# THE EFFECT OF MANAGEMENT STYLES ON EMPLOYEE PERFORMANCE IN THE BANKING SECTOR

## A CASE OF BARCLAYS BANK UGANDA LIMITED

**BY**

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## DEDICATION

I hereby dedicate this work to my dear family for without them I don't think I would have been able to reach this far as regards to my level of Education.

I also dedicate this study to all my dear friends for they have been by my side through soft and hard times of my life and for that I'm greatly thankful to Erumuka Timothy, Mayega Andrew, Oryokot Tobby, Akite Winnie, and many others whose love and words of comfort contributed much to the completion of this book.

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**ABSTRACT**

This study was designed to analyze the effects of management styles on employee performance in Barclays Bank of Uganda Limited as a case.

The objectives of the study were, to determine the management styles applied in the banking sector, to examine the indicators of employee performance in the banking sector and to analyze the relationship between management styles and employee performance in the banking sector
The researcher used both qualitative and quantitative research approaches. Purposive and random sampling techniques were used to select 60 respondents from the management and staff. Questionnaire and interview methods were used.

According to the findings the most common approach to management in the banking sector is directional style. This style is a strict top-down where instructions come from managers to staff. The major indicator of employee performance is productivity. The higher the level of productivity the higher the employee performance in a banking sector and there is a strong positive relationship between management style and employee performance.

The study recommends that the Bank of Uganda and other banking sector regulatory bodies should carry out extensive campaigns to sensitize the bank management about the need for fair and democratic management approaches.  All stake holders need to come out to support policies that enhance management of banking institutions. This can be done through seminars, workshops, radio and television programs among others

# CHAPTER ONE
# GENERAL INTRODUCTION

## 1.0 Introduction

Management is a driving power of policy and strategy of people, resources and processes that lead to achieve perfect results of a company in the business. (Kocianová, 2012). Therefore, the style of management in the company is an important element in that it determines the development agenda and makes the company to face competition from other players as well as guiding the employees in performing their daily activities. Human resource management plays an essential role in the management of the company (Armstong, 2007).

According to Sackett and DeVore (2001), Performance is basically the way one does a job or activity. Performance criteria are standards for employee behavior at work. This criteria contains much more than how an employee does the work. Employees are rated on how well they do their jobs compared with a set of standards determined by the employer. John P. Campbell(1990), describes job performance as an individual level variable, or something a single person does. He further adds that, this differentiates it from more encompassing constructs such as organizational performance or national performance which are higher level variables. Performance does not have to be directly observable actions of an individual. It can consist of mental productions such as answers or decisions. However, he states that, performance needs to be under the individual's control, regardless of whether the performance of interest is mental or behavioral.

Banking industry is high-risk business but not necessarily high profit industry. It is quite difficult to manage risk and return in banking industry. The internal management system in some of the commercial banks in Sub-Saharan Africa is adapted from traditional management system of government. The pyramid shape organizational structure of some banks cause adverse effect in their business development. This chapter presents the introduction, background to the study, the statement of the problem, the objectives, research questions, scope of the study, justification of the study, definition of key terms and the conceptual framework.

## 1.1 Background to the study

According to Mullins (2013), human beings become members of an organization in order to achieve certain personal objectives. The extent to which they are active members depends on how they are convinced that their membership will enable them achieve their predetermined objectives. Therefore, an individual will support/be with an organization if he believes that through it his personal objectives could be met, otherwise there will be a decline in the person‘s interest. The management style in an organization is one of the factors that play a significant role in enhancing or retarding the interest and commitment of the individuals in the organization. The need for a manager to find his management style is thus emphasized. In order to achieve the desired objectives, there must be an interaction between employers and employees (or management and staff or leaders and followers).

The management/leadership style that characterizes the inter-action between managers (or leaders) and their staff members (or followers) is most important in terms of employees' efficiency and productivity. Jaskyte (2011) posited that employees‘perception of management behaviour is an important predictor of employee job satisfaction and commitment. Through their education, training, and experience, managers develop their personal management style (Hersey et al., 2011). This management style is a fundamental concern of managers and researchers (Wood, 2013) due to its effect on subordinates who, it is suggested, work more effectively and productively when their managers adopt a specific management style (Mullins, 2013). The management styles employed by a manager can either motivate or discourage employees, which in turn can cause employees‘ increase or decrease in their level of performance.

According to Schyns and Sanders (2012) organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialize in, and finally to achieve competitive advantage. Performance is also important for the individual employee. Accomplishing tasks and performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure and this is dependent upon the applied management style. Moreover, performance if it is recognized by others within the organization is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labour market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low per-formers (Scotter and Motowidlo, 2010).

Employee performance consists of the observable behavior that staff do in their jobs that are relevant to the goals of the organization and that can be scaled (measured) in terms of each individual‘s proficiency (that is, level of contribution) (Campbell et al., 2009). Employee performance is of interest to organizations because of the importance of high productivity in the workplace. Campbell (2010) explains that performance is not the consequence of behavior, but rather the behavior themselves. In other words, performance consists of the behavior that employees actually engage in which can be observed. In the context of work settings, the performance of all individuals that makes up the organization is targeted towards the achievement of the goals of the organization. The overall productivity of the organization is hinged on the performance of each individual within the organization. Contemporary organizations in today‘s context are characterized by such constantly changing dynamics as complexity of customization and competitiveness, importance of people rather than strategies; reliance on technology and the rise of knowledge economy both for the individual employees and the organization as a whole among many other organizational issues and these are determined by the type of management style in use. It was against this background that the study aimed at analyzing the effects of management styles on employee performance in Barclays Bank of Uganda Limited as a case.

**1.2 Statement of the problem**

According to Caliscan (2010) strategic human resource management is paramount in enhancing better employee performance and acts as a source of increased competitive advantage of companies. The financial performance of a company depends on an operating performance, which represents a function of personnel, processes and technology.

According to the BOU Monetary Policy Report (2012) the management styles applied by commercial banks have affected the performance of employees in these institutions and largely many banks which have closed or business has gone low. For example in Barclays Bank due to constantly changing dynamics and complexity of customization, and competitiveness, many employees perform under pressure which has affected their performance and increased the job turnover, where by the Job turnover rate at Barclays bank is about 15-20% per year (Ministry of Finance, Planning and Economic Development MoFPED, 2013). This has led Barclays bank to fail to build long-term relationships with clients, which is a prerequisite for active selling of bank products. Limited research has been carried in the area of the effects of management styles on employee performance in the banking sector. Hence the study aimed at analyzing the effects of management styles on employee performance in the banking sector.

## 1.3 Objectives of the study

### 1.3.1 Major objective

To analyze the effects of management styles on employee performance in the banking sector.

### 1.3.2 Specific objectives

i) To determine the management styles applied in the banking sector

ii) To examine the indicators of employee performance in the banking sector.

iii) To analyze the relationship between management styles and employee performance in the banking sector

## 1.4 Research questions

i) What management styles are being applied in the banking sector?

ii) What are the indicators of employee performance in the banking sector?

iii) What is the relationship between management styles and employee performance in the banking sector?

## 1.5 Scope of the study

### 1.5.1 Subject scope

The study concentrated on analyzing the effects of management styles on employee performance in the banking sector. The subject scope covered aspects of management styles, indicators of employee performance, the relationship between the two variables as well as other factors affecting employee performance with focus on the banking sector.

### 1.5.2 Geographical scope

The study was carried out at Barclays Bank, Hannington Road, Kampala.

### 1.5.3 Time scope

The study covered a period from 2008 to 2014 because it is a period when the application of management styles in the banking sector had become popular.

## 1.6 Significance of the study

At the end of this study, it is expected that the study will add to the knowledge of business management by examining the practices, problem and approaches to implementation of effective management style. It will also give Human Resource personnel in Ugandan banks some valuable insights into the effects of management style on employee performance.

The information obtained from the study will be of great significance to both employers of labour as well as employees. Managers of businesses will be aware of the impact of good management style in the organization having been aware that effective management style is a potent source of management development and sustained competitive advantage for organizational performance improvement.

The study will also contribute to the accomplishment and award of a Bachelors degree of the researcher.

## 1. 7 Justification of the study

The employee performance in banking had continued to be poor in the recent past characterized by high turnover of the employees and this pointed towards the management styles applied within the bank (MoFPED, 2013). Most scholars had not taken keen interest to research on management styles in the banking sector. This prompted the study and was hoped that the findings of this research would add to the existing literature and guide future scholars in exploring this subject matter.

