

Factors Affecting Employee's Performance: A Case of Kabul Based Government Employees

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Abstract

Several studies are available on the impact of factors affecting employee performance; however, the performance of employees in the government sector of Afghanistan has largely been ignored. This paper studies literature on employees' performance and develops a framework that illustrates the impact of employees' participation, relations and job involvement on their performance. Based on Herzberg's Two-Factor Theory of Motivation, Hygiene job factors are essential for the existence of motivation at workplace. Hygiene factors are necessary to maintain a reasonable level of satisfaction in employees, which are extrinsic and are related to the job context (Grant, 2003). To test the model, this study uses 150 observations from different ministries based in Kabul. The study found a positive and significant impact of employee participation, job involvement and employee relations on the dependent variable (Employee Performance). This paper will help the government sector managers, policy and decision makers to understand the most important and significant variables that can affect the performance of employees. The study has used linear regression model to illustrate the impact of independent variables, and has found out that employee relations, job involvement and employee participation has a strong positive impact on the performance of the employees in the government sector.

Key Words: *Employee Performance, Employee Relations, Job Involvement, Employee Participation*

1. Introduction

The performance and ability of government sector employees has always been criticized by critiques, economists and managers in various reports that has been published by either the government or international organizations. For example, in the report of the Ministry of Finance, it says that the government is using contracted staff instead of the civil servants because of the low capacity and performance that the civil servants have (Policy Department, 2015). It is often criticized that the low performance is the result of lower capacity that these employees have. However, the motivation factors are ignored or given less attention overall. For example, in a report published by the World Bank, it explicitly works on projects to develop the capacity and performance of employees in the government sector (Worldbank, 2017). By nature, human beings want motivation in the workplace; a motivated employee is an employee who is more likely to encourage others and to collaborate to achieve organizational goals (Lyster et al., 2007). To motivate employees both financial and non-financial rewards should be highly considered in organizations. It is insisted that financial rewards and equality in the level of motivation are important factors in improving employee's performance in organizations (Panagiotakopoulos, 2013; Lavelle et al., 2010). A large number of studies suggest a strong correlation between employee satisfaction and performance. As an example, Khan and Nawaz (2011) has concluded in their study that the facets of job satisfaction such as pay, promotion, job safety and security, working conditions, job

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autonomy, relationship with co-workers, relationship with supervisors and nature of work affect job satisfaction with has a strong positive impact on the performance of employees (Alamdar Hussain, 2012). Along with the financial rewards, non-financial rewards are also used as effective means in increasing the level of employee satisfaction, so that it can lead to better performance in the organization. (Dambisya, 2007) in his study has argued the positive effect of non-financial rewards on the satisfaction of employees in health sector. Meanwhile, Tippet (2009) stated a positive relationship between non-monetary rewards and employee's satisfaction. Thus, explaining the significance of reward (nonfinancial) as a factor for increasing the satisfaction of workers and that can lead to better performance of employee's in the organization. This study focuses on the use of nonfinancial incentives such as Job involvement, employee's participation and employee-employer relations as means of increased performance in the government sector of Afghanistan.

This study will help the managers and decision makers in the Ministry of Finance and other government organizations in Afghanistan, to understand the importance of non-monetary incentives alongside monetary motivators. These managers should not undermine the significance and effect of non-monetary incentives such as employee involvement, employee relations and participation as tools of motivation, which would lead to better performance of their employees.

2. Literature Review

2.1 Employee Performance

Employee performance can be defined as “scalable actions, behavior, and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals” (Viswesvaran and Ones, 2000, p. 216). However, it is not only the actions and behaviors that result in better performance in an organization, rather, some other actions include such as accidents on the job, attendance or absenteeism, disciplinary problems, training performance, and ratings by peers—other employees at the work site, that can result in better performance (Leslie A. Miller, 2015). Organizational performance is entirely based on the employees' performance, i.e. the better the employees' performance, the higher will be the organizational performance and vice versa. A positive correlation is stated between employees' performance and performance of the organization ((Soong, 2000)Collies and Montgomery, 1995; Mwita, 2000; Abbas and Yaqoob, 2009). Armstrong and Baron (1998) has argued a strong and positive correlation between the performance of employees' and organization's productivity and growth.

