of shop floor production, it is suggested that job skill matters. Shop-floor output, however, is simply one of the essential elements in figuring out an organization’s or a country’s performance. What about additional talents, like social and soft skills, which, as Payne (1999, 2000) notes, currently dominate skill lists? This is an actual modification that the employer has implemented. Before 20 or 30 years ago, skills were primarily technical; today, soft and social skills are present (Department for Education and Employment 2000; Hillage et al., 2002), and attitudes are in demand. Most studies emphasize enhancing employees’ skill sets through human resource practices, including careful hiring, in-depth training, and extended development initiatives like job rotation and cross-utilization. Although skills are crucial to the HRM practices frequently researched (together with CMT and job design). Ibrahim et al. (2016) found that the two variables, the development of soft skills and training approach, strongly predict EP. The results showed that "time-spaced learning" successfully overcame the training transfer challenge. According to the authors, businesses should revamp their approach to soft skill development.

The above literature suggests some gaps which need to be explored. First, the previous studies offer diverse factors, i.e., training culture, second management support, and third environmental dynamism, organizational climate, JA, JC, IM, SF, JS, SL, PA, OC, AD, entrepreneurial orientation, and CMT, which has a positive predictive effect on EP globally (Soomro & Shah, 2019; Nikolova et al., 2022), which focus on sectors, i.e. education, SMEs and
health etc. (Otoo & Mustafa et al., 2021; Takeuchi et al., 2022). However, the bankers of the private sector, specifically in Sindh, Pakistan, are neglected in the empirical studies specifically in the EP context (Zulfiqar et al., 2012; Khan et al., 2013; Sahibzada et al., 2022). Hence, the current study investigates employee and job-related factors influencing EP in Sindh, Pakistan’s private banking sector.

Consequently, the existing literature clear-cut offers the connections between the factors such as PA, AD, IM, SF, CMT and SL and positive predictive power on EP (Otoo & Mustafa et al., 2021; Takeuchi et al., 2022). However, these effects must be integrated among the private banking employees of Sindh, Pakistan. Thus, based on this evidence of relationships and a dire need for investigation, we developed the following model (Figure 1) to investigate Sindh’s private banking sector employees.

Based on the above literature and conceptualization, the researchers developed the following hypotheses:

H1. Proactivity (PA) positively and significantly affects employee performance (EP).
H5. Commitment (CMT) positively and significantly affects employee performance (EP).

3. Research Design
3.1. Samples
The researcher suggested getting feedback from several active private banks in Pakistan’s Sindh province. The survey respondents include branch and active managers of several private banks in Pakistan's Sindh province. In the province of Sindh, fifteen operational private banks provide their services, according to data from the State Bank of Pakistan (SBP, 2022). There are 899 branches for these well-known banks (SBP, 2022). Each branch has a branch manager and an operational manager on staff. In this way, there are 1798 managers and branch managers overall. Therefore, the research developed the proposition based on the total population for the current study based on the population gesture provided by SBP.

The researchers submitted or distributed 528 survey forms to the various branches of Sindh’s private banks in total. A total of 318 legitimate questionnaires with a 60% response rate were returned to the researchers.

3.2. Data Collection Procedure
The banking industry in Sindh, Pakistan, is the study's background. The survey questionnaire was used to gather the necessary information from the respondents. The researchers contacted respondents using a random sample technique, giving each one an equal
chance to participate and avoiding sampling biases. Responses were gathered using various data collection methods, including email, postal mail, and an internet survey. Because managers and operational managers are well qualified, English is the survey's primary language. Before distributing or sending surveys to respondents, a survey should be packaged with the questionnaire, supervisor letter, and cover letter outlining the purpose and objectives of the study, the best way to validate the survey instruments, and the respondents' willingness to participate.

3.3. Description of the Variables

The questionnaire's items were taken from specialized literature. The researcher utilized a Likert scale with five options: where 1= strongly agree; 2=agree; 3=neutral/ neither agree nor disagree; 4=disagree, and 5=strongly disagree (Table 1).