## 1.8 Definition of key terms

**Management:** Yukl (2012) defines management as the process of influence on the subordinate, in which the subordinate is inspired to achieve the target, the group maintains cooperation, and the established mission is accomplished, with support from external groups obtained. Also, Fry (2010) pointed out management means the use of a leading strategy to offer inspiring motives and to enhance the staff's potential for growth and development.

**Employee performance** consists of the observable behavior that staff do in their jobs that are relevant to the goals of the organization and that can be scaled (measured) in terms of each individual's proficiency (that is, level of contribution) (Campbell et al., 2009).

**Management Style:** This represents the dominant way that the top management and whole organization have chosen to conduct their work.

**Directing Style:** Managers tell people what to do, how to do it and when to have it completed by. They assign roles and responsibilities, set standards, and define expectations.

**Delegating style:** Managers using this style usually explain or get agreement on what has to be accomplished and when it must be completed. The how-to-do-it part of the equation is left up to the employee. Responsibility and authority are given to employees to get the job done.

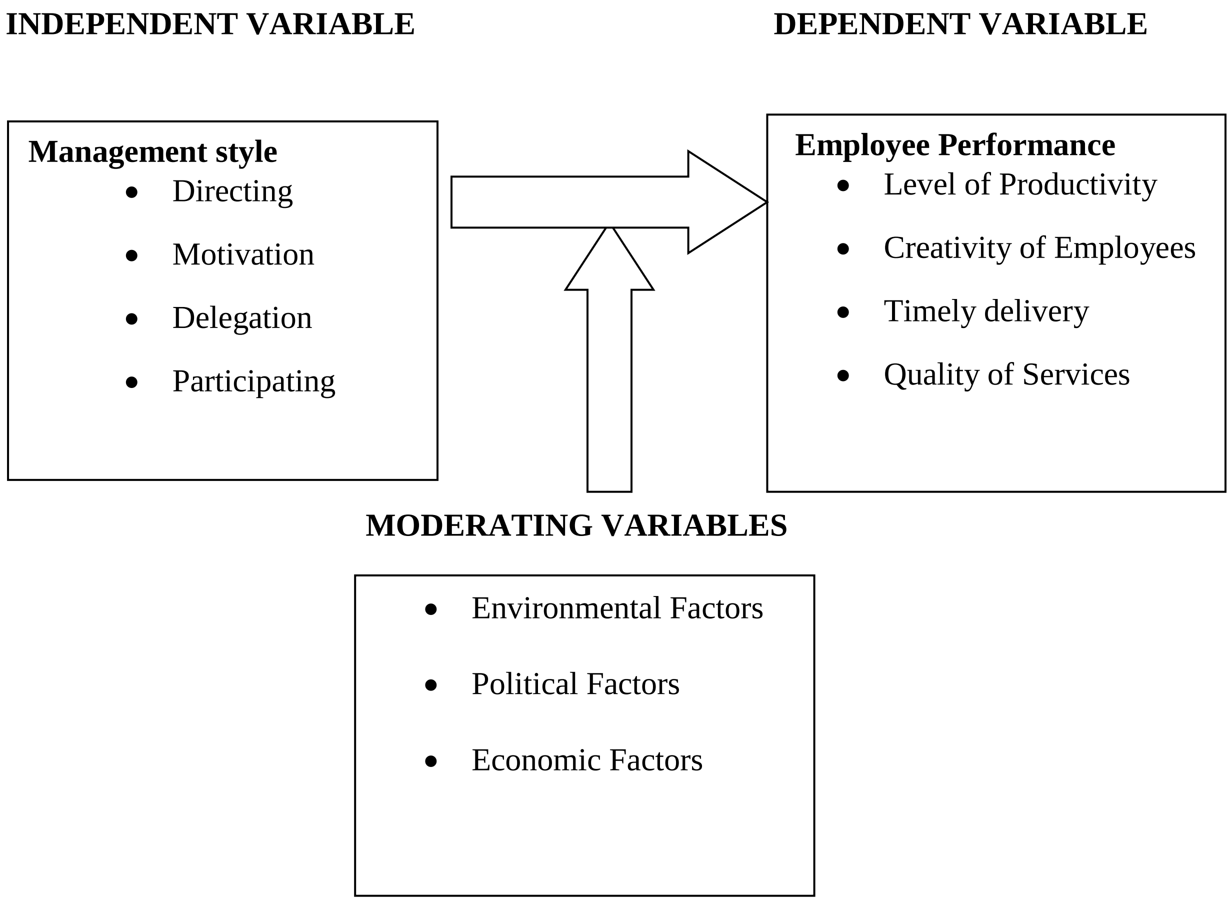
**Motivation:** Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal.

**Democratic/Participative management style:** This involves a situation where managers share decision-making responsibilities. These managers often divide their workers into various teams.

## 1.9 Conceptual framework

As the conceptual framework shown below indicates, the independent variable is the management styles and employee performance the dependent variable.

**Figure 1 Conceptual framework**




***Source:*** *Derived from works of Whetten and Cameron (1998), Bass (1985) and adopted by the researcher for this study.*

Each of the attributes under the independent variable is used to generate both positive and negative results on the dependent variable. Management style variables include; Directing, Motivation, Delegation, and Participation. Employee performance has been assessed using Level of Productivity, Creativity of Employees, Quality of Service, and timely delivery.

There are also moderating factors that might affect employee performance. These include; Environmental Factors, Political Factors, and Economic Factors.

The management style is directly related to the employee performance in that any changes in the way management is administered triggers changes in the levels of employee performance.

### 1.10 Conclusion

This chapter has given a general introduction of the research which includes, Background of the case study, Statement of the problem, Research Questions, Objectives of the Study, Hypothesis, Scope of the Study, Significance of the study, Definition of key terms, and the Conceptual Framework.

It is important for managers to find ways to motivate. This involves getting to know the employees and what drives them, then making sure managers utilize appropriate motivational techniques with each employee. When appropriate management techniques are used employee performance will increase. The next chapter will focus on the literature review of the study.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.0 Introduction

This chapter summarizes the works of the past and present researchers and only those views that are related to the study were focused on with special focus on the objectives of the study. Other sources include the internet, news paper articles and other documented articles which provided sources of information to the research questions.

## 2.1 Theoretical review

This study is informed by McGregor's Management Styles of – Theory X and Theory Y. Douglas McGregor (1906-1964) developed a philosophical view of humankind with his Theory X and Theory Y. These are two opposing perceptions about how people view human behavior at work and organizational life.

### Theory X

According to this theory;-

- People have an inherent dislike for work and will avoid it whenever possible
- People must be coerced, controlled, directed, or threatened with punishment in order to get them to achieve the organizational objectives
- People prefer to be directed, do not want responsibility, and have little or no ambition
- People seek security above all else

With Theory X assumptions, management's role is to coerce and control employees and this helps to understand what type of management style that can be applied in the banking sector.

This theory focuses on the role of supervision, organization and group performance and the exchanges that take place between leaders and followers. This theory base management on a system of rewards and punishments (Charry, 2012). In other words, on the notion that a leader's job is to create structures that make it abundantly clear what is expected of followers and the consequences (rewards and punishments) associated with meeting or not meeting expectations

(Lamb, 2013). When employees are successful, they are rewarded and when they fail, they are reprimanded or punished (Charry, 2012). Theory X is often likened to the concept and practice of management and continues to be an extremely common component of many leadership models and organizational structures (Lamb, 2013).

**Theory Y**

According to this theory;-

- Work is as natural as play and rest
- People will exercise self-direction if they are committed to the objectives
- Commitment to objectives is a function of the rewards associated with their achievement
- People learn to accept and seek responsibility
- Creativity, ingenuity, and imagination are widely distributed among the population. People are capable of using these abilities to solve an organisational problem
- People have potential

With Theory Y assumptions, management's role is to develop the potential in employees and help them to release that potential towards common goals and this helps to determine the effects of management styles in relation to performance of employees within the banking sector. This theory focus on the connections formed between managers and followers. In this theory, is the process by which a person engages with others and is able to "create a connection" that results in increased motivation and morality in both followers and leaders. This motivates and inspires employees by helping group members see the importance and higher good of the task. These managers are focused on the performance of group members, but also on each person to fulfilling his or her potential (Charry, 2012).

