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DETERMINING FACTORS OF BANK EMPLOYEES' PERFORMANCE: A CONCEPTUAL FRAMEWORK

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ABSTRACT

Employee performance is essential for organizational success, particularly in the banking sector, where operational efficiency and service quality are paramount. This study presents a conceptual framework aimed at examining the determinants affecting the performance of bank personnel. The framework, grounded in theoretical underpinnings and empirical research, emphasizes essential components such as individual skills, the work environment, organizational culture, leadership styles, and job satisfaction. The data for this study were obtained from multiple platforms, including the Scopus database, Google Scholar, Research Gate, ABDC database, and Emerald. Furthermore, the framework considers external factors such as technological innovations and regulatory changes that increasingly impact banking operations. This study aims to synthesize these aspects to deliver a comprehensive understanding of the causes of employee performance, providing actionable insights for managers to enhance workforce efficiency and organizational success. The suggested framework creates a foundation for future study and practical application in the dynamic banking industry.

KEYWORDS: Employee, performance, bank, motivation, organizational support, leadership strategies

1. INTRODUCTION

Employees are essential assets to any organisation, as a company's success frequently depends on its capacity to attract, retain, and appropriately compensate experienced and talented personnel. Retaining skilled individuals grants organisations a competitive advantage, as their contributions substantially enhance stability and progress. Organisations have many obstacles in sustaining a proficient staff (Barney, 1991; Pettman, 1975; Wernerfelt, 1984). The performance of bank personnel is crucial to the efficiency and success of banking institutions, directly affecting organisational productivity and customer satisfaction (Ali et al., 2020; Salari et al., 2019). Comprehensive research across disciplines highlights the intricacy of employee performance, stressing its multifaceted character and the impact of diverse organisational, individual, and environmental elements (Batool et al., 2021). Primary factors encompass motivation, job satisfaction, leadership styles, work-life balance, training opportunities, and organisational support systems (Garg & Rastogi, 2021; Hussain

& Kashif, 2020). In the rapidly changing banking sector, which functions inside financial markets, staff performance is essential for meeting the challenges of shifting consumer expectations, technological progress, and increased competition (Azeem et al., 2020). Comprehending the determinants affecting bank workers' performance provides a strategic benefit by pinpointing areas for focused interventions and policy improvements (Zehir et al., 2021). Creating a conceptual framework for assessing bank employee performance requires a comprehensive approach that includes human characteristics, organisational support, leadership techniques, and contextual factors. Research indicates that employee performance in banking is influenced by the interaction of psychological traits and organisational circumstances, rather than only by individual effort (Yang & Hung, 2021). Organisational culture, training programs, and employee motivation have continuously shown substantial connections with performance (Afsar & Ali, 2018). Although current models have examined numerous facets of performance, a thorough, multidimensional framework specifically designed for the banking industry is yet inadequately developed (Chughtai et al., 2018; Sultana et al., 2019). This study fills this gap by establishing a framework that incorporates organisational support, employee motivation, leadership methods, and psychological qualities, offering a comprehensive knowledge of performance factors. This research seeks to integrate ideas from organisational behaviour, motivation, and employee performance to address theoretical deficiencies and improve the practical comprehension of performance determinants among bank employees. The results aim to assist managers and policymakers in formulating effective strategies to enhance employee performance and promote organisational success within the banking sector (Abid et al., 2022).

2. LITERATURE REVIEW:

The success of organizations depends heavily on their ability to retain skilled employees, foster motivation, implement effective leadership, and nurture psychological traits that promote engagement and performance. This review examines four key factors—organizational support, employee motivation, leadership strategies, and psychological traits—and their impact on employee performance, drawing on recent research and theoretical insights.

2.1 Organizational Support

Organizational support refers to employees' perception of the extent to which their organization values their contributions and cares for their well-being. This concept is closely tied to Perceived Organizational Support (POS), which highlights employees' beliefs about the support they receive (Eisenberger et al., 1986). Studies indicate that organizational support enhances employee attitudes, satisfaction, and performance by addressing their needs for security, recognition, and rewards. However, Rhoades and Eisenberger (2002) found that POS fosters employee commitment and motivation, encouraging them to exert greater effort in their work. Furthermore, Yang et al. (2021) demonstrated that support mechanisms such as financial incentives, professional development, and recognition significantly influence employee retention and productivity. The Social Exchange Theory (Blau, 1964) reinforces the idea that reciprocal exchanges of resources between employees

and organizations build trust, loyalty, and engagement. These findings underscore the importance of policies and initiatives that visibly demonstrate organizational care and value.