The two factory theory developed by Frederick Herzberg in 1959 that we have taken as a theoretical basis for this study describes two factors; hygiene factors and Motivation factors that result in preventing dis-satisfaction and increasing satisfaction respectively. According to him hygiene factors are essential for existence of motivation in the workplace, however, these factors are not motivators themselves. The presence of motivators can lead to satisfaction and the absence of hygiene factors can lead to dissatisfaction. Hygiene factors are such as company policies, fringe benefits, physical working conditions, status, interpersonal relations with managers (Employee Relations), job security, salary etc. While he describes motivation factors to yield positive

satisfaction, which motivate the employees for superior performance. Motivation factors include recognition, sense of achievement, growth and promotional opportunities, responsibility opportunity to do something significant (Job Involvement), contribution in decision making, meaningfulness of the work and etc.

However, the existence of both the hygiene and motivator factors is important, they are not opposite to each other, in the current study job involvement and participation in decision making are considered as motivators and employee relations as a hygiene factor to see their effect on the performance of employees in the government sector of Afghanistan.

2.2 Job Involvement

Job involvement signifies the amount of an employee's psychological connection with his/her job (Kanungo, 1982). It indicates a cognitive attachment and his/her concerns about the job (Paullay, Alliger, Stome, and Eugene, 1994). Job involvement has been defined as internalizing values of "goodness and importance of working" among people. It is a subjective condition that pushes people allocate more to their work (Schaufeli WB, 2002). It is a desirable feature that makes people spend energy and do their best in their work and organizational roles (WA, 1990).

Job involvement is the degree to which an employee is engaged in and is enthusiastic about performing their work, to result in better performance and achievements of the goals. Managers have to initiate activities to promote job involvement among employees which will pay off substantially well, since employees will be eager to help in achieving their organizations objectives. For better results, these activities should be linked with the performance evaluation, compensation and appraisal systems. Job involvement results in lower degree of absenteeism, low turnover, good performance and employee satisfaction (Brown, 1996). Soo (Holter, 1965)ng (2000) also stated a solid relationship between job involvement and employee satisfaction. Generally, employee involvement is considered to be a key determinant of organizational productivity (Pfeffer, 1994). Based on the literature, a positive relationship is expected between job involvement and performance, constructing our first hypothesis of the study as:

H₁: There is a significant positive relationship between job involvement and employee performance in the government sector of Afghanistan.

2.3 Employee Participation

Employee participation refers to the system of giving employees an input into the decision-making process in companies according to (Harvey, 1997). With increased participation of employees in an organization, the sense of ownership will increase and it will lead to further satisfaction of employees. While according to (Linda E. Swayene, 2011) In order to improve employee relations, employee participation, involvement, and engagement are encouraged. Employee participation is sharing some degree of power in relation to organizational decision making. When employees feel more in power it will lead to more satisfaction and thus increased performance. Employee participation is more evident when managers and subordinates are equally involved in organization's

affairs and decision making process such as problem solving, information distribution, and planning through participative management practices (Wagner, 1994). Another definition used by Beardwell and Claydon (2007) is that employee participation shows the division and use of power between not only the owners and managers, but also by the people employed by them in the workplace. This broader definition constitutes all the direct and indirect involvement of employees in the decision making process.

Employee participation is, recently, believed to play a very crucial role in the success and advancement of organizations as (Armstrong M. , 2012) puts it, Participation takes place when employees play a greater part in the decision-making process by being given the opportunity to influence management decisions and to contribute to the improvement of organizational performance. Based on literature a positive impact of employee participation is expected on employee performance, which brings us to our second hypothesis for current study.