## 2.2 Conceptual review

### 2.2.1 The concept of management styles

The concept and definition of managerial style may differ from one person, or situation, to the other. The word management style has been used in various aspects of human endeavor such as politics, businesses, academics and social works. Previous views about managerial style presents it as personal ability (Messick and Kramer, 2010).

The term management style' can be defined as the leadership method a manager uses in administering an organization. It includes controlling, directing, indeed all techniques and methods used by leaders to motivate subordinates to follow their instructions. It can be described as the particular practice used to direct an organization. Robbins (2003) defined managers as individuals who achieve goals through other people, who oversee the activities of others and who are responsible for attaining goals in these organizations.

According to Kavanaugh and Ninemeier (2001), there are three factors that determine the type of leadership (management) style: leaders' characteristics, sub-ordinates' characteristics and the organization environment. More specifically, the personal background of managers such as personality, knowledge, values, and experiences shapes their feelings about appropriate leadership that determine their specific leadership style; employees also have different personalities, backgrounds expectations and experiences, for example, employees who are more knowledgeable and experienced may work well under a democratic management style, while employees with different experiences and expectations require a autocratic management style. Some factors in the organization environment such as organizational climate, organization values, composition of work group and type of work can also influence leadership style. However, leaders can adapt their leadership style to the perceived preferences of their subordinates (Wood, 2004).

According to Kavanaugh and Ninemeier (2001), an autocratic style is embedded in leaders who have full organizational power and authority for decision making without sharing it with their subordinates, while a democratic style implies that leaders share their authority of decision making with employees and delegate, and finally a laissez-faire or free-rein style exists where leaders give their employees most of the authority over decision making. Owing to the nature of work in the banking sector under consideration for this study, the likelihood of the use of Laissez-faire management style is a rarity and as such the analysis of the findings of the study will be based on both autocratic and democratic management styles.

### 2.2.2 Employee performance

According to Wood (2004) employee performance consists of the observable behavior that people do in their jobs that are relevant to the goals of the organization and that can be scaled (measured) in terms of each individual‘s proficiency (that is, level of contribution) (Campbell et al., 2003). Employee performance is of interest to organizations because of the importance of high productivity in the workplace.

Both ability and motivation are necessary to some degree before successful job performance is obtainable. Cummings and Schwab (1973) describe the need for at least minimal ability before an employee can carry out a task, regardless of how motivated he may be. Similarly, an abundance of ability will not result in successful performance if the employee is completely unwilling to perform adequately. This view is supported by Vroom (1964) who indicates that factors influencing individual performance within the organization are factors such as the ability of the person and the willingness of the person to exert effort (motivation).

Many organizations feel that their employees can provide a competitive advantage, and therefore their employees contribute to the organization’s performance. Employees play a pivotal role in organizational success (Collis and Montgomery, 1995). Employee performance has been shown to have a significant positive effect on organizational performance (Collis and Montgomery, 1995).

Ultimately it is the individual employee who either performs, or fails to perform, a task. In order for an organization to perform an individual must set aside his personal goals, at least in part, to strive for the collective goals of the organization (Cummings and Schwab, 1973). In an organizational context, the very nature of performance is defined by the organization itself (Cummings and Schwab, 1973). Employees are of paramount importance to the achievement of any organization

### 2.3 Indicators of employee performance

**Level of Productivity**

Busk, (2011) argues that increasing productivity is one of the most critical goals in business in any organization. Measuring performance of employees is often based on the level of individual output. This is an activity seldom accepted by human resource professionals as a legitimate mandate. While most human resource professionals acknowledge that their job entails establishing policy, procedures, and programs governing people management, few attempt to connect such elements to increasing employee output (volume, speed and others) per each amount spent on labor costs (or as an easier to measure alternative, revenue per employee).

According to Wood (2004) the level of productivity as a determinant of employee performance is dependent on bonus programs which are typically enacted that keep total compensation in line with market trends, regardless of the value of work. Training tools are often secured via the lowest-cost provider method with minimal consideration given to which provider would be most effective. Recruiting practices too are more often managed with the primary goal of minimizing cost, not enabling business capability/capacity and this either enhance or hinder effective employee performance. He further argues that combined efforts of the human resource function should positively influence the performance capability of the workforce instead of hindering it.

The most impactful factor in workforce and team productivity is hiring and retaining employees with exceptional capabilities and self-motivation and this determines the performance of employees. Working together, managers and human resource often focus on attracting, hiring, developing, and retaining individual employees who are agile, high-performing continuous learners and innovators in order to maintain high levels of productivity. The capability of the manager (with the support of human resource) to develop plans, hire effectively, coach, motivate, and develop employees is crucial to better employee performance. Unfortunately, many managers are the weak link in the productivity chain, so human resource must accept the role of developing great leaders/managers and identifying/removing the ineffective ones (Campbell et al., 2003).

**Creativity of employees**

Creativity is derived from an individual's accumulated creative thinking skills and expertise based on their formal educations and past experiences (Gong *et al*., 2009). In some studies, creativity is considered to be a personal characteristic with features that include broad areas of interest and high energy levels (King & Gurland, 2007). An understanding of employee creativity as regards to performance is hinged on understanding the creative process, the creative product, the creative person, the creative situation, and the way in which each of these components interacts with the others (Harrington, 2009). Creativity is important to organizations because creative contributions can not only help organizations become more efficient and more responsive to opportunities, but also help organizations adapt to change, grow and compete in the global market through enhancement of individual performance.

Unsworth (2011) argues that given the important role of employee creativity in determining employee performance, organizations have become increasingly interested in identifying the conditions that predict creativity of individual employees, including personal characteristics and contextual factors (Oldham & Cummings, 2006). It can be difficult to quantify creativity as a performance indicator, but in many white-collar jobs, it is vitally important. Supervisors and employees should keep track of creative work examples and attempt to quantify them (Gurland, 2007).

However, creativity and innovation only prosper in a working environment that promotes employee involvement, teamwork, trust, respect and continuous improvement contributions. By developing such an environment, employees typically will feel a strong sense of empowerment and ownership. Employees will also know that they are making a valuable contribution to the objective of better government. Successful organizations have found that employees, who are valued for their contributions, tend to be enthusiastic and very positive about changes taking place in the work environment. Indeed, the importance of active employee involvement to the success of organizations cannot be understated and must not be overlooked (Harrington, 2009).

**Timely delivery**

According to Busk, (2011) timeliness as regards delivery of service in the banking sector is very important. How fast work is performed is another performance indicator that should be used with caution. In field service, the average customer's downtime is a good indicator of timely delivery of service. In the banking sector, it might be the number of customers attended to per hour.

Employee performance consists of the observable behavior that staff do in their jobs that are relevant to the goals of the organization and that can be scaled (measured) in terms of each individual‘s proficiency (that is, level of contribution) in relation to time (Campbell et al., 2009). Employee performance is of interest to organizations because of the importance of high productivity in the workplace.

Campbell (2010) explains that performance is not the consequence of behavior, but rather the behavior themselves such as timing of delivery of service. In other words, performance consists of the behavior that employees actually engage in which can be observed according to time accorded. In the context of work settings, the performance of all individuals that makes up the organization is targeted towards the achievement of the goals of the organization within a given time frame. The overall productivity of the organization is hinged on the performance of each individual within the organization and in a given time period.

Contemporary organizations in today‘s context are characterized by such constantly changing dynamics as complexity of customization and competitiveness, importance of people and time rather than strategies; reliance on technology and the rise of knowledge economy both for the individual employees and the organization as a whole among many other organizational issues and these are determined by the type of management style in use (Gurland, 2007).

**Quality of Services**

Murphy (2012) notes that the quality of work performed can be measured by several means. The percentage of work output that must be redone or is rejected is one such indicator. In a sales environment, the percentage of inquiries converted to sales is an indicator of salesmanship quality.

Delivering quality service is considered an essential strategy for success and survival in today's competitive environment (Ozmen, 2009). The special feature of a service industry is the contact and interaction between service providers (employees) and service acceptors (customers). The quality of the service encounter plays an important role for the operation practice of a corporation. Therefore, how to provide better service and retain customers is the key to competitiveness.