2.2 Employee Motivation

Employee motivation encompasses the internal and external factors that drive individuals to pursue goals and achieve results. It is a crucial determinant of both job performance and organizational success. Motivation is broadly categorized into intrinsic motivation, driven by personal satisfaction and interest, and extrinsic motivation, influenced by external rewards like incentives and recognition (Deci & Ryan, 2000). On the Research consistently shows that motivated employees demonstrate higher levels of engagement, productivity, and job satisfaction (Gagné & Deci, 2005). Self-Determination Theory (Ryan & Deci, 2000) highlights the importance of autonomy, competence, and relatedness in fostering motivation. Both extrinsic rewards, such as promotions and bonuses, and intrinsic factors, like opportunities for personal growth, help align employees' efforts with organizational objectives. Brewster et al. (2021) emphasized that intrinsic motivation is particularly crucial in dynamic and challenging work environments, linking it to employee well-being and sustained performance.

2.3 Leadership Strategies

Leadership strategies significantly influence employee attitudes, behaviors, and overall performance. These strategies refer to the methods and approaches leaders use to guide and inspire employees toward organizational goals, ranging from transformational to transactional leadership styles.

Transformational leadership, as defined by Bass (1990), motivates employees by appealing to higher ideals, fostering innovation, and creating a shared vision. Conversely, transactional leadership relies on structured systems of rewards and penalties to maintain performance. Studies by Judge and Piccolo (2004) reveal that participatory and supportive leadership styles positively impact employee engagement, motivation, and organizational commitment.

Recent research also highlights the role of effective leadership in enhancing communication, trust, and employee satisfaction (Northouse, 2018). Leaders who leverage emotional intelligence (EI) are better equipped to adapt their strategies to align with employee needs, fostering a positive organizational climate conducive to high performance.

2.4 Psychological Traits

Psychological traits refer to stable individual characteristics, including personality, cognitive abilities, emotional intelligence, and resilience, that influence behavior and performance. Traits such as locus of control, self-efficacy, risk-taking, and achievement orientation play a significant role in shaping employee performance (Judge et al., 2002).

For instance, individuals with a high internal locus of control (LOC) believe they can influence outcomes through their efforts, often exhibiting greater motivation and job satisfaction (Rotter, 1966). Similarly, self-efficacy, or belief in one's ability to achieve specific outcomes, is linked to persistence and improved performance (Bandura, 1997). Psychological traits also affect how employees respond to challenges, adapt to changes, and engage in proactive organizational behaviors, aligning with Bandura's Social Cognitive Theory, which emphasizes the role of personal beliefs and self-perception in driving behavior and performance.

3. OBJECTIVES OF THE STUDY

The main aim of this study is to create a thorough conceptual framework that identifies and examines the critical aspects affecting bank workers' performance. The study seeks to systematically elucidate the factors influencing employee performance by integrating human characteristics, organizational support, leadership tactics, and contextual elements. This framework aims to direct future research and provide practical insights for managers and policymakers to improve workforce productivity, employee satisfaction, and organizational success in the evolving banking sector.

4. Conceptual Model

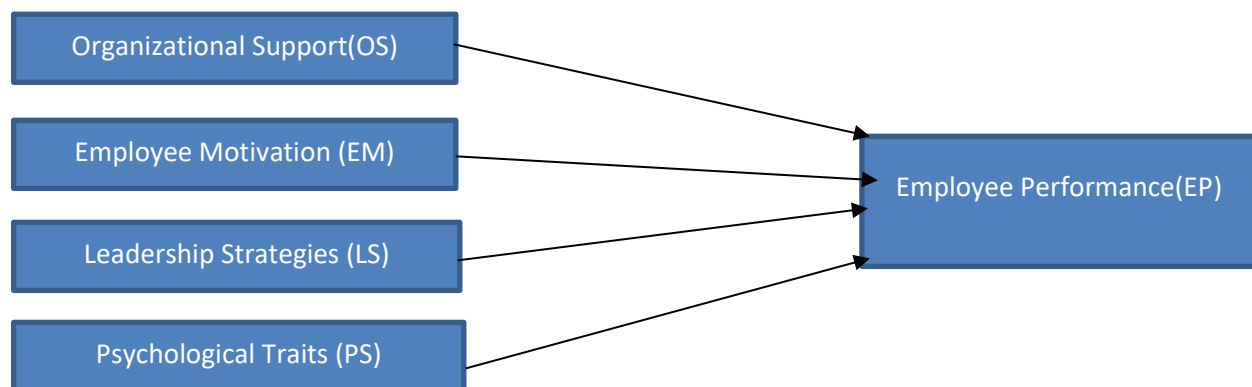


Figure 1: Conceptual Framework

5. Methodology of the study

This study involved the extensive collection of data from various credible academic and professional sources to guarantee a thorough and balanced analysis. Essential databases and platforms, such as Scopus, Google Scholar, Research Gate, the ABDC (Australian Business Deans Council) journal database, and Emerald Insight, were employed to gather pertinent literature and empirical research. These sources offered access to high-quality, peer-reviewed articles, research papers, and theoretical frameworks crucial for comprehending the aspects affecting bank workers' performance. The study utilizes several authoritative sources to integrate a wide range of ideas, so establishing a comprehensive

conceptual framework that corresponds with contemporary trends and academic progress in organizational behavior and performance management.