H₂: There is a significant positive relationship between employee participation and employee performance in the government sector of Afghanistan.

2.4 Employer-Employees' Relations

Employee relations' refers to employer–employee relationships that contribute to satisfactory productivity, motivation, and morale. Employee relations' is concerned with preventing and resolving problems involving individuals that arise out of or affect work situations (Linda E. Swayene, 2011). And since Employee relations have a direct impact on performance and productivity in the workplace (Lyster, Eteoklis, & Arthur, Pre-written employee performance appraisals: the complete guide to successful employee evaluations and documentation, 2007). Therefore, the relationship between employer and employees should be cordial, smooth, honest, and caring which would lead to better communication and improved performance of employees, that would result in the advancement and growth of the organization as a whole. Moreover, 'employee relations' covers crisis management, harassment, investigating and profiling, health, employee assistance programs, safety and employee development (Ackerman, 2013).

According to Aldamoe (2015) good employee relations can benefit an organization in at least three ways: first of all it helps in problem solving and conflict management in the workplace, hence there will be minimal disruptive behavior. Secondly, it helps manager determine conflicts in advance, which will let employees focus on their professional development and the achievement of goals. Thirdly, it develops a culture that puts employee's wellbeing first (Aldamoe, 2015). Farooq et al, 2015 in their research "Factors Affecting Employees' Performance in telecommunication sector of Kabul, Afghanistan" have proven a significant positive impact of employee participation, employee relation, and job involvement on the performance of employees. This research has also been used as basis for the current study.

Based on the mentioned literature, a positive relationship is expected between employee relations and employee performance, and thus we propose our third hypothesis:

H₃: There is a significant positive relationship between employee relations and performance in the government

sector of Afghanistan.

In the current study employee performance is treated as the dependent variable, while employee participation, job involvement, and employee relations are taken as independent variables.

3. Methodology

3.1 Research Design

A questionnaire (Appendix 1) designed in 5 point Likert scale with 25 questions was used as a descriptive survey to collect data for this study. Descriptive surveys are used to gather comprehensive information and data to study a current phenomenon. Since most quantitative research falls into two areas: studies that describe events and studies aimed at discovering inferences or causal relationships. Descriptive studies are aimed at finding out “what is,” so observational and survey methods are frequently used to collect descriptive data (Borg & Gall, 1989). Or according to (Leedy & Ormrod, 2005) a descriptive survey is most commonly used when the researcher wants to study a current day condition or phenomenon.

Scale points were labeled as: 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree.

3.2 Research Participants

Survey participants were chosen from the ministries based in Kabul. According to Central Statistics Organization of Afghanistan there are a total of 26 ministries (Appendix 2) based in Kabul. Out of which the result of probability sampling has left the researcher to conduct the survey on the employees of the Ministry of Finance, The Ministry of Public Works, Ministry of Commerce and Industries, and Ministry of Rural Rehabilitation and Development based in Kabul, Afghanistan. Convenience sampling method, which is a non-probability sampling technique (Marshal & Ward, 1996), was employed for the sample selection. Convenience sampling technique was used because of accessibility to the selected organizations and employees working in those organizations, employees’ availability during working hours, their willingness to provide data, and above all, the prevailing security situation in the overall region. These were some of the limitations of the present study too.

The data was collected from 150 participants working in the mentioned ministries and its directorates based in Kabul (Appendix 3). Given the nature and scope of the study the questionnaires were distributed to employees at different levels involved with line managers and directors, who would also have the chance of participating in decision making. This is because line managers and directors are in touch with their employees and employees are evaluated by their line managers for their performance, promotions, conflict management, training and development etc.