Avolio, (2009) argues that successful quality service organizations treat employees in the same professional, courteous, respectful manner in which they expect employees to treat clients. Equally important, these organizations spend a great deal of time focusing on employee involvement in the quality process. They ensure that employees help set the direction for the organization, work in teams to improve the organization's efficiency and effectiveness, and have the power to make decisions. Without employee involvement and support, quality initiatives are unlikely to succeed. While renewing the focus on client and innovation is important, the rejuvenation of the work force must be foremost in the minds of those leading the quality service initiatives.

Quality service initiatives focus on employees because no one in the organization knows the client, knows where improvements are needed, and can judge the quality of the service being provided better than those employees delivering the services (Ryan, 2005).

### 2.4 The indicators of management styles.

Management styles can be classified according to the managers'power, usage of such power and behavior as directing, motivating, delegating and participating, where styles are distinguished by the influence managers have on subordinates. More specifically, power has been considered as: the potential of a process to influence people (Hersey et al., 2001); a part of the influence process at the core of leadership (Northouse, 2004); and the rights that allow individuals to take decisions about specific matters (Rollinson, 2005). The influence of leadership will differ according to the type of power used by a leader over their subordinates (Mullins, 1998). The extent to which employees of an organization contribute in harnessing the resources of the organization and perform on their jobs depends on how well the managers (leaders) of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders. Thus, efficiency in resources mobilization, allocation, utilization and enhancement of organizational performance depends, to a large extent, on leadership style, among other factors. Hence, leaders will be more effective when they know and understand the appropriate usage of power (Hersey et al., 2001). Therefore, classification of management styles based on power usage include;

**Directing**: Under this component of management style managers tell employees what to do, how to do it and when to have it completed. They assign roles and responsibilities, set standards, and define expectations. According to Avolio, (2009) in directing style communications is one way. The manager speaks, employees listen and react. The only feedback managers ask for is where employees understand what needs to be done and in terms of goal-Setting the manager establishes short-term goals with specific deadlines and in decision. When problems arise the manager evaluates options, makes decisions and directs employees as to what actions to take.

Busk (2011) argues that for providing feedback the manager provides candid, detailed instructions as to what changes the employee needs to make and for rewards and Recognition - Managers reward and recognize people for following directions.

According to Robbins (2003) the directing style of management involves the manager telling the employee or a group of employees what to do, how it should to be done and when to have it completed. The manager assigns roles and responsibilities, sets standards, and defines expectations. The directing style is appropriate when employees lack experience and don't know what to do. It is also appropriate when there is a mandate from senior management that describes what must be done and how it must be done. The directing style is also appropriate in emergency situations.

**Motivation**: The term motivation is inherent in the definition of managing, management and management style. Namely, motivation in the most general sense is defined as an establishment of goal-oriented behavior (Cleveland & Murphy, 2012). Deci and Ryan (2005) identify two aspects of behavior: energization and direction. Energization in motivation is a fundamental need, while direction concerns the process of directing action towards satisfaction.

Simply put, motivation is encouraging people to achieve organizational, group, and individual goals, which are interwoven, so often the realization of one indirectly but simultaneously means the achievement of others. In this context, Deci and Ryan (2011) holds that "everyone wants more motivation, but is not entirely sure what it is. Managers and leaders would say they wanted more motivated team of employees or groups, and employers want to hire motivated people. Moreover, the demands of employers are even higher - for example, the person they want to hire should be self-motivated. "

Experience has shown that management and motivation are in a mutual interaction – the most motivated followers have the most motivated leadership and vice versa. Therefore, the understanding of motivation is a powerful management's mean in achieving company's goals. Namely, understanding the behavior, fore sighting, directing, changing, and even controlling the behavior in organizations are all necessary preconditions for effective leadership aimed at achieving company's goals, mission, and vision (Blanchard, 2013). It is considered that motivated and satisfied individuals can ensure survival and growth of a company in a dynamic and highly uncertain environment because of the strong influence management has on employees' individual performances and their involvement in achieving company's goals (Hellriegel etal., 2012).

**Delegating**: Rowe (2011) argues that managers using this style usually explain or get agreement on what has to be accomplished and when it must be completed. The how-to-do-it part of the equation is left up to the employee. Responsibility and authority are given to employees to get the job done. He further argues that communications is more done through discussions and specific goals and deadlines are established when the task is initially delegated. The decisions as to how the task will be accomplished are left to the employee. Employees have the power to take action to achieve the desired goals.

The provision of feedback is based on the fact that managers don't provide it but rather require it. They ask employees to identify their key "lessons learned." The managers reward and recognize people who demonstrate the ability to work. When using the delegating style, managers direct or discuss what needs to be accomplished and when it must be completed. However the how-to-do-it part of the equation is left up to the employee. It is expected that the employee will take action and make decisions (Murphy, 2012)

Glinow, (2011) that when delegating employees are given power and authority to make it happen. Managers need to get feedback at appropriate intervals to insure appropriate progress is being made.ork independently, make decisions, and get the job done. The delegating style is appropriate when employees have the experience, skills, and motivation to get the job done. Experienced employees want freedom to take action and solve problems on their own.

According to Murphy (2012) certainly there are times when managers delegate tasks that are outside an employee's comfort zone. Ineffective managers communicate doubt and questions about the person's abilities to get the job done. He argues that managers should delegate tasks that challenge employees but don't overwhelm them. Don't over-delegate to the same one or two "star" performers. He advises when delegating a long-term project, establish specific follow up dates.

**Participating:** This type of management style according to Fry (2013) is interactive in nature. Managers using this participating style of management ask questions and discuss relevant problems, opportunities, and work projects. It involves employees presenting ideas, asking questions, listening, evaluating informing and providing feedback. It's important to make sure ideas are fully discussed and debated. Managers often perform the role of facilitator, making sure that everyone participates and discussion stays on track and everyone has a chance to contribute.

According Hellriegel etal., (2012).The participating management style emphasizes how the employee's assigned task fits into the bigger picture. This style will provide support and input where needed. As a result, the focus is on the task but also on the person and the relationships required to get the task done. This style is used when the employees are experienced and the deadlines reasonable enough to provide the time needed to focus both on the task and the person.

In terms communication it is two-way communications is the norm. Managers spend as much time asking questions and listening, as they do talking and sharing their ideas. After adequate discussion, goals are established. Utilizing a participatory style generally increases employees' commitment to achieve goals, decisions are made collaboratively. Both manager and employee play an active role in defining problems, evaluating options, and making decisions (Blanchard, 2013).

**2.5 Relationship between Management styles and employee performance**

According to Ali (2009) just as each of the management styles has beneficial effects, each also has some drawbacks. Although the visionary leader can improve employee attitudes by setting a new direction, senior employees entrenched in the old organizational culture may rebel against such a change. Some followers view coaching leaders as micromanagers, because of their high levels of involvement. Managers, who build relationships between followers and workgroups, can create conflict or emotional stress in some situations, and democratic managers can create the appearance of weak or indecisive management determining performance of individual employees.

Bass, B. M. (2012) argues that the degree to which the individual exhibits management traits depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself. Since human beings could become members of an organization in other to achieve certain personal objectives, the extent to which they are active members depends on how they are convinced that their membership will enable them to achieve their predetermined objectives. Therefore, an individual will support an organization if he believes that through it his personal objectives and goals could be met; if not, the person’s interest will decline. Management style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization.

According to Lee and Chuang (2009), the excellent manager not only inspires subordinates potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals. Stogdill (2007) defined managerial style as the individual behavior to guide a group to achieve the common target. Fry (2013), explains managerial style as the use of leading strategy to offer inspiring motive and to enhance the staffs potential for growth and development. Several studies indicate that there are relationship between managerial style and organizational performance. Understanding the effects of managerial style is important because management is viewed by some researchers as one of the key driving forces for improving a firm's performance.

Effective management is seen as a potent source of management development and sustained competitive advantage for organizational performance and improvement (Avolio, 2009; Lado, Boyd and Wright, 2012; Rowe, 2011). For instance, transactional management helps organizations achieve their current objectives more efficiently by linking job performance to valued rewards and by ensuring that employees have the resources needed to get the job done (Zhu, Chew and Spengler, 2005). Visionary managers create a strategic vision of some future state, communicate that vision through framing and use of metaphor, model the vision by acting consistently, and build commitment towards the vision (Avolio, 2009; McShane and Von Glinow, 2011). Some scholars like Zhu et al. (2005), suggest that visionary management will result in high levels of cohesion, commitment, trust, motivation, and hence performance in the new organizational environments.

Ejimofor, (2007) in a similar study found out a significant relationship between organizational commitment and management style, particularly with autocratic management style. No relationship was found between democratic Management style and organizational commitment. Meanwhile, a related study conducted by Aboloko reported a significant relationship (Aboloko, 2005). This result is not surprising, because it is a reflection of superior supervisory practices in the private sector.

Makoto (2007) also investigated the relationship between three (3) management behaviours (pressure, planning and maintenance) and subordinate morale, skill level, status and need for autonomy. He concluded that for a subordinate with high status (senior staff) planning is the most effective management behavior, while maintenance is more effective with subordinate with low status.

## 2.6 Other factors affecting employee performance

Salary and payment. According to Sara et al, (2004). Employees want to earn a reasonable amount of salary, and employees desire their workers to feel that is what they are getting. Money is the fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential. It has the supremacy to magnetize, maintain and motivate individuals towards higher performance.  All businesses use pay, promotion, bonuses or other types of benefits to motivate and encourage high level performances of employees (Reena et al, 2009).

Empowerment. According to Yazdani,B.O. et al, (2011) empowerment enhances growth to organizations and makes sense of belonging and pride in the workforce. In fact, it builds a Win - Win connection among organizations and employees; which is considered an ideal environment in numerous organizations and their employees. Empowering can flourish virtual human capacities. Empowered employees focus their job and work-life with additional importance and this leads to constant progress in coordination and work procedures. Employees execute their finest novelties and thoughts with the sense of belonging, enthusiasm, and delight, in empowered organizations.

Recognition. Recognition  is an essential factor in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement Maurer (2001). Kalimullah Khan conducted a study in which he examined the relationship between rewards and employee motivation in commercial banks of Pakistan. The study focused on four types of rewards of which one was recognition which he tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Kalimullah et al, 2010).

# CHAPTER THREE

# RESEARCH METHODOLOGY

## 3.0 Introduction

In order to achieve the objectives of the study, the research methodology was designed to obtain information about the study variables. This chapter describes the research methodology used in the study.

The chapter explains the research design, area of study, population, sample size, sampling procedure, and research instruments/tools procedure and data analysis.

## 3.1 Research design

This research employed a Case Study research design using qualitative and quantitative approaches. This helped the researcher in getting both qualitative and quantitative data during the study.

## 3.2 Area of study

The study was carried out at Barclays Bank (Head quarters), Hannington Road, Kampala. The Bank Branch is located on plot 2/4 Hannington Road Kampala City. The area of the research study was specifically identified because of its location in the city center, it also had a relatively big number of managers and employees to collect data from compared to the other branches which made it convenient for conducting the research study.

## 3.3 Study Population

Sekaran (2003) asserts that a population of a research study is the entire group of people, events, or things of interest that the researcher will generalize while conducting a research study. The whole population consisted of all employees of Barclays Bank of Uganda Limited (Headquarter)
The study population comprised of the management and staff of Barclays Bank of Uganda Limited. According to the Barclays Bank of Uganda Limited Annual Report (2014), a total of 79 staffs are employed by the bank (Headquarter). (These include mangers, banking officers, loan officers, direct sales agents, and support staff). This is because this section of the population was engaged directly in the operation of the bank and understands management aspects.

## 3.4 Sample Size and Selection

A sample refers to a small part of the population which is chosen to represent the whole event (Crowe, 2011).

The researcher used samples because they enabled the researcher get data from a small group that represented a bigger group and they were both time and cost effective.

According to the Barclays Bank of Uganda Limited Annual Report (2014), a total of 79 staffs are employed by the bank. But the researcher managed to get 60 employees who participated in the study.

The researcher applied statistical formula provided by Yamane (1967) to calculate the sample size.

n=N/1 +Nx^2

Where; N is the total population and X is the error

n is sample size

N is the total population

x is the error which is either 0.05 or 0.01, in this case the researcher used 0.05

Therefore n=N/1+Nx^2

$$n = \frac{N}{1+Nx^2}$$

$$n = \frac{60}{1 + 60(0.05)^2}$$

$$n = \frac{60}{1.05}$$

$$n = 60.05$$

Therefore since human beings can't be a fraction we round off the fraction to the nearest whole number which is 60 people.

### 3.4.1 Sampling Techniques

According to Amin (2005), sampling is the process of selecting elements from a population in such a way that the sample elements selected represent the population for data collection. For this research study, the researcher used the purposive sampling technique to select study sample elements (research respondents) for the study. The technique was chosen because the respondents were expected to have the relevant information, knowledge and professional judgment needed for the study. It is also a simple technique to use. Purposive sampling technique was used to select 12 respondents from the management and 48 respondents were randomly sampled since they were assumed to have similar views on the topic under study.

## 3.5 Data collection methods and instruments

Collection of data involved use of both primary and secondary sources of data. Primary data involved collecting information directly from the field using Questionnaires and interview methods while secondary data was got from already existing data from other researchers and scholars.

### 3.5.1 Questionnaire

Using a questionnaire is one of the most popular methods of collecting primary data (Mouton 2011). A questionnaire is a set of questions that respondents are asked to answer. This implies that a researcher must therefore take time to first prepare the list of questions to ask. There are many advantages of using questionnaires but the major advantage is that they are flexible since they could be used on small or large numbers and various questions could be asked. It is important to note that while using questionnaires the researcher has to design questions that remain relevant to the topic in order to acquire relevant data for the research (Mouton 2011).The questionnaires consisted of a set of questions designed by the researcher and were handed over to the respondents (staff) to answer. This helped to collect information about management styles and employee performance in the bank.

### 3.5.2 Interview

The questionnaires were supplemented by face-to face discussions with the respondents (management) to generate more data. A personal interview is the most commonly used method in collecting data in business administration research (McNabb 2012). It entails conducting individual conversations between a researcher and the individual. In order to keep the research focused, it is imperative for the researcher to have a guideline of questions in order to extract the needed information from the respondent. The questions that were used in the research were both open ended giving the respondent the liberty to answer from a non direct opinion and closed ended questions that need either a yes or no answer. The major advantage of using an interview is the fact that a lot more data could be collected since the researcher deals directly with the respondent although the downside to this is that the researcher could very easily influence the data being collected (McNabb 2012).This involved designed schedules on which respondents (management) were met at the bank premises. This method was useful in collecting information about the relationship between management styles and employee performance in the bank.

## 3.6 Reliability and Validity

### 3.6.1 Reliability

Reliability refers to the consistence or dependability of a measuring instrument according to (Gorge and Malley, 2003) . It means that if one uses the same instrument repeatedly, he or she is expected to get the same answer. According to Gorge and Malley [2003] rule of thumb where the reliability test tool is accepted. A minimum reliability of alpha of 0.7 measured internal reliability.

### 3.6.2 Validity

According to Farideh [2007], Validity is the ability to produce findings that are in agreement with conceptual values. It refers to the appropriateness of the instrument in collecting the data. The researcher ensured validity through consultation with the research supervisor and other experts. Farideh [2007] argues that the validity 0f instruments is appropriate when its content validity index is greater than 0.6. Content validity index [CVI] suggests that an instrument is valid when the outcomes of its test are 0.6 and above.

$$CVI = \frac{\text{Total number of valid items}}{\text{Total number of items}}$$

The researcher used the SPSS to test for reliability and the Coefficient of validity index to test for reliability. Out of the 17 questions in the questionnaires given to both managers and employees, 1 item was rated irrelevant and 16 relevant hence the computation of validity was as follows;

$$CVI = \frac{\text{items rated relevant}}{\text{total number of items}} \times 100\%$$

$0 \leq 50$ is rated unreliable $50 \geq$ is reliable

Items rated relevant = 17

$$CVI = \frac{\text{items rated relevant}}{\text{Total number of items}} \times 100$$

$$CVI = \frac{16}{17} \times 100$$

$$= 94.12\ \%$$

**3.7 Data management and Processing**

**Editing**. After data was collected, it was edited, coded, cleaned and tabulated. This helped the researcher to eliminate mistakes

**Coding**. This refers to the assignment of responses into predetermined category. This helped to clarify the answers to questions into meaningful categories.

**Data entry**. This was done to enter the collected data into the computer.

**Data cleaning**. This means that the researcher made corrections after entering the data into the computer.

**Tabulation**. This included putting together the coded data into tables and statistical analysis was be done to transfer the frequencies into percentages.

### 3.8 Data Analysis

The data collected from the field was analyzed using SPSS. The description of the information obtained from the field was given based on the objectives of the study and also the responses were assigned statistical values and tables were generated for easy analysis. Percentages were calculated. Frequency tables were drawn for easy analysis.

### 3.9 Ethical considerations

This section briefly outlines some of the ethical standards that were used in this research.

A letter of introduction of the researcher was got from Uganda Martyrs University, which was availed to the Bank Manager of Barclays Bank at the headquarters and the researcher was allowed to carryout the study in the bank with employees. This was not only helpful to obtain their response but also their consent and support to the research as well as building their confidence in the researcher.

The purpose of the research was explained to the respondents as being academic.
All the names of respondents were kept confidential by the researcher and this allayed all the fears of victimization and bias.

### 3.10 Limitations of the Study

The researcher experienced limitations during the study and these were dealt with as follows.

The researcher faced a constraint of finance. This is because the study was entirely sponsored by the researcher .This was solved by asking financial help from family members, relatives and friends.

Limited time was another constraint which the researcher experienced. The time allocated to data collection and analysis was limited and this was solved by foregoing resting and other private work and concentrated on the study which helped him to finish within the required time frame.

# CHAPTER FOUR

# DATA PRESENTATION AND DISCUSSION

## 4.0 Introduction

This chapter presents the findings on effects of management styles on employee performance in the banking sector. It covers the demographic characteristics of the respondents, the findings on the management styles, indicators of employee performance the relationship between management styles and employee performance in the banking sector are also been reported.

### 4.1 Demographic characteristics of the respondents

The demographic characteristic of the respondents presented in chapter four include; gender, age and educational level of the respondents as shown in table 1 below. The main purpose was to particularly find out the demographic characteristics of the respondents.

#### 4.1.1 Response rate

The 60 employees targeted, all responded to the questionnaires and interviews forming 100% response rate. Therefore findings can be relied on.

#### 4.1.2 Gender of the respondents

Following the questionnaires that were distributed the following information was obtained about the gender of the respondents as seen in the table below.

**Table 4.1: Gender of the respondents**

| Gender | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Male | 23 | 38.3 | **38.3** | 38.3 |
| | Female | 37 | 61.7 | **61.7** | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

Of the 60 respondents, 23(38.3%) were male and 37(61.7%) were female. This is because females are more involved in working in the banking sector as tellers/banking officers, loan officers, bank managers than males who are in field work related tasks like sales and marketing sections. With the above information the researcher noted that there was more involvement of females in banking tasks in the organization and this means that the banking sector is doing a great role in empowering women in places of work. Females were seen to take up either managerial roles or different positions under different departments and the same applied for the males.

### 4.1.3 Age of the respondents

The table below shows the different age brackets of the respondents at Barclays Bank following the questionnaires that were distributed to them.

**Table 4.2: Age of the respondents**

| Age | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | 18 -20 | 6 | 10.0 | 10.0 | 10.0 |
| | 21 - 25 | 24 | 40.0 | 40.0 | 50.0 |
| | 26 - 40 | 21 | 35.0 | 35.0 | 85.0 |
| | 40+ | 9 | 15.0 | 15.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

From table 4.2, the majority respondents 24 (40%) of the respondents were in the age range of 21-25 years while 6 (10%) of them were 18-20 years old. This is not surprising since majority of Ugandan population is dominated by youths and so the banking sector employees mostly the youth.

### 4.1.4 Level of education of respondents

Following the questionnaires that were distributed the following information was obtained about the level of education of the respondents as seen in the table below.

**Table 4.3: Level of education of respondents**

| State your highest level of education | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Diploma | 18 | 30.0 | 30.0 | 30.0 |
| | Degree | 42 | 70.0 | 70.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

The majority 42 (70%) of the respondents, had degree education level while 18 (30%) had diploma level of education.

The demographic characteristic of the respondents presented above include; gender, age and educational level. This gives an impression that data collected was from various groups of people with different backgrounds and therefore it can be relied on.

### 4.2 The management styles applied in the banking sector

In regard to this objective, the respondents were asked the questions in form of statements and answers were scored based on the likert scale of strongly disagree, Disagree, Agree and strongly agree. The responses were as summarized in the tables below.

### 4.2.1 Directional management style

Following the questionnaires that were distributed the following information was obtained about the directional management style of the respondents as seen in the table below.

**Table 1.4: Response on directional management style**

| The most common approach to management is directional approach where employees are assigned routine tasks to perform | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Not sure | 4 | 6.7 | 6.7 | 6.7 |
| | Strongly disagree | 6 | 10.0 | 10.0 | 16.7 |
| | Disagree | 9 | 15.0 | 15.0 | 31.7 |
| | Agree | 29 | 48.3 | 48.3 | 80.0 |
| | Strongly Agree | 12 | 20.0 | 20.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

The majority 29 (48.3%) of the respondents agreed with the statement that 'the most common approach to management is directional approach where employees are assigned routine tasks to perform' and only 4 (6.7%) of the respondents were not sure. The above finding is consistent with Busk, (2011) who argued that the worker cannot make a contribution to their own work and that even if they could, they would not manage (directional managers attempt to simplify work to gain maximum control. Planning of work, including quality planning, is centralized. A strict top-down, chain-of-command approach to management is practiced. In this case the manager does not consult employees, nor are they allowed to give any input. Employees are expected to obey orders without receiving any explanations.

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On this point one of the managers had this to say to the researcher thus;

***"The banking industry is driven by performance and so in most cases we tend to direct employees on what do and when we are setting standards we don't need to consult them because we are interested in making profits. So any one who cannot meet standards or cannot work under pressure is told to leave and this is specified in their employment terms"***

The above statement indicates that directional/autocratic management style is applied in Barclays Bank.

### 4.2.2 Employees appeal to high ideals and moral values

Following the questionnaires that were distributed the following information was obtained about the employees appeal to high ideals and moral values as seen in the table below.

**Table 4.5: Responses on employees appeal for high ideals and moral values**

| **Employees are appealing for higher ideals and moral values to transform themselves and the bank** | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Not sure | 4 | 6.7 | 6.7 | 6.7 |
| | Strongly disagree | 6 | 10.0 | 10.0 | 16.7 |
| | Disagree | 10 | 16.7 | 16.7 | 33.3 |
| | Agree | 14 | 23.3 | 23.3 | 56.7 |
| | Strongly Agree | 26 | 43.3 | 43.3 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

Out of 60 respondents, the majority 26(43.3%) of them strongly agreed that employees are appealing to higher ideals and moral values to transform themselves and the bank while only 4 (6.7%) of the respondents were not sure. The findings agree with the literature by Sclar (2013) who asserts that in the banking sector employees are more encouraged to succeed if given opportunity to express those high ideals. One of the staff had this to say;

***"In the banking sector most workers desire to advance in their careers as a means to***

***transform their lives and the business"***

**Table 4.6: Responses on bureaucracy and legitimacy**

| **Bureaucracy and legitimacy are the order of the day at Barclays Bank** | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Not sure | 4 | 6.7 | 6.7 | 6.7 |
| | Strongly disagree | 8 | 13.3 | 13.3 | 20.0 |
| | Disagree | 6 | 10.0 | 10.0 | 30.0 |
| | Agree | 30 | 50.0 | 50.0 | 80.0 |
| | Strongly Agree | 12 | 20.0 | 20.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

The Majority 30(50%) of the respondents agreed with the statement that 'bureaucracy and legitimacy are the order of the day at Barclays Bank'. Whereas 4 (6.7%) of the respondents were not sure with the statement.

One of the staff when asked about the bureaucracy and legitimacy within the banking sector she lamented to the researcher thus;

***"Most of our activities and business systems are bureaucratic in nature and we are meant to follow what the systems dictate"***

### 4.3.3 Decision making as a shared responsibility between managers and staff

Following the questionnaires that were distributed the following information was obtained about the decision making as a shared responsibility between managers and staff as seen in the table below.