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Variable</th>
<th>Code</th>
<th>No.of items</th>
<th>Scale</th>
<th>Originator/ adopted Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Proactivity</td>
<td>PA</td>
<td>4</td>
<td>Five-point Likert scale</td>
<td>Khatri et al. (1999)</td>
</tr>
<tr>
<td>2</td>
<td>Adaptability</td>
<td>AD</td>
<td>9</td>
<td></td>
<td>Mutebi et al. (2020)</td>
</tr>
<tr>
<td>3</td>
<td>Intrinsic motivation</td>
<td>IM</td>
<td>4</td>
<td></td>
<td>Karatepe and Tekinkus (2006)</td>
</tr>
<tr>
<td>4</td>
<td>Skill flexibility</td>
<td>SF</td>
<td>7</td>
<td></td>
<td>Bhattacharya et al. (2005)</td>
</tr>
<tr>
<td>5</td>
<td>Commitment</td>
<td>CMT</td>
<td>4</td>
<td></td>
<td>Tabrani et al. (2018)</td>
</tr>
</tbody>
</table>

Table 1: Measures

Source: Adopted from literature

4. Results and Discussions

4.1. Data inspection

The researcher first verifies the data by checking for missing numbers, insurance of the Likert scale options, and outliers. To identify cases with missing data, the researcher used missing value analysis. As a result, no case or factor with missing data has ever been found. Additionally, the researcher guarantees that the Likert scale alternatives (five points) respect numbers up to five. The researcher needed to see the incomplete scale or vanished scale options in that instance. Finally, it was tried to locate the outliers (univariate, bivariate, and multivariate) using the Mahalanobis distance (MD) test. The best statistical measure of how much a case is a multivariate outlier is MD, which is based on a chi-square distribution and evaluated using p<0.01. Due to this, two cases that had >0.01 were detected and correctly excluded.

4.2. Demography

In total, 318 managers and operational managers participated in the study overall. The gender data reveals that males comprised most of the study's contributors (n=251 or 78.9%). The contribution of women, on the other hand, was 21.1% (n=67). According to the respondents' age factor, the majority of employees (n=120 or 37.7%) were between the ages of 41 and 50. 109 students (34.3%) were aged 31 to 40. The average age of the 23.9 (n=76) students was 51. The proportion of managers and operational managers who were 20 to 30 years old was only 4.1% (n=13). Regarding employees who were married and single, the majority of employees (63.8% or n=203) were married, while 36.2% or n=115 were single and had taken part in the study. According to the experience-wise frequency, 32.1% of respondents (n=102) had less than five years of experience. Finally, 59 respondents (or 19.8%) had the experience of 6 to 10 years. Of the 94 respondents (or 29.6%) with experience of 16 years or more. 18.6% of participants in the research had 11 to 15 years of experience (Table 2).

Table 2: Demography

<table>
<thead>
<tr>
<th>Construct</th>
<th>Category</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>251</td>
<td>78.9</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>67</td>
<td>21.1</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>318</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Age</td>
<td>20-30</td>
<td>13</td>
<td>4.1</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>109</td>
<td>34.3</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>120</td>
<td>37.7</td>
</tr>
<tr>
<td></td>
<td>51 and above</td>
<td>76</td>
<td>23.9</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>318</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td>115</td>
<td>36.2</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>203</td>
<td>63.8</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>318</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
4.3. Reliability Assessment

The consistency (stability) of measurement is highlighted by reliability. The respondents received the same score on repeated testing, demonstrating the questionnaire’s high reliability; ultimately, no other auxiliary components influenced the value. Therefore, maximizing measurement reliability and reducing survey error risk were the objectives of ensuring reliability. Furthermore, reliability analysis is crucial because it is the first stage in determining a test’s scientific validity and applicability. To verify the consistency of the items, the researcher used Cronbach’s alpha (α) reliability (Hayes & Coutts, 2020). According to the current findings, the scale has an overall consistency of 0.833, which is likewise regarded as having good reliability (Hair et al., 2017; 2019). Additionally, the reliability of each factor was seen to be above 0.60 (> 0.60), above acceptable ranges, or within the recommended scores by Hair et al. (2017; 2019). For skill level (SL), dependability scores are at their highest (0.819), while for intrinsic motivation (IM), they are at their lowest (0.673) (Table 3).

Table 3: Variables and Cronbach’s Alpha

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Variable</th>
<th>Code</th>
<th>No. of items</th>
<th>Cronbach’s alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Proactiveness</td>
<td>PA</td>
<td>4</td>
<td>0.738</td>
</tr>
<tr>
<td>2</td>
<td>Adaptability</td>
<td>AD</td>
<td>9</td>
<td>0.812</td>
</tr>
<tr>
<td>3</td>
<td>Intrinsic motivation</td>
<td>IM</td>
<td>4</td>
<td>0.673</td>
</tr>
<tr>
<td>4</td>
<td>Skill flexibility</td>
<td>SF</td>
<td>7</td>
<td>0.817</td>
</tr>
<tr>
<td>5</td>
<td>Commitment</td>
<td>CMT</td>
<td>4</td>
<td>0.736</td>
</tr>
<tr>
<td>6</td>
<td>Skill level</td>
<td>SL</td>
<td>4</td>
<td>0.819</td>
</tr>
<tr>
<td>7</td>
<td>Employee performance</td>
<td>EP</td>
<td>5</td>
<td>0.761</td>
</tr>
</tbody>
</table>

Source: researcher’s own estimation

4.4. Hypotheses Testing

The researcher performed path analysis through SEM analysis to assess suggested paths. Regarding the influence of PA on EP (H1), as shown in Table 4 and Figure 2, the path coefficient (H1 = β = 0.353; t = 6.001*** ) demonstrates a substantial positive effect of PA on EP. H1 is therefore supported. The study of the H2 indicates, in line with the researcher’s assumptions, that AD significantly has a beneficial impact on EP (H2 = β = 0.394; t = 5.534***). H2 is therefore supported. The H3 accepts the H3, which implies a favourable association between IM and EP (H3 = β = 0.405; t = 6.735***). The fourth hypothesis (H4) discovers a substantial positive link between SF and EP in additional research (H4 = β = 0.405; t = 6.735***). H4 will now be approved. By completing the investigation, the researcher discovers the CMT’s ability to predict EP (H5 = β = 0.408; t = 5.667***), which leads to the approval of H5. Additionally, the path analysis demonstrates a substantial beneficial effect of SL on EP (H6 = β = 0.381; t = 5.006***), which is consistent with the researcher’s expectations. H6 is approved as a result (see Table 4 and Figure 2).
The research was constrained to a quantitative approach using cross-sectional data. The study's recommendation was to look at how employee-related issues affect employee performance in Sindh's private sector banks in Pakistan. The conceptualization of the study is based on a thorough literature review. Regarding the confirmation of the hypotheses, the study's findings showed that PA, AD, IM, SF, CMT, and SL had a favourable and significant impact on EP among the staff of private sector banks in Sindh, Pakistan. These results are in line with earlier research by Ibrahim et al. (2016), Beda-Garca et al. (2017), Parent and Lovelace (2018), Pajic et al. (2018), Talluri et al. (2022), Alibakhshi (2022), and Sabir et al. (2022), who discovered EP.

These results suggest that simplifying operational processes is something bankers enjoy doing. They make an effort to offer novel, improved alternatives to current practices. They are continually willing to try out new ideas and hypotheses. They think they are able to think of several remedies to aid in a fresh situation. They can make unpleasant emotions like dread feel less intense, which helps me deal with the uncertainty of the future. When they complete their work effectively, they have a profound sense of fulfilment on a personal level. They take into account how having a job improves their sense of value. Overall, their HR practices are flexible.

### 5. Conclusion and Policy Recommendations

The findings show that PA, AD, IM, SF, CMT, and SL have a favourable and significant impact on EP among employees of commercial banks in Sindh, Pakistan. The employees arrive to work on time. They are able to meet work deadlines. They prioritize tasks appropriately. They manage time, information, and data with skill. They do succeed in attaining the specified goals of the organization.

#### 5.1. Practical and Theoretical Implications

With regard to practical implications, the study's findings provide a robust understanding of the influences of employee and work-related variables on EP. As a result, this study provides a novel viewpoint and supports the research question, which has significantly improved our understanding of EP, particularly in the private sector. The research will help managers and HR experts encourage EP among employees. The study will increase staff inspiration and drive to produce more and succeed in their organizations. The study would deepen policymakers’ grasp of fostering an atmosphere where companies can easily enhance performance.

Concerning to theoretical implications, the quantitative evaluation offers a solid defense and active expansion of the theoretical framework across several settings and cultures. Given the cross-sectional and functional relationships between employee-related factors (PA, AD, IM, SF, CMT, and SL), job-related factors (JE, JC, and JA), and EP, the study will aid in creating new theories. As a result, the current research would give academics a foundation for building trustworthy models and new frameworks.

#### 5.2. Limitations and Future Research

The research is constrained to a quantitative approach using cross-sectional data. The study wasn't particularly interested in any one idea. Only Sindh province employees in the private banking sector were the focus of the study. The study's results are only applicable to 318 samples. The researcher might employ qualitative or hybrid approaches to support this paradigm in future studies. Future research should concentrate on mediating channels to...
comprehend the indirect consequences of the constructs studied. To keep the theoretical framework, future research must consider the pertinent theory. Future studies may consider factors like turnover intention, conflict management techniques, green HRM, talent management, organizational culture, attitudes and behaviours, and personality traits. Future research should focus on various industries, including public sector banks, education, SMEs, and the health sector, to further support the study's findings. The sample size might be raised, and the study setting could be further improved at the Pakistani level. It might be strengthened and made more believable using longitudinal data.

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Huey Ying, L., & Zaman Bin Ahmad, K. (2009). The moderating effects of organizational culture on the relationships between leadership behaviour and organizational commitment and