3.3 Procedure

It was vital to include the views of all the ministries in the survey, and to make sure that employees from all levels were included in the survey; therefore, assistants from all the ministries who had insight to the ministry

were used for data collection. The reason for including assistants from ministries was their familiarity with the chain of command, authority distribution, and decision making processes in their respective ministries. While distributing the questionnaires, it was made sure the respondents know that their data would not be used for any political or administrative purposes and that their data would remain confidential. The purpose of the research was explicitly explained to each respondent. Respondents were given up to a week's time to complete and return the questionnaire. It was initially decided to reach as many as possible number of employees, but due to some limitations only 150 respondents were reached and the data of around 117 questionnaires was used for analysis. The remaining 33 questionnaires were ruled out by the researcher for incompleteness. This made the total response rate as 78 percent.

3.4 Research Instrument

The questionnaire which is the research instrument here was taken from a previous study conducted by (Farooq, Shams, & Niazi, 2015). In their study they had taken items for research instrument from various sources. The variable "Employee participation" was measured on the scale developed by Holter (1965) mentioned in Marchington (1992), but with some amendments. The second independent variable, "Employee relations", was measured on the scale designed by Shockely-Zalabak, Ellis, and Cesaria (2000). Items for the variable employee relations, were taken from "concern for employee" dimension. The same dimension also was used by Odhong (2014) to measure employee relations. To measure "Job involvement", statements were taken from the scale developed by Lodahl and Kejner (1965). For measuring the dependent variable, "Employee performance", items were taken from the scale developed by Schneider and Barlett (1968, 1970).

3.5 Model of the Study

The following multiple regression model is used for current study.

$$EPer = \beta_0 + \beta_1 (EPar) + \beta_2 (JI) + \beta_3 (ERel) + e_i \quad (1)$$

Where,

EPer = Employee Performance, EPar = Employee Participation, JI = Job Involvement and

ERel = Employee Relations.

3.6 Reliability Test

Since the questionnaire has been taken from Farooq et al (2015), it has already been tested for Cronbach's Alpha. If Cronbach's alpha is above 0.70 then the constructed instrument is highly reliable. The Cronbach's Alpha for all the categories of items in the questionnaire was above 0.70 as in Table 1.

Table 1: Cronbach's Alpha

Reliability Analysis		
Variables	No. of Items	Cronbach's Alpha

Employee's Performance	6	0.75
Employee's Participation	6	0.77
Job Involvement	7	0.81
Employees Relations	6	0.80

Note: Total number of items 25

Source: Data output from SPSS

4. Analysis of Results

Table 2 illustrates correlations among dependent and independent variables. Employee participation is positively correlated with employee performance at 0.565, which is significant at 1 percent. Meanwhile, Job involvement is positively correlated with employee performance at 0.436 which is significant at 1 percent; and Employee relation is strongly correlated with employee performance at 0.604 that is significant at 1 percent. This implies that correlation between employee relations is the strongest among all the other independent variables.

Table 2: Pearson's Correlation

Correlations ^c					
		EPer	EPar	JobInv	ERel
EPer	Pearson Correlation	1	.565**	.436**	.604**
	Sig. (2-tailed)		.000	.000	.000
EPar	Pearson Correlation	.565**	1	.296**	.595**
	Sig. (2-tailed)	.000		.001	.000
JobInv	Pearson Correlation	.436**	.296**	1	.198*
	Sig. (2-tailed)	.000	.001		.032
ERel	Pearson Correlation	.604**	.595**	.198*	1
	Sig. (2-tailed)	.000	.000	.032	
**. Correlation is significant at the 0.01 level (2-tailed).					
*. Correlation is significant at the 0.05 level (2-tailed).					
Note: Listwise Note = Total number of observations 117					

Source: Data output from SPSS

In Table 3, the mean value for all variables is above 3 in a 5 point Likert scale which indicate that on average all the participants are in support of employee participation, Job Involvement and Employee relation. For example, job involvement has a mean of 3.55 which is moderately high and it implies that employee of the government sector are in support of job involvement in their work environment. Meanwhile, the standard deviation for job involvement is 0.59 which indicates that on average there is a 0.59 point deviation in the responses of all the participants of the survey for this variable. Similarly, the mean value for employee participation is 3.46 which indicates the support of all the participants for employee participation in the workplace.