6. DISCUSSION

This study seeks to investigate and define the principal factors influencing the performance of bank personnel. The framework delineates four essential variables: Organizational Support (OS), Employee Motivation (EM), Leadership Strategies (LS), and Psychological Traits (PT). These variables collectively provide insights into improving employee performance in the banking business. Organisational Support (OS) pertains to employees' attitudes of the extent to which their organization appreciates their contributions and prioritizes their well-being. In the banking sector, where personnel frequently face strenuous workloads and elevated client expectations, organizational support is essential. Supportive practices, like employee appreciation, professional growth opportunities, and clear communication, profoundly influence job happiness and loyalty. When employees see appreciation and encouragement, they are more inclined to exert more effort, so enhancing overall performance and aligning their endeavors with the organization's objectives. Employee Motivation (EM) encompassing both intrinsic (personal happiness) and extrinsic (rewards or incentives) factors, is a crucial determinant of performance. The repetitious and arduous nature of banking duties might lead to a decline in motivation over time. Consequently, management must establish reward systems and career advancement prospects that motivate personnel. Motivated personnel exhibit enhanced dedication, productivity, and concentration, resulting in superior performance. Elements such as consistent performance evaluations, advancements, and competitive rewards help cultivate a pleasant and motivated workplace culture. Leadership strategies are essential in cultivating a work climate that fosters high performance. Effective leaders employ tactics that promote clarity, inclusivity, and motivation. Transformational leadership in banking, which inspires people through vision and purpose, has demonstrated significant efficacy. Transactional leadership, which prioritizes compensation and performance-driven results, can also foster success in task-oriented settings. Leaders who mentor staff, promote decision-making, and uphold open communication substantially enhance job performance and engagement. Psychological traits such as resilience, emotional intelligence, adaptability, and self-confidence are essential for personnel in high-pressure environments, such as banking. Bank staff often encounter stress, stringent deadlines, and difficult relationships with clients. Employees with robust psychological qualities are more adept at navigating problems, managing stress, and maintaining concentration on their responsibilities. Emotional intelligence allows employees to manage emotions and empathize with clients, resulting in enhanced client connections. Resilient employees can recover from setbacks and sustain consistent performance levels. Comprehensive Framework and Practical Consequences This theory illustrates that a synergy of organizational support, leadership methods, employee motivation, and psychological attributes substantially impacts employee performance. Organizations that cultivate a supportive atmosphere, apply effective leadership strategies, and attend to the psychological needs of their employees are more likely to achieve enhanced performance outcomes. Banks should implement a holistic strategy for staff management. For instance: investing in leadership development initiatives to enhance managerial efficacy, instituting reward systems that

align employee needs with organizational objectives, and offering mental health resources to bolster employees' psychological resilience.

7. CONCLUSION

This study presents a conceptual framework that delineates the primary elements affecting the performance of bank workers, namely Organizational Support (OS), Employee Motivation (EM), Leadership Strategies (LS), and Psychological Traits (PT). These components are essential in influencing employee behavior, improving efficiency, and advancing overall performance in the demanding and competitive banking industry. Organizational support fosters a sense of belonging and worth, incentivizing individuals to synchronize their efforts with organizational objectives. Employee motivation acts as a catalyst for enhanced dedication and efficiency, influenced by intrinsic happiness and extrinsic rewards. Leadership strategies provide direction and motivation, empowering employees to overcome challenges and achieve their maximum potential. Psychological traits, like emotional resilience and adaptability, enable employees to manage stress effectively and sustain consistent performance in challenging circumstances. The proposed framework emphasizes the necessity for a holistic approach to workforce management. Banks that nurture supportive work cultures, apply effective leadership strategies, enhance employee engagement, and bolster psychological resilience are more likely to experience enhanced employee performance and attain long-term organizational success. Subsequent research should empirically examine the links delineated in this framework to yield enhanced understanding across diverse banking contexts and locales. By addressing these characteristics, financial institutions may cultivate a motivated, resilient, and high-performing workforce, so fostering sustainable growth and a competitive advantage in the industry.

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