**Table 4.7: Responses on decision making is a share responsibility between managers and staff**

| Decision making as a shared responsibility between managers and staff at Barclays Bank | | | | | |
|---|---|---|---|---|---|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Not sure | 12 | 20.0 | 20.0 | 20.0 |
| | Strongly disagree | 27 | 45.0 | 45.0 | 65.0 |
| | Disagree | 3 | 5.0 | 5.0 | 70.0 |
| | Agree | 12 | 20.0 | 20.0 | 90.0 |
| | Strongly Agree | 6 | 10.0 | 10.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

The majority 27(45%) of the respondents strongly agreed with the statement ‘decision making is a share responsibility between managers and staff at Barclays Bank’ and only 3 (5.0%) of the respondents disagreed with the statement. This implies that managers have a big say in decision making within the bank and the employees are subordinates and are not expected to participate in decision making.

## 4.3 The indicators of employee performance

This objective ascertained the indicators of employees performance in the banking sector. The findings are shown in tables below

### 4.3.1 Employee creativity

Following the questionnaires that were distributed the following information was obtained about the employee creativity as seen in the table below.

**Table 4. 8: Responses on employee creativity**

| Employees are recognized for their outstanding creativity | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Not sure | 3 | 5.0 | 5.0 | 5.0 |
| | Strongly disagree | 9 | 15.0 | 15.0 | 20.0 |
| | Disagree | 9 | 15.0 | 15.0 | 35.0 |
| | Agree | 27 | 45.0 | 45.0 | 80.0 |
| | Strongly Agree | 12 | 20.0 | 20.0 | 100.0 |
| | Total | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

Out of 60 respondents majority 27 (45%) of them agreed with the statement that 'employees are recognized for their outstanding creativity' and only 3(5.0%) of them were not sure. This means Barclays bank has an employee reward system which include employee of the year awards, high commissions to employees who perform exceptionally. This encourages employees to feel good about the organization and become more creative.

This agrees with Maurer (2001) who asserts that recognition is essential factor in enhancing employee job satisfaction and work motivation which is directly associated to employee creativity and organizational achievement.

### 4.3.2 Level of productivity

Following the questionnaires that were distributed the following information was obtained about the level of productivity

**Table 4. 9: Responses on level of productivity**

| Employees performance increase or decrease depending on their level of productivity | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Not sure | 3 | 5.0 | 5.0 | 5.0 |
| | Strongly disagree | 4 | 6.7 | 6.7 | 11.7 |
| | Disagree | 6 | 10.0 | 10.0 | 21.7 |
| | Agree | 14 | 23.3 | 23.3 | 45.0 |
| | Strongly Agree | 33 | 55.0 | 55.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

The majority 33(55.0%) of the respondents strongly agreed with the statement that 'employees performance increase or decrease depending on their level of productivity' and only 3(5.0%) of them were not sure. This implies that performance is determined by the level of employee productivity in the banking sector.

### 4.3.3 Timely delivery

Following the questionnaires that were distributed the following information was obtained about the how timely delivery indicates better employee performance as seen in the table below.

**Table 4.10: Responses on timely delivery**

| Timely delivery indicates better employee performance |
|---|

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Not sure | 8 | 13.3 | 13.3 | 13.3 |
| | Strongly disagree | 5 | 8.3 | 8.3 | 21.7 |
| | Disagree | 4 | 6.7 | 6.7 | 28.3 |
| | Agree | 19 | 31.7 | 31.7 | 60.0 |
| | Strongly Agree | 24 | 40.0 | 40.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

Out of 60 respondents, majority 24 (40%) of them strongly agreed with the statement that 'Timely delivery indicates better employee performance' and 4 (6.7%) disagreed with the statement. This implies that timely delivery indicates better employee performance

### 4.3.4 Quality of services

Following the questionnaires that were distributed the following information was obtained about the quality of services as an indicator of good employee performance as seen in the table below.

**Table 2.11: Responses on quality of services as an indicator of good employee performance**

| Quality of services as an indicator of good employee performance | | | | | |
|---|---|---|---|---|---|
| | | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Valid | Not sure | 10 | 16.7 | 16.7 | 16.7 |

| | | | | | |
|---|---|---|---|---|---|
| | Strongly disagree | 6 | 10.0 | 10.0 | 26.7 |
| | Disagree | 2 | 3.3 | 3.3 | 30.0 |
| | Agree | 30 | 50.0 | 50.0 | 80.0 |
| | Strongly Agree | 12 | 20.0 | 20.0 | 100.0 |
| | **Total** | **60** | **100.0** | **100.0** | |

**Source: Primary Data (2015)**

The majority (50%) of the respondents agreed with the statement that ‘quality of services as an indicator of good employee performance while (3.3%) of them disagreed. This means that good performance is reflected through the quality of services offered by individual banks in the banking sector.

### 4.3.5 The relationship between management styles and employee performance

Following the questionnaires that were distributed the following information was obtained about the relationship between management styles and employee performance in the banking sector as seen in the table below**.**

**Table 4.12. Relationship between management styles and employee performance**

| | | **Management styles and employee performance** | **Directing and level of productivity** | **Motivation and creativity of employees** | **Delegation and timely delivery** | **Participation and quality of services** |
|---|---|---|---|---|---|---|
| **Management styles and employee performance** | Pearson Correlation | 1.000 | 0.927*** | 0.295*** | 0.218*** | 0.216*** |
| | Sig. (2-tailed) | - | 0.000 | 0.000 | 0.008 | 0.000 |
| | N | 60 | 60 | 60 | 60 | 60 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Directing and level of productivity** | Pearson Correlation | 0.927*** | 1.000 | 0.244** | 0.162 | 0.148 |
| | Sig. (2-tailed) | 0.000 | - | 0.018 | 0.077 | 0.000 |
| | N | 60 | 60 | 60 | 60 | 60 |
| **Motivation and creativity of employees** | Pearson Correlation | 0.295*** | 0.244** | 1.000 | 0.201** | 0.018 |
| | Sig. (2-tailed) | 0.000 | 0.018 | - | 0.041 | 1.000 |
| | N | 60 | 60 | 60 | 60 | 60 |
| **Delegation and timely delivery** | Pearson Correlation | 0.218*** | 0.162 | 0.201** | 1.000 | 0.032 |
| | Sig. (2-tailed) | 0.008 | 0.077 | 0.041 | - | 0.000 |
| | N | 60 | 60 | 60 | 60 | 60 |
| **Participation and quality of services** | Pearson Correlation | 0.216*** | 0.160 | 0.199** | 1.000 | 0.162 |
| | Sig. (2-tailed) | 0.007 | - | 0.077 | 0.041 | 1.000 |
| | 60 | 60 | 60 | 60 | 60 | 60 |

*Note.* **= *p is significant at* .05 level (2-tailed), ***= *p is significant at* .01 level (2-tailed), *N* = 60 for all analyses

The relationship between management style and performance in Barclays Bank was determined using Pearson correlation coefficient.

Four indicators including directing/level of productivity, motivation/ creativity of employees delegating/timely delivery and participation/quality of services shown in table 4.12 above.

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To establish the correlation coefficient of the four indicators of management styles and employee performance, the value of the correlation coefficient range of -1 to 1 and level of significance (P-value) were used. The sign of the correlation coefficient shows the type of the relationship between the variables (can be positive or negative). It indicates strength with larger absolute values (stronger relationships).

As shown in Table 4.12 above, the correlation coefficient of directing and level of productivity is 0.927***. Basing on the fact that 0.927*** is relatively close to 1, then directing as a management style and level of productivity as indicator of employee performance are positively correlated. The level of significance (P-value) is 0.000 and this is less that 0.01which was the minimum level of determining the correlation of two variables. Therefore low significance level of 0.000 indicates that directing as a management style and level of productivity as indicator of employee performance are positively correlated.

The correlation coefficient of motivation and creativity of employees is 0.295***. Since 0.295*** is relatively far less than 1 or -1 it indicates that motivation and creativity of employees are positively but not strongly correlated. The level of significance, however, is 0.000 which is less than 0.01 which was the minimum level of determining the correlation between the two variables. The small level of significance, hence indicates that motivation and creativity of employees are linearly related.

The correlation coefficient of delegation and timely delivery is 0.218*** Since 0.218*** is not relatively close 1 or -1 it indicates that delegation and timely delivery are positively but not strongly correlated. The level of significance is 0.008 which is less than 0.01 which was the minimum level of determining the correlation between the two variables. Therefore, the small level of significance, indicates that delegation and timely delivery are positively but not strongly related.

The correlation coefficient of participation and quality of services is 0.216***Since 0.216***is not relatively close 1 or -1 it indicates that Participation and quality of services are positively but not strongly correlated. The level of significance is 0.007 which is less than 0.01 which was the minimum level of determining the correlation between the two variables. Therefore, the small level of significance, indicates that participation and quality of services are positively but not strongly related.

# CHAPTER FIVE

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 5.0 Introduction

This chapter presents the summary of the findings, the conclusions and recommendations. The researcher also presents suggestions for further study by other researchers in the future, and the implications of the study.

### 5.1 Summary of the findings

The first objective of the study was to determine the management styles applied in the banking sector. The most common approach to management in the banking sector is directional style. This was evidenced by the responses were the majority 29 (48.3%) of the respondents agreed with the statement that 'the most common approach to management is directional approach where employees are assigned routine tasks to perform' This style is a strict top-down where instructions come from managers to staff.

The second objective of the study was to examine the indicators of employee performance in the banking sector. The major indicator of employee performance is productivity evidenced by the majority 33(55.0%) of the respondents strongly agreed with the statement that 'employees performance increase or decrease depending on their level of productivity' and only 3(5.0%) of them were not sure. This implies that performance is determined by the level of performance in the banking sector. The higher the level of productivity the higher the employee performance in a banking sector.

The third objective was to analyze the relationship between management styles and employee performance in the banking sector. There is a strong positive relationship between management style and employee performance. For example the correlation coefficient of directing and level of productivity was 0.927. Basing on the fact that 0.927 was relatively close to 1, then directing as a management style and level of productivity as indicator of employee performance are positively correlated. The level of significance (P-value) was 0.000 and this was less that 0.01which was the minimum level of determining the correlation of two variables. Therefore low significance level of 0.000 indicated that directing as a management style and level of productivity as indicator of employee performance are positively correlated.

### 5.2 Conclusions

The most common approach to management in the banking sector is directional style. This was evidenced by the responses where the majority 29 (48.3%) of the respondents agreed with the statement that 'the most common approach to management is directional approach where employees are assigned

routine tasks to perform' This style is a strict top-down where instructions come from managers to staff.
The major indicator of employee performance is productivity. This in relation to the type of management enhances organizational development. The higher the level of productivity the higher the employee performance in a banking sector.

There is a strong positive relationship between management style and employee performance. For example the correlation coefficient of directing and level of productivity was 0.927. Basing on the fact that 0.927 was relatively close to 1, then directing as a management style and level of productivity as indicator of employee performance are positively correlated.

**5.3 Recommendations**

The Bank of Uganda and other banking sector regulatory bodies should carry out extensive campaigns to sensitize the bank management about the need for fair and democratic management approaches. All stake holders need to come out to support policies that enhance management of banking institutions. This can be done through seminars, workshops, radio and television programs among others

The bank management through Uganda Bankers Association should help to encourage banks to put in place mechanisms that promote motivation of employees as a way to enhance performance and reduce on directing of employees on what to do. Instead they should be encouraged to participate in decision making regarding improving their performance.

There is need by all stakeholders such as Ministry of Gender, labour and social development to advocate for the improvement of employee better management within the banking sector. This will help to inculcate a spirit of democratic management within the banking sector.

There should be more training and development of employees' skills so as to increase the quality of their output. Training is the process of equipping people with new skills so as to fit specific standards whereas development is the process of growing or becoming more advanced in an aspect. When employees are trained about various aspects they cannot fail to deliver what is required of them. Hence this can help employees improve the way they carry out their tasks and also help the less skilled employees to gain more skills and grow in terms of knowledge.

**5.4 Implications of the study**

The following are the implications of the study;

When the organization benchmarks other organizations and looks at the way they manage their staff then Barclays bank will derive effective ways of managing employees. A cost effective method will also be derived so that the organization doesn't incur losses while trying to manage employees well.

With good management implemented at the bank there will be an improvement in the quality of the work done by their continuous encouragement. Managers are viewed as drivers if they are bad then employee performance will crash or be poor if they are good then employee performance will be relatively good hence there should be good management at the bank so as to reach high performance levels of employees.

Training and development of employees' is very important as they are constantly increasing on their knowledge and skills in the department they are operating in or even getting broader information about the banking sector for example training employees about the use of specific information systems.

**5.5 Areas for further study**

Implementation of managerial rewards while considering organizational objectives of cost reduction.

Training employees and managers as a way of improving their skills and competences so as to achieve high performance levels.

Employee participation in decision making as a way of developing effective and efficient management systems.

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## APPENDIX I

## QUESTIONNAIRE FOR MANAGEMENT AND STAFF OF BARCLAYS BANK OF UGANDA LIMITED

Dear Respondent,

I am Okello Brian Bruce, a student of Uganda Martyrs University conducting an Academic study on “**EFFECTS OF MANAGEMENT STYLES ON EMPLOYEE PERFORMANCE: A CASE OF BARCLAYS BANK OF UGANDA LIMITED”,** as partial fulfillment for the award of Bachelor in Business Administration and Management.

I kindly request you to answer the questions in this questionnaire by either ticking or filling in the blank space provided. Your individual response will be included among the variety of other responses to help me in my study and the information obtained shall be treated with utmost confidentiality.

Thank you for your co-operation.

**Section A: Demographic characteristics**

Tick in the space in the box provided.

1. Gender: a) Male ☐

   b) Female ☐

2. Age: a) 18 – 20 ☐

   b) 21 – 25 ☐

   c) 26 – 40 ☐

   d) 40+ ☐

3. State your highest level of education:

   a) Diploma

   b) Degree ☐

**Section B: Management styles in Barclays Bank**

Tick in the spaces provided and the end of the questions under the corresponding number as shown below.

**5= strongly Agree   4 = Agree 3 = Disagree 2 = strongly Disagree** 1**= Not sure**

| No | Management styles | | | | | |
|---|---|---|---|---|---|---|
| **4** | The most common approach to management is directional approach where employees are assigned routine tasks to perform | 1 | 2 | 3 | 4 | 5 |
| 5. | Employees are given freedom to decide how they should be managed | 1 | 2 | 3 | 4 | 5 |
| 6. | Employees are appealing to higher ideals and moral values to transform themselves and the bank | 1 | 2 | 3 | 4 | 5 |
| 7 | Bureaucracy and  legitimacy  are the order of the day at Barclays Bank | 1 | 2 | 3 | 4 | 5 |
| 8 | Decision making is a share responsibility between managers and staff at Barclays Bank | 1 | 2 | 3 | 4 | 5 |

**Section C: indicators of employee performance**

Tick in the spaces provided and the end of the questions under the corresponding number as shown below.

**5= strongly Agree   4 = Agree 3 = Disagree 2 = strongly Disagree** 1**= Not sure**

| No | The relationship between management styles and employee performance | | | | | |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| **9** | Employees are recognized for their outstanding performances | 1 | 2 | 3 | 4 | 5 |
| 10 | Employees‘ increase or decrease in their level of performance depending on the style of management | 1 | 2 | 3 | 4 | 5 |
| 11 | Good management enhances better employee performance | 1 | 2 | 3 | 4 | 5 |
| 12 | Poor management depending on the applied style leads to low performance levels among employees | 1 | 2 | 3 | 4 | 5 |
| 13 | Unfavorable management styles affect negatively performance of employees in Barclays Bank | 1 | 2 | 3 | 4 | 5 |

## APPENDIX II

## INTERVIEW GUIDE

Dear Respondent,

I am Okello Brian Bruce, a student of Uganda Martyrs University conducting an Academic study on "**EFFECTS OF MANAGEMENT STYLES ON EMPLOYEE PERFORMANCE: A CASE OF BARCLAYS BANK OF UGANDA LIMITED",** as partial fulfillment for the award of Bachelor in Business Administration and Management

You have been selected as a respondent in the collection of data on the above mentioned topic. You are kindly requested to give your own views, as no response is wrong, you may not disclose your name.

**Guiding Questions**

1. How many workers do you have in your unit/ Department?

2. What are the motivational packages for the staff in your unit/Department?

3. Have you received incentives from your employer? If yes mention them

4. How have these incentives influenced your performance?

6. Do you have challenges in relating with your employer?

7. What do you think can be done to minimize these challenges faced by employees in your organization?

8. Do you think workers in your unit/dept are well motivated?

9. Do you think something can be done to improve the working conditions in your department?

Thank you for your cooperation.