Table 3: Descriptive Statistics

Descriptive Statistics			
	Mean	Std. Deviation	N
EPer	3.4644	.70038	117
EPar	3.4630	.81669	117
JobInv	3.5507	.59537	117
ERel	3.2724	.78866	117

Source: Data output from SPSS

Table 4 depicts the model summary. According to table 4 all the independent variables explains 50.4 percent of the dependent variable, or in other words, all the independent variables have a combined impact of 50.4 percent on employee performance. The value of R Squared is high enough to conclude that the independent variables can bring a significant change in the dependent variable.

Table 4: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710 ^a	.504	.491	.49954

Note: Predictors: (Constant), ERel, JobInv, EPar

Source: Data output from SPSS

Table 5 illustrates the results of model fit, measured by ANOVA (F-test). Since the p-value is smaller than the level of significance, it is inferred that the fit between dependent and independent variables is significant, implying a good model.

Table 5: Model fit (ANOVA) results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28.704	3	9.568	38.343	.000 ^b
	Residual	28.198	113	.250		
	Total	56.902	116			

a. Dependent Variable: EPer

Note: Predictors: (Constant), ERel, JobInv, EPar

Source: Data output from SPSS

Tables 6 illustrates the regression analysis of the variables, based on study model (equation 1). The values

of Beta indicate a positive and significant impact of all the independent variables on the dependent variables. The highest value is that of beta three which indicates a high level of impact of Employee Relations on the performance of employees in the government sector. All the results are in accordance to the hypothesis developed during the study. Hence proving the hypothesis.

Table 6: Regression Results

Coefficients ^a								
Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.385	.317		1.212	.228		
	EPar	.205	.073	.239	2.823	.006	.613	1.631
	JobInv	.335	.082	.285	4.112	.000	.912	1.097
	ERel	.360	.073	.406	4.924	.000	.645	1.549
a. Dependent Variable: EPer								

Source: Data output from SPSS

Based on the values of beta we can report the values for the regression model as follows:

$$EPer = 0.385 + 0.205 (EPar) + 0.335 (JobInv) + 0.36 (ERel) + e \quad (2)$$

In addition to that, multi-collinearity among the independent variables was checked. The values of Variance Inflation Factor (VIF) for all the independent variables are below 5, this indicates that there is no multi-collinearity among the independent variables.

5. Conclusion and Recommendations

This paper empirically tested the relationship between employees' performance and employee participation, employee relation and job involvement. The data used in the study was collected from ministries based in Kabul, Afghanistan in a probability selection, while non-probability convenience sampling was used for respondents and participant in the survey. The results confirmed the impact of job involvement on employee performance. In addition to that, employee relations and employee participation were shown to have a strong positive relationship with employee performance. The results of this study are important for policy makers, line managers, directors, and other authorities in the government to understand that non-monetary incentives play an important role in increasing the performance of employees.

Good governance is currently viewed as an important feature of democratic government all over the world. Policy makers from our analysis know that Employee Relations, Job Involvement and Employee Participation have a strong positive impact on the performance of employees in the government sector of the country. Therefore, if they can increase the level of performance of employees through changing these variables, it

will highly affect the services rendered by civil servants, which will in turn have a positive effect on the Good governance.

Finally, this research has considered only three variables out of the Herzberg two-factor model. To more precisely see the impact on employee performance; however, other variables can also be taken into consideration to for future researches. Meanwhile, this research can be extended both geographically and in terms of number of variables for generalizations about employee performance in Afghanistan.

This research does not differentiate between employees working as Technical Assistance (TA) or Permanent Civil Servant employees in public sector. Future researches can be conducted on employees' performance to measure its impact separately for both the categories, which will enable policy makers to better understand how to deal with every one of these categories.